

Food Security and Budget: The Perspectives of the Marginalized

Atiur Rahman
A K Iftekharul Haque

In association with

Shamunnay Budget Research Team

A K M Muksudul Alam
Enam A Khan
Shah Mahbubul Alam
Akhter Hossain
Abdullah Al Mamun



2/E/1-B Mymensingh Road, Shahbag,
Dhaka 1000, Bangladesh
Phone: +088-02-8610332, 8622320, 8650015,
Fax: +088-02-8622320
E-mail: shamunnay@sdnbd.org, shamunnay@gmail.com
Website: <http://www.shamunnaybd.org>



Introduction

The issue of food security has recently attained increased global attention. Bangladesh has been facing tougher challenges in this regard as well. If the pace of inflation, particularly the food inflation continues unabated, the poverty situation will surely worsen our country as well. The upcoming budget will, therefore, have to keep the issue of food security at its centre. The recent experience of public distribution of food targeting the very poor, though not bad, remains a challenge when its effectiveness is considered. Thanks to the bumper *boro*, food price has been temporarily stabilized. But given the international food price, increased input cost and political uncertainty, it is not easy to obtain a longer term calm in the food front.

Given the backdrops, this study tries to review the Public Food Distribution System in Bangladesh and examines its seasonal and regional responsiveness to vulnerable groups and finally suggests some policy options for budget to maintain food security in Bangladesh.

Brief concept of food security

According to the World Food Summit (1996), “food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food which meet their dietary needs and food preferences for an active and healthy life”. FAO Committee on World Food Security defines food security as “When all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life” (FAO 1983). According to the World Bank definition food security is “Access by all people at all times to enough food for an active, healthy life”(World Bank 1986).

Beyond the scope of food supply, the term food security includes access, sufficiency, vulnerability and sustainability. Comprehensive definition of food security includes availability, access, and utilization by all people at all times to enough food for an active, healthy life (Rahman et al 2005). Availability of food is determined by Domestic production, external trade and efficiency of distribution through markets and other channels. Household’s income and govt. transfers, assistance from relatives and friends, remittance from abroad and assistance from NGOs determine access to food. And

individual food preferences, health, and environmental factors affecting absorption of food determine utilization of food.

There is no easy way of measuring food security. It is a multifaceted problem and caused by factors related to agro-ecology, environment, socio-economic and sometimes political conditions. At the national level, food security is determined by the availability of enough resources for the whole population (Amin and Farid 2005). However, National availability of food does not necessarily ensure household access to food. Even when aggregate food supplies are more than the required amount, poor households or individuals may not have the access to required amount of food due various types of entitlement failure (Sen 1981). In conceptualizing food security it must be addressed that a country can be food secure at the national level, but have a considerable number of food insecure households. Food insecure households can generally be identifiable in regional and socio-economic terms.

Overall production or availability of food grain cannot be a proper indicator of food security. It does not reflect the accessibility of the vulnerable groups. Factors like income level, seasonal joblessness, lack of food and other assistance program may prevent them from obtaining enough food.

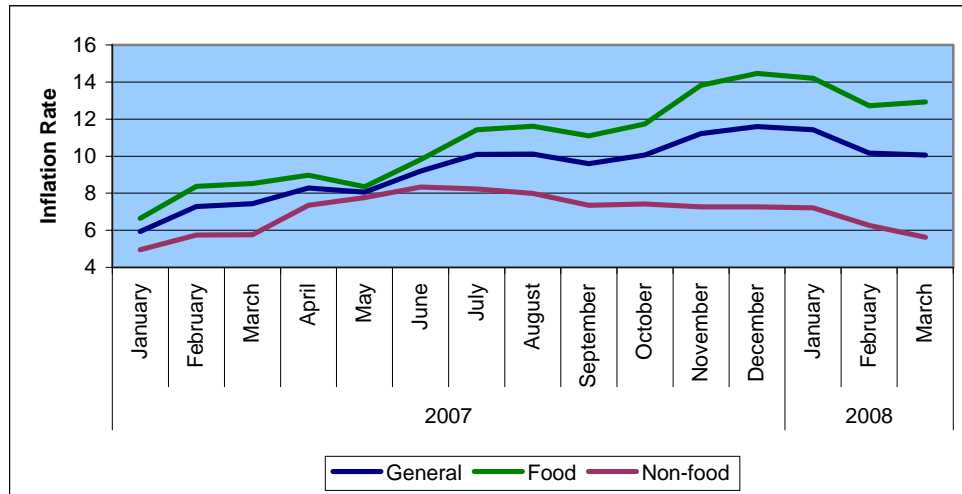
Food security may have chronic or transitory dimension. Chronic food insecurity occurs when people consistently consume diets inadequate in calories and other essential micro nutrients. This often happens due to inability to access food through production, purchase or aid. Transitory food insecurity refers to a temporary shortfall in food availability and consumption. Temporary food insecurity is led by factors like fall in income, increase in food prices, shortage of production, temporary shortfalls due to natural disasters like floods, droughts, and other natural calamities, etc (Dash 2005).

Recent Food inflation in Bangladesh

Bangladesh is facing the problem of higher rate of inflation. Rising rate of inflation has become a matter of serious concern in recent times. It is not a problem of Bangladesh only. inflation remains high all over the world specially in Asia mainly because of the rising food price. Figure 1 shows that from January 2007 to December 2007, inflation in Bangladesh rose to 11% from 6%. Whereas food inflation was doubled from 7% to more

than 14%. This rising rate of food inflation affected the low income groups more severely. It is affecting the poverty incidence in a negative way. If inflation remains at this rate for a longer period, our achievement of poverty reduction will be indeed reversed. This high food inflation creates food insecurity for a large number of people under extreme poverty.

Figure 1 : Point to Point Inflation in Bangladesh



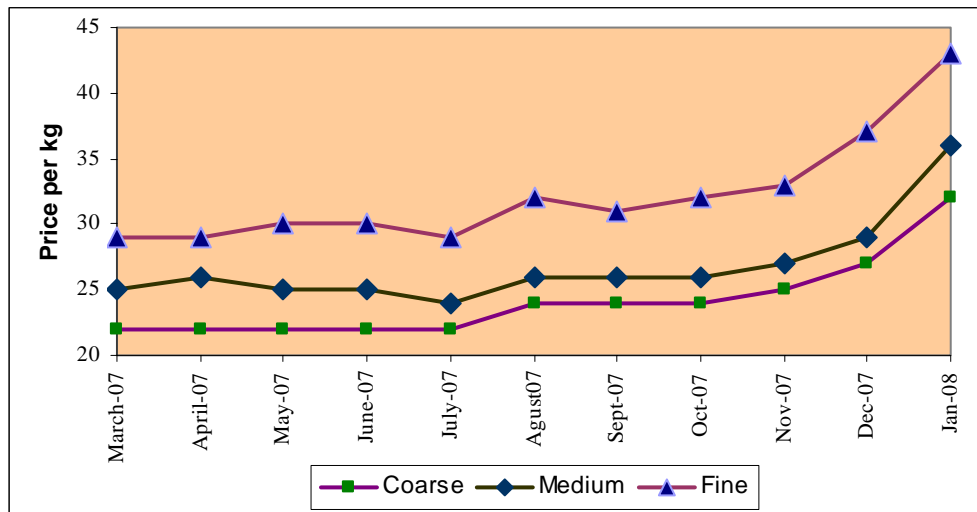
Source: Bangladesh Bureau of Statistics web site

Arif cannot attend school three days in a week as he has to go to BDR shop to buy rice. His father is a day labourer and his mother works as maid servant. As both of them are unable to manage time to come to BDR shop, Arif has to manage time by missing school. His parents also cannot afford to finance for his books and stationeries. The quality of diet of their family deteriorated severely. His education life is under threat due to the prevailing high level of rice price.

Prices of all necessary food commodity increased sharply in recent times. Retail prices of all varieties started to rise from the beginning of the year 2007-08 and it shows a sharp rise after the natural disaster called SIDR in November 2007 (Figure 2). This situation will continue until the harvest of Boro crop. However it is assumed that even the bumper harvest of boro will not lower the rice price to a great extent. Because of the increased import price and higher input cost, a bumper harvest of boro may only stable rice price for few days. However, it may ensure the national availability of rice and may reduce the

import dependency. The role of the government as an importer and domestic procurer is, of course, crucial here. The price will not be volatile only if government steps in as a strategic supplier as and when situation demands so.

Figure 2 : Price Dynamics of different Varieties of Rice (Retail)



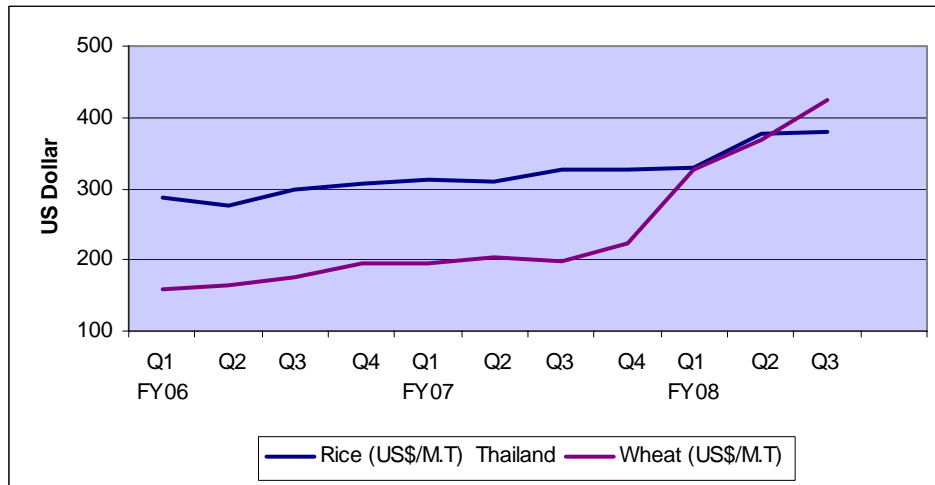
Source: Department of Agricultural Marketing, MoA

Runa is Garments worker living at Mirpur, Dhaka. She has a family with seven members. Among them three members are employed. Even then they are facing hardship due to rice and other food commodities price hike in recent months. She comes to BDR shop to buy coarse rice at TK 2 which is available outside at TK 36. However she has to take leave for two hours from her workplace to come to BDR shop. She does not get leave everyday. If she cannot manage to come to BDR shop (Which opens at 8 AM and closes at 5 PM) she has to go back home without rice. Four KGs of rice are needed for her family. If she can manage to buy rice from BDR shop she can save TK44. Because of the price hike of essential commodities her family members cut other expenditure drastically. Even they switched from a balanced diet. Before they were used to have meat once a week however they cannot afford to buy meat now days. It is impossible for her now to save some money at the end of the month.

Prices of essential commodities also increased sharply in the international market. Both Rice and Wheat price showed a sharp increase. This was due to a combination of factors – in recent years, demand for food grains has increased sharply in the rapidly expanding

economies of China and India. Also, many farmers in developed countries have recently switched from production of rice and wheat to grains used in biofuels, such as maize, due to the availability of increased government subsidies for biofuels

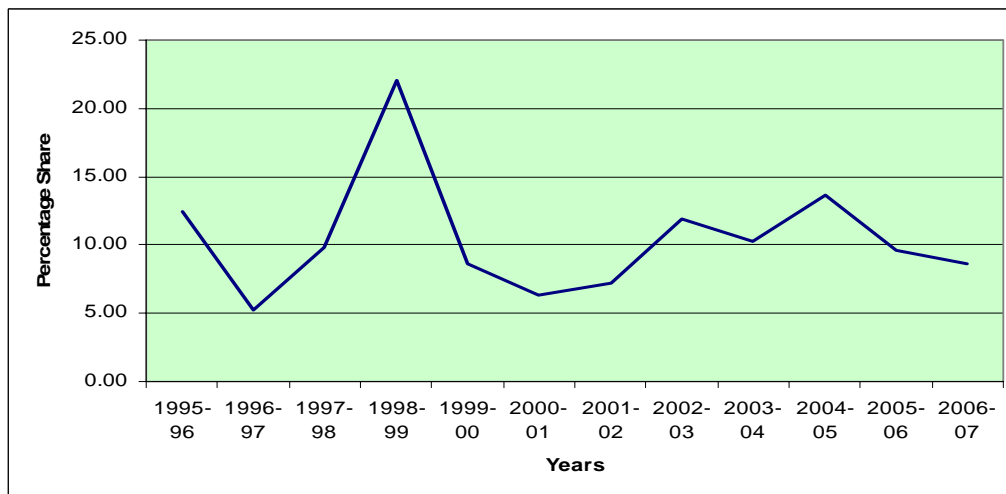
Figure 3: Price of Wheat and Rice in International Market



Source : Bangladesh Bank Quarterly , April,2008

Figure 4 shows the share of imports in total food grain availability. In recent years the share varied between 8 to 12 per cent of total food grain availability.

Figure 4: Share of Imports (Including Donation) in total Food Grain Availability



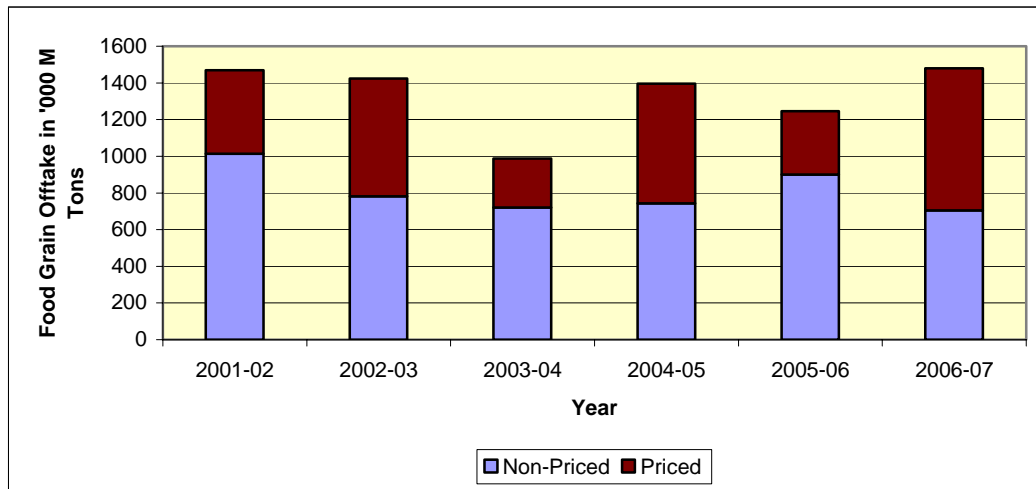
Source: Authors' calculation from FPMU Food Situation Reports

Public Food Distribution System (PFDS) in Bangladesh

Food Assisted Programs (FAPs) are mainly public sector programs aimed at employment generation, rural communication infrastructure development, skill training, health and nutrition improvement, and social awareness building and direct income transfer to

reduce consumption shock during and after natural disasters. The volume of distribution under these programs showed a declining trend until 2003-04 and then it started to increase after 2004 floods. The volume of the PFDS was still at 1.4 million ton at 2006-07. However non-priced food distribution is showing a declining trend.

Figure 5: Yearly Total Off take Through PFDS



Source: FPMU Food Situation Reports

The Public Food Distribution System (PFDS) in Bangladesh can be broadly grouped into two categories: Priced or Monetized distribution and non-priced or non-monetized distribution.

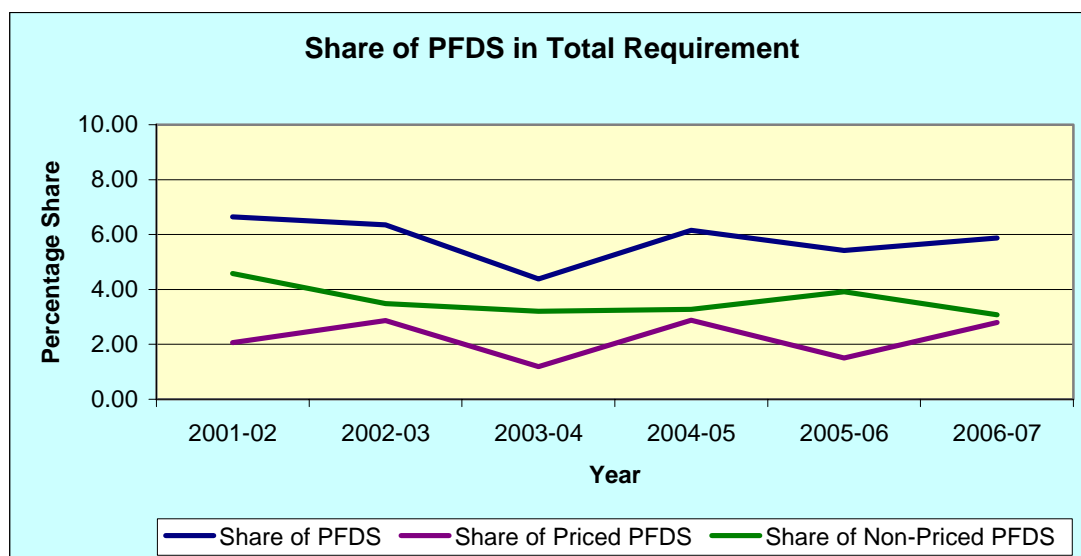
Again the priced distribution can be categorized into Targeted Sales Channels and Non – Targeted Sales channels. Targeted programs provides foods to special occupations through: Essential Priority (EP), Other Priority (OP) and Large Employee Industries (LEI). The target group of EP are the members of armed forces and Para military forces and hospital and jail inmates. Food grains sold in this channels are heavily subsidized. The price charged to beneficiaries amount to 15% of the procurement cost (Dowla 2002). Workers in fire and civil defence programs are offered rice and wheat quotas below the market price under the scope of the OP program. The LEI program supply food grains at a price equal to the Open Market Sales (OMS) price. The non-targeted sales channels are mainly aimed to stabilize supply condition and market prices. Flour Mills (FM), Free Sales (FS) and OMS program are examples of non-targeted sales. Approved flour mills

receive wheat at the OMS price under FM. OMS program is undertaken to make food grains available in the market during price hike and supply shortage. Under the OMS program food grains are sold in small quantities at prices below the market prices.

Food For Works (FFW) program, Vulnerable Group Development (VGD) Program, Vulnerable Group Feeding (VGF) Program, Gratuitous Relief (GR) and Test Relief (TR) Programs are examples of Non-monetized food distribution program in Bangladesh. Food For Works program aims to provide employment to the rural poor during the lean periods and creates rural infrastructure. VGD program targets destitute rural women. Most of VGD women receive development inputs like skill training, health and nutrition training, and social awareness building through membership in women's group. NGOs are complementing government and donor inputs, particularly in providing training and extension services and organizing groups. VGF is essentially a safety net program for the poor, lasts for few months after an area is hit by natural disaster. It also functions regularly in lean periods in chronic poverty pockets. GR Program functions as a short run food security in time of catastrophes. TR is carried in lean periods or post-disaster periods for creating employment and maintaining rural small infrastructure. The wage is paid in kind.

The share of food grain distribution in total requirements by PFDS varies between 4 to 6 per cent in the recent years. This certainly constitutes a very low proportion of food grain market. It cannot be expected that with this capacity the government can intervene into the market properly to make food grains available in the market during price hike and supply shortage with this very low amount of distribution

Figure 6: Share of PFDS in Total food grain Requirement



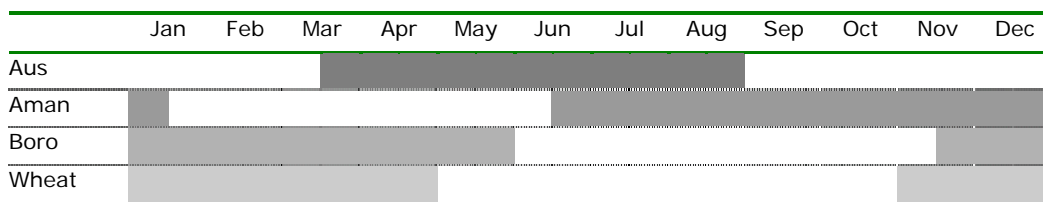
Source: Authors' calculation from FPMU Food Situation Reports

Seasonal food insecurity and PFDS in Bangladesh

It has already been discussed that food security has a temporal dimension. Food insecurity is *chronic* when a population has a long-term inability to acquire sufficient food. *Transitory* or current food insecurity exist when a population faces a temporary decline in food consumption. Transitory food insecurity can lead to chronic food insecurity (WFP 2002) if there are multiple natural calamities.

According to the cropping calendar (Figure 5) in Bangladesh rice is harvested three times a year. Aman harvested between mid-November and January, Boro between April and May and Aus between June and August. Wheat is harvested between March and April. During the period March – April and October – December Rice prices remain very high. As a result, there are two lean seasons : March-April and October-November. During October-November, agricultural employment dips sharply, which makes the lean period particularly severe. The most affected are the rural landless who depend on wage labour for their income (WFP 2002). However in 2007-08, because of the huge amount of Aman crop loss due to floods and SIDR, food crisis started from January. In March-April of 2007-08, the situation became harder for the vulnerable groups compared to previous years.

Figure 7: Cropping Calendar (rice and wheat)

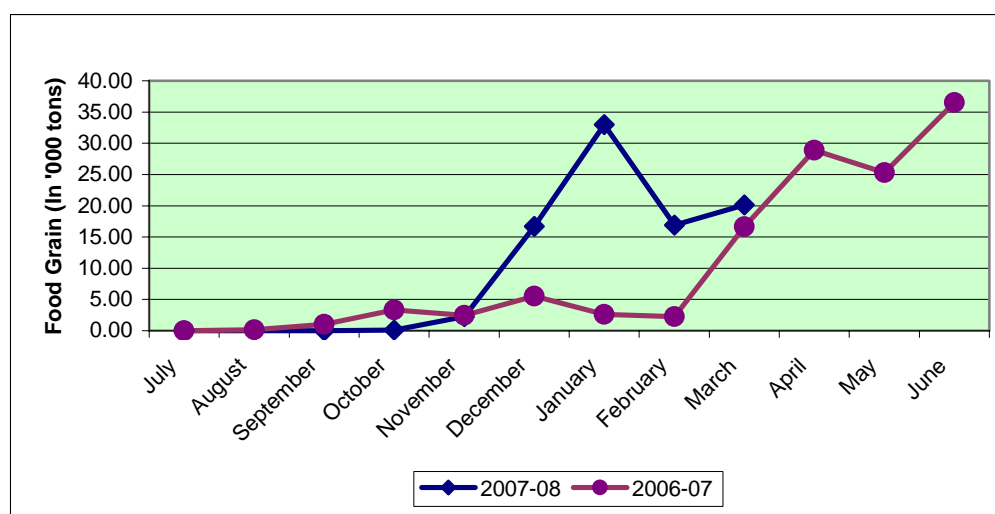


Source: WFP

It is expected that government food security programs should take these vulnerable periods into consideration when implementing these programs.

Figure 8 shows the monthly distribution of FFW program throughout the country. In both FY2007 and FY 2008 it is observed that the FFW program was at very low level at October –November. In December 2006 it was almost at the same level of preceding months. However in December 2007, the distribution through FFW program increased to somewhat 16000 M Tons. In 2006-07, distribution through FFW started to rise from March and continued to increase during the rest of the year. However, in 2007-08, the FFW activities peaked up in January but decreased in March. Considering the lean season the FFW activities should be higher in October-December and March-April as agricultural employment dips down in these periods. Boro harvesting normally starts from May. Rural agricultural wage laborers start getting works from May as well. However, it is found that in 2006-07, FFW activities were very high in May-June which was needed more in October-November.

Figure 8: Monthly Distribution of FFW Program



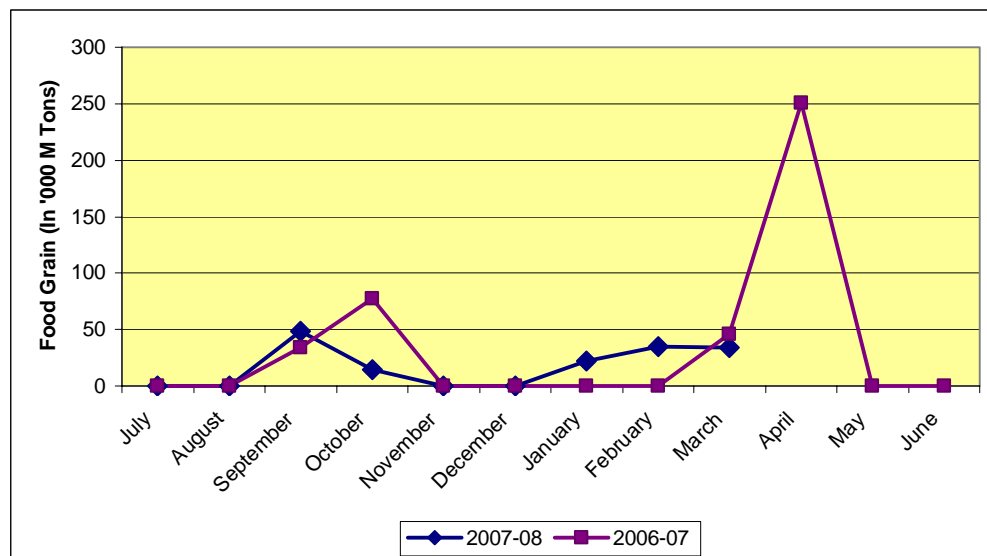
Source: Weekly National Food grain Situation Reports, Directorate General of Food, GOB

The poor implementation of FFW in the first half of the fiscal is linked with poor implementation of Annual Development Plan. It is already known that only 23 % of ADP

was implemented in the first half of 2007-08. It is often the case that the first few months of the fiscal year are spent only in the process of finalizing the tender and procurement rather than any actual physical work (Raihan and Khan 2008).

For OMS program also it was found that activities were insignificant in October-November for both 2006-07 and 2007-08. In April 2006-07 OMS peaked up .Whereas in 2007-08, OMS program started to increase from January after a sudden hike of rice prices. Yet the OMS program distributed less than 50 thousand tons per month on an average from January, 2008.

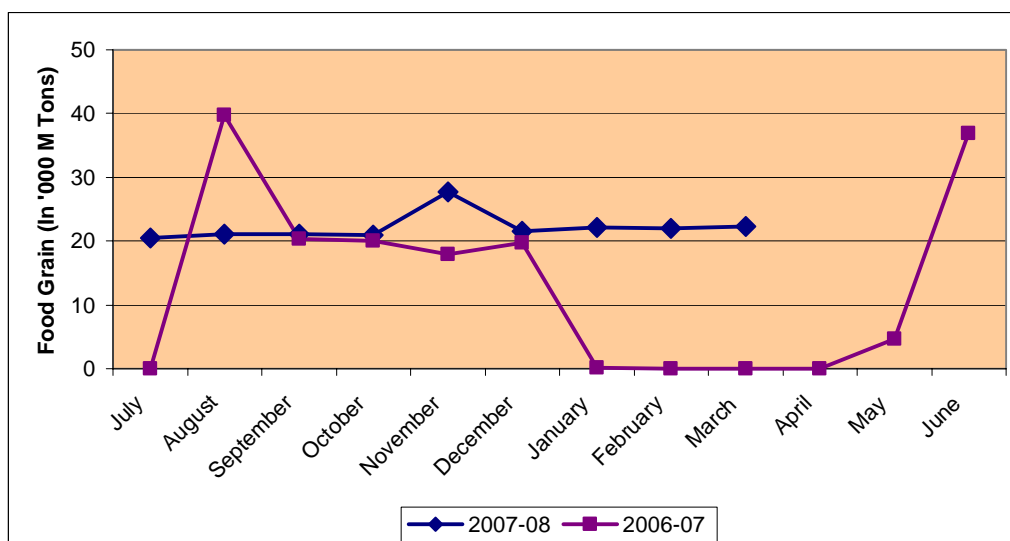
Figure 9: Monthly Distribution of OMS Program



Source: Weekly National Food grain Situation Reports, Directorate General of Food, GOB

VGD program targets destitute rural women. In 2006-07, the distribution of food grains through this program remained 20000 M Tons during October-November. However, it dropped to a very low level from January to April and then rose sharply in May. In 2007-08, the VGD program remained at the same level from the July to March except November. It is assumed that the distribution through VGD program increased in November to support the SIDR affected population.

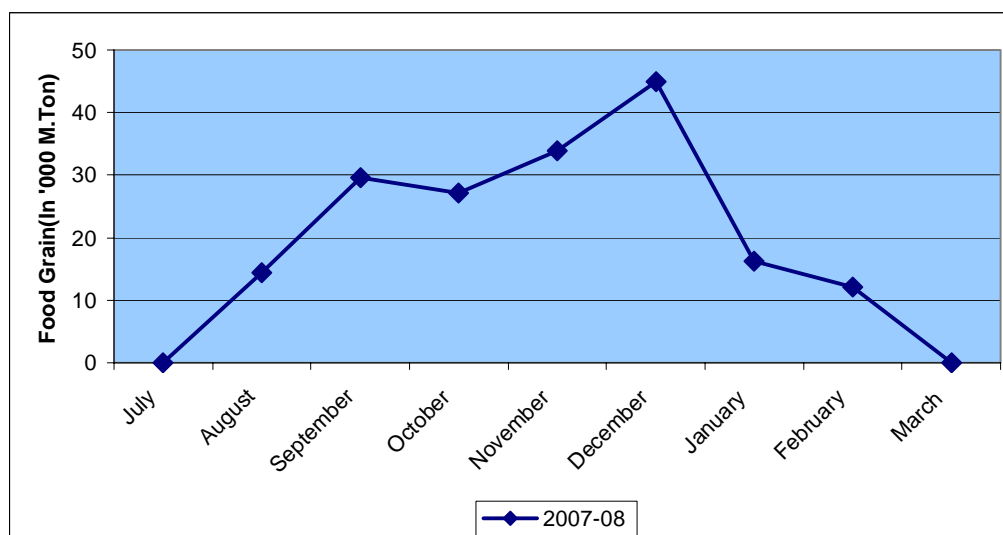
Figure 10: Monthly Distribution of VGD Program



Source: Weekly National Food grain Situation Reports, Directorate General of Food, GOB

VGF program is mainly undertaken as a safety net program to assist the vulnerable groups affected by natural calamities. The first half of the 2007-08 was severely affected by floods and cyclone SIDR. Figure 11 shows that food distribution through VGF program started to increase from floods period and peaked up after SIDR. However, it is argued that the response of the government was not adequate during floods.

Figure 11: Monthly Distribution of VGF Program



Source: Weekly National Food grain Situation Reports, Directorate General of Food, GOB

From the above discussions it can be concluded that the non-priced food distribution system of Bangladesh is less responsive to lean seasons. Rather the concentration of distribution peaks up at the end of the fiscal year. As a result, the food assisted programs are less likely to generate employment and ensure food security during lean seasons.

Spatial Pattern of Food Insecurity and PFDS in Bangladesh

Planning Commission, Bangladesh Bureau of Statistics and the UN World Food Programme undertook a program titled 'Mapping and Characterizing Food Insecurity and Vulnerability in Bangladesh' to contribute to a better understanding of the spatial patterns of food insecurity, poverty and malnutrition in the country. This initiative identified six clusters of areas in Bangladesh having a high or very high level of food insecurity. These clusters are the North-west, the Northern Chars, the Drought zone, Sylhet haor basin, the Coastal belt and the Chittagong Hill Tracts (GOB and WFP, 2004). The distribution of food assisted programs and seasonal variation will be discussed in this section.

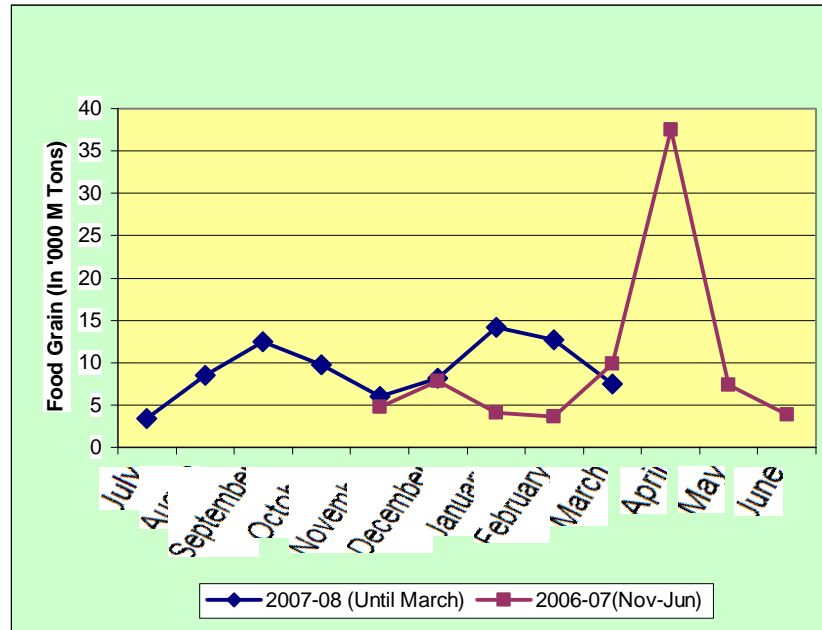
The North-west

Dinaajpur, Thakurgaon, Panchagarh, Rangpur, Lalmanirhat and Nilphamari- these six districts constituted the North-west food insecure zone. Interestingly this zone is a food production surplus area where agriculture is the prime source of employment. Despite this, because of the unequal distribution of land, low agricultural wages, absence of major industries and natural disasters a large proportion of population of this area remains food insecure. This area is affected by a very pronounced lean season, known as 'monga', from October to November each year. Many poor people of this region survive in the lean season by taking loans from money lenders and by selling future labour at a lower rate. As a result, they have to bear the burden of the lean season throughout the year.

Figure 12 shows the monthly off take of food grains in the North-West districts. In 2007-08, it is observed that food distribution rather decreased at October –November and increased after January and again reduced in March. In the previous year, food

distribution started to increase in March and peaked in April which shows the severity of the food insecurity at the end of the lean season. Here also we see a food distribution system non-responsive to lean season. The volume of food distribution should be raised from the beginning of lean seasons to match the demand for it,

Figure 12: Monthly Off Take of Food grains in the North-west Districts



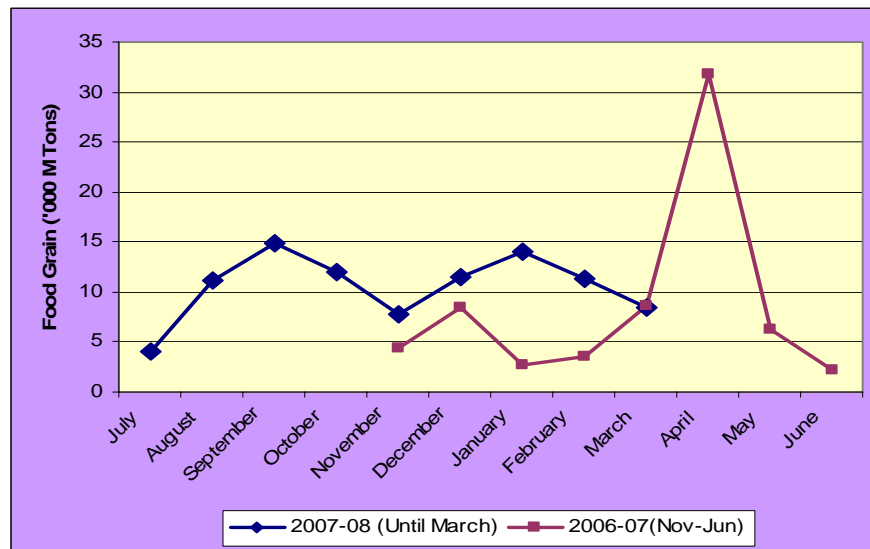
Source: Weekly National Food grain Situation Reports,
Directorate General of Food, GOB

The Northern Districts with Chars

Kurigram, Gaibandha, Sirajganj, Jamalpur and some portion of Bogra are included into this region. The Northern Chars are unstable lands concentrated around the Brahmaputra and Jamuna rivers. The population of this region is highly food insecure. Because of the sandy soil this area is not suitable for cultivation and yields are very low. During winter months a few crops like rice, wheat, chillies and peanuts are grown in this area. Most of the people living in chars are functionally landless and sharecrop the land owned by the absentee landlords. Almost half of their income goes to the land lords as rent. Most people living in this area can barely manage to have two meals a day and during lean season. Many people can only manage one meal a day (GOB and WFP, 2004).

It is observed from the Figure 13 that in the year 2007-08, food distribution was reduced in the lean seasons. However distribution was higher before and after the lean season. As rice price suddenly hiked in January, the increase in food distribution in this month was rational. However, decreasing the amount in March increased the sufferings of the vulnerable people.

Figure 13: Monthly Off Take of Food grains in the Northern Districts with Chars



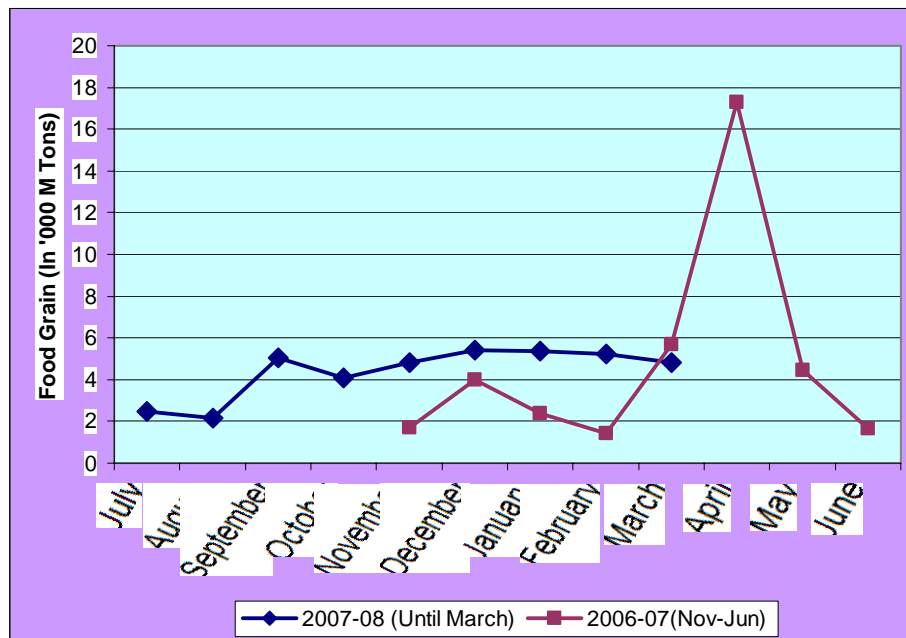
Source: Weekly National Food grain Situation Reports,
Directorate General of Food, GOB

The Drought zone

The west most parts of Rajshahi, Nawabganj and Naogaon are included in the drought zone. This zone suffers from extremely hot summer and a relatively long dry season which lead to poor crop production. There is severe inequality in land distributive patterns in this area and the wage rates of agricultural labour are also very low. In hot season agriculture production is devastated in this zone because of high temperature, low annual rainfall and soil moisture deficiencies (GOB and WFP, 2004).

Figure 14 shows the pattern of monthly off take of food grains in the drought zone. It is observed that the amount of food distribution is very low in this zone. However distribution of food is somewhat higher in the year 2007-08 compared to 2006-07.

Figure 14: Monthly Off Take of Food grains in the Drought Zone



**Source: Weekly National Food grain Situation Reports,
Directorate General of Food, GOB**

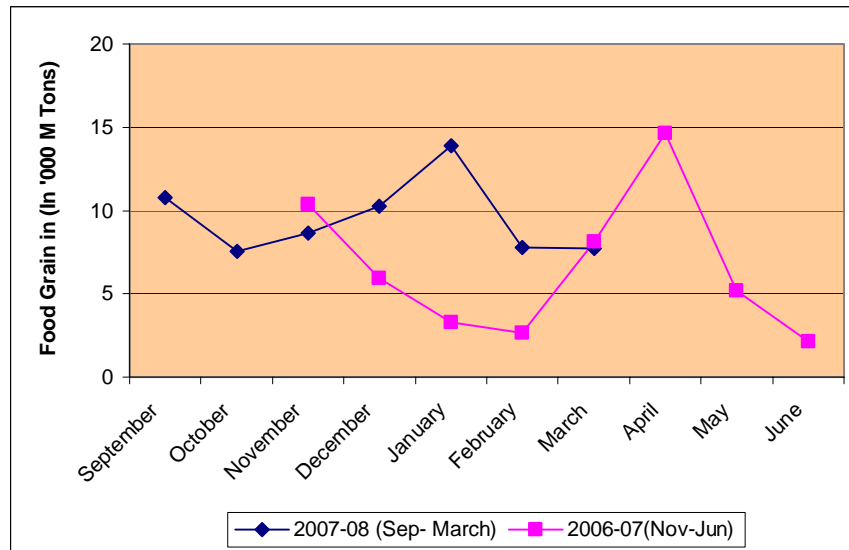
The haor basin

Kishoreganj, Netrokona, Sunamganj, Habiganj and some portion of Sylhet constitute the haor basin. This area has different characteristics of cropping pattern. Although, some crops are grown in the winter season, most of the cultivable land remains under water during from May to October. Moreover flash flooding occurs at the end of the dry season often affecting the boro crop severely which is the main livelihood for the most of the poor people of this area. As Boro is the only crop grown in this region, there is a long non-agricultural lean season after the harvest of boro. Most of the people (surely male) usually migrate to places where aman cultivation is possible and others usually work as labours in fishing industries.

As the road communication system is disrupted during the monsoon it is very costly and difficult to continue food assistance program in this region. As most of the area remain under water program like FFW become impossible in this region. Figure 15 shows a sharp decline in food distribution after April. It is observed in the figure 15 that from

December to March of FY 08, food distribution was higher than the same period of the previous year.

Figure 15: Monthly Off Take of Food grains in the haor basin



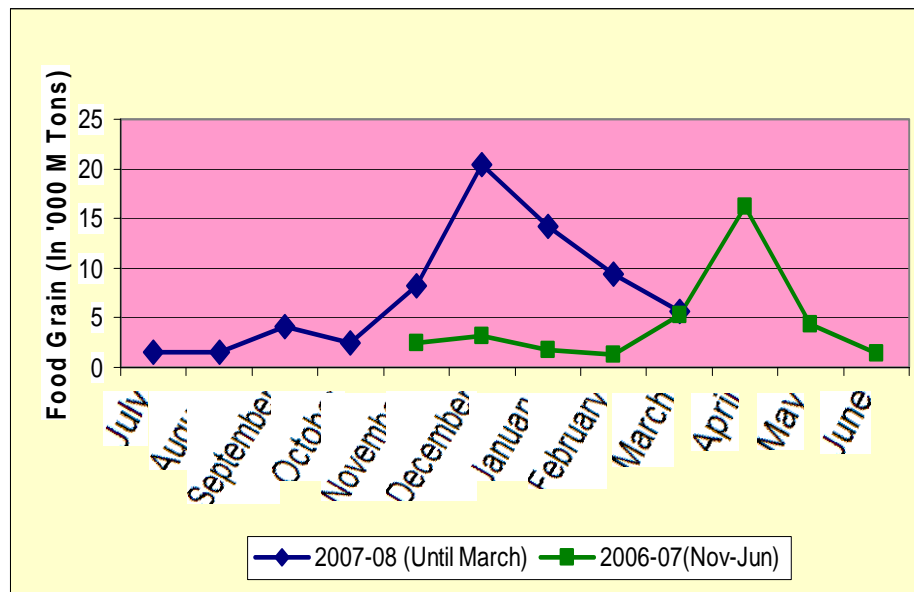
Source: Weekly National Food grain Situation Reports, Directorate General of Food, GOB

The Coastal belt

The coastal belt includes Bhola, Patuakhali, Barguna and Noakhali districts. This area includes some large and small islands and many charlands. River erosion, salinity, and repeated natural disasters make this area highly food insecure. The main occupation in this area is agricultural production. However, half of the people are functionally landless. Because of the absence of manufacturing factories and cottage industries in this area its other scope of employment is very limited. As a result a high rate of migration takes place in this area during non-agricultural season.

Figure 16 shows that food grains offtake at coastal belt increased after the SIDR November, 2007. However, in the other months of the year food distribution remains at a very low level although the population experiences severe food insecurity. Governmental response only occurs after disaster in this region. Food assisted programs should consider other factors like lean season specially in the char lands in this region.

Figure 16: Monthly Off Take of Food grains in the Coastal belt



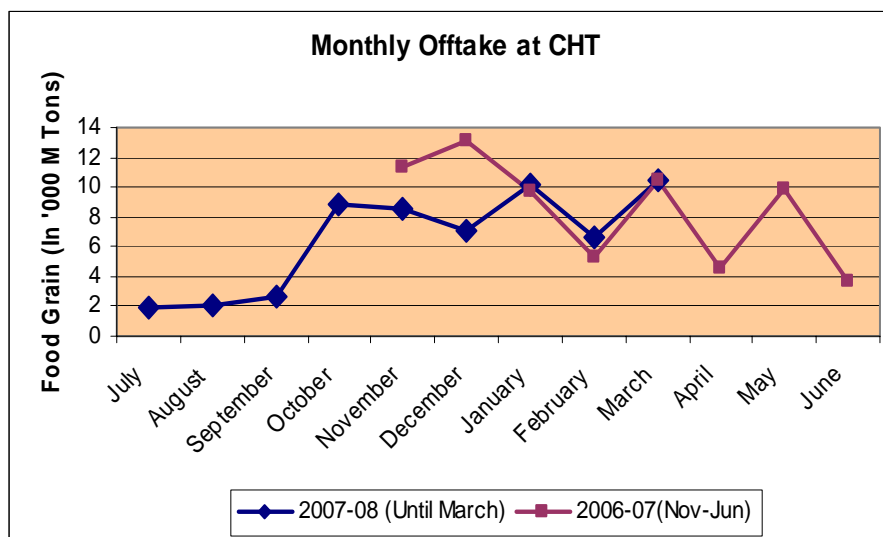
**Source: Weekly National Food grain Situation Reports,
Directorate General of Food, GOB**

The Chittagong Hill Tracts

The Chittagong Hill Tracts districts (Rangamati, Khagrachhari and Bandarban) are facing severely by chronic food insecurity. The lack of access to cultivable land is a major problem in this area. As a result the CHT suffers from low production of food which ultimately leads to food insecurity. Because of the communication problem, poor infrastructure and security issue private investment is much lower in the CHT which narrows down the scope of employment in this region.

The distribution of public food assistance in CHT is much higher than other areas which is assumed to be driven by Essential Procurement (EP) for huge number of deployed military force.

Figure 17: Monthly Off Take of Food grains in the CHT



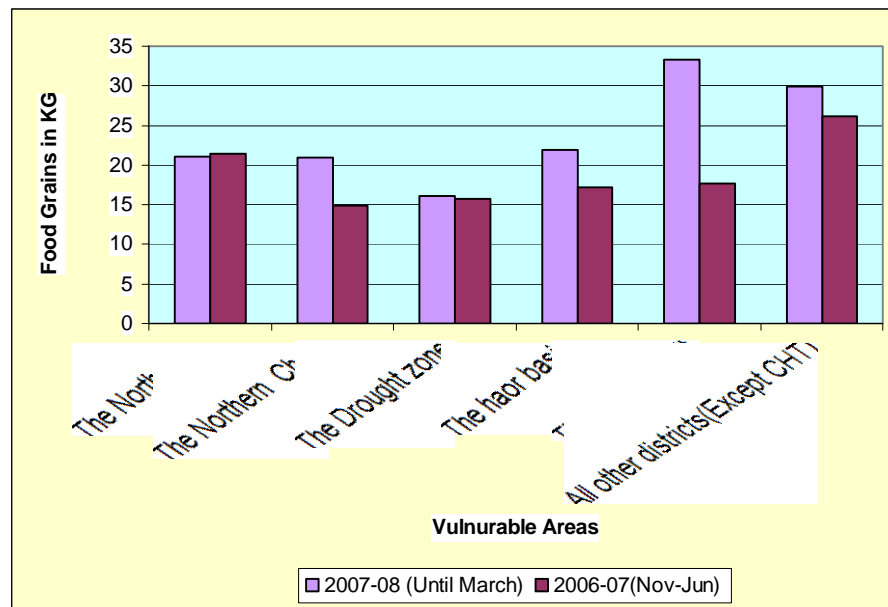
Source: Weekly National Food grain Situation Reports, Directorate General of Food, GOB

Regional Variation of PFDS

Spatial dimension of food insecurity discussed above motivated us to examine the regional variation of PFDS programs undertaken by the government. Because of the unavailability of Thana level data this exercise was done using the district level data of extreme poverty and district level off take. Certainly Thana level data could provide more accurate picture of this phenomenon. Per Capita allocation of Food Grains through PFDS for people under extreme poverty was calculated for the vulnerable districts and these were compared with the same indicator of all other districts. It is observed from the figure that Per Capita allocations of Food Grains through PFDS for people under extreme poverty were very low compared to the other districts in 2006-07 (November to June). However, the amounts increased in some of these regions in 2007-08 (July to march). The figure shows that the allocation in the coastal belt increased drastically in the year 2007-08. It happened due to the government's relief response to cyclone SIDR. The information of the CHT is missing from the figure which accounts per capita allocation of 129 KGs in 2007-08 and 151 KGs in 2006-07. It was discussed earlier that due to heavy deployment of military personnel, Essential Procurement might have pulled the figure so

high. Though district level data were used to calculate however it points out the insufficient allocations in the vulnerable districts.

**Figure 18: Per Capita allocation of Food Grains through PFDS
for people under extreme poverty**



Source: Authors' calculation from BBS, WFP and DG Food

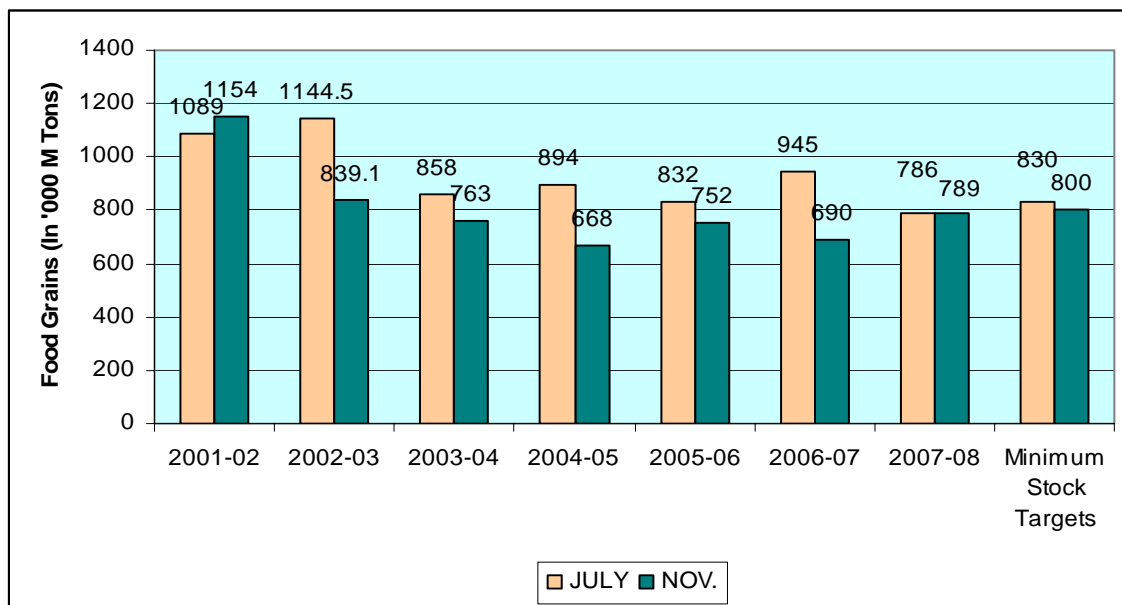
Seasonal Stocks of PFDS and Preparedness

Seasonal stocks of PFDS should be determined very carefully considering the issues of disaster, lean seasons, harvesting seasons etc. Dorosh and Farid (2003) calculated seasonal net PFDS stock targets for Bangladesh (Figure 19 and 20). They indicated four key points during the year at which minimum end-stock levels are important: July, November, January and March. At the end of July Sufficient stocks are needed for preparedness of floods. Because of the possible failure of aman procurement end-November stock targets are also important. End January stock target is also critical because of the possible needs for rice market stabilization in the event of poor *aman* harvest (Bangladesh experienced the problem this year). As boro and wheat harvest and procurement begin in April, Stock targets are lowest for end-March.

Figure 19 and 20 compare the targets and real stocks of food grains in four important points. Figure 19 shows that from 2001-02 to 2006-07 end July stocks were always higher than the targets (830 thousand M tons) and 2007-08 the end July stock was a bit lower than the target. However, for end November stocks, after 2002-03, the real stocks never reached the target (800 thousand M Tons) but in 2007-08 it was marginally less than the target.

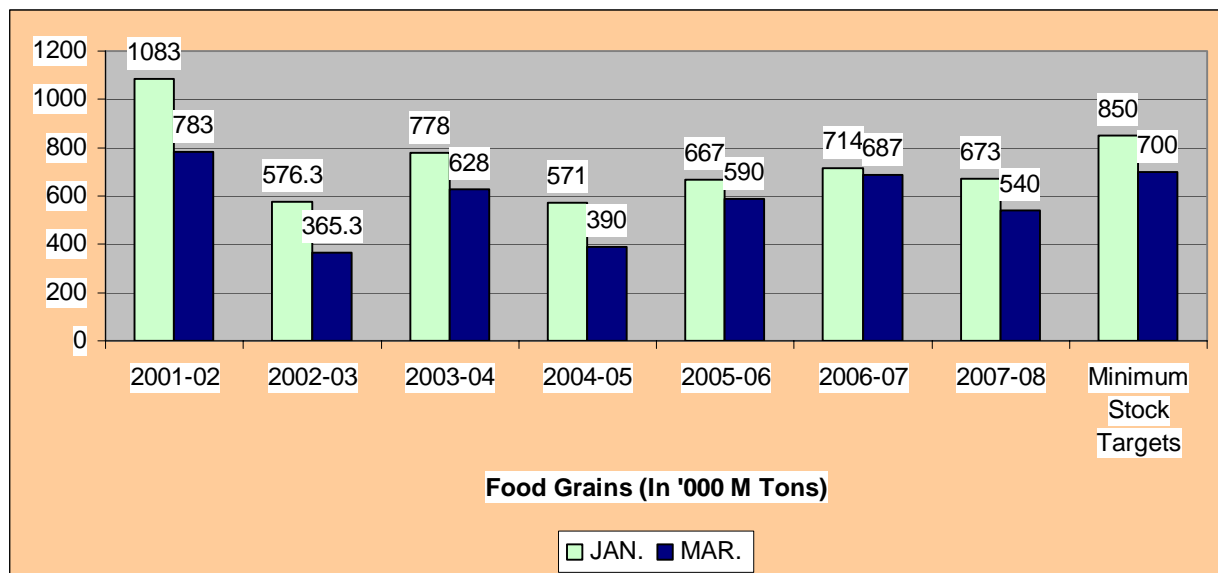
Figure 20 shows that after 2001-02, the end January stock target (850 thousand M tons) was never met and in 2007-08 the real stock was 177 thousands M Ton less than the target. This higher gap played a vital role in creating the vulnerable situation in last few months. For end March stocks, after 2001-02 the real stocks were always less than targets.

**Figure 19: targets and real stocks of food grains at
End July and End November**



Source: FPMU Food Situation Reports

**Figure 20: targets and real stocks of food grains at
End January and End March**



Source: FPMU Food Situation Reports

Budget and Food Security: Policy Suggestions

Proposal for Public Food Procurement and Distribution:

- Government should allocate more funds for increasing the stock of the food grains. In the year 2007-08, government allocated Taka 4760 crore to procure 23,17,000 tons of food grains. It is obvious that due to higher price of food grains in both domestic and international market government failed to procure the targeted amount of food grains with the allocated fund. The Daily Star (May 5, 2008) reported that government is going to set a target to procure 34 lakh M Ton of rice and wheat from local and international market in the coming fiscal. As international price of food grains remain very high and a bumper harvest of boro is almost certain, the govt. may have to depend mainly on internal sources for procurement. To procure 34 lakh M Ton of rice the government will need at least Taka 9520 crore if the procurement is possible at current price of rice. Govt. targeted to procure 15 lakh M Ton of boro in this season. It will require at least TK 4200 crore . If rice price in domestic

and international market continues to increase then more funds will be needed for procurement. Budget should consider these issues.

- PFDS must consider the seasonal factor of food security. Earlier it was showed that PFDS is operated ignoring the factor of lean season. Food for Work should be promoted more because it creates employment and generate development activities at the same time. This, of course, prerequisites timely implementation of ADP.
- PFDS must consider the spatial dimensions of food security. GOB and WFP already prepared a Vulnerability Assessment Map. That map should be followed considering the number of extreme poor in the most vulnerable regions in distributing the PFDS. Mind it, *Monga* like situation is not only a phenomenon of Northern Bangladesh There are many other regions of deprivation with differentiated lean seasons (e.g. CHT lean season starts in May unlike Northern Bangladesh where it is normally starts in October).
- Government has to maintain the minimum targets of food stocks during the critical points (July, November, January and March). A re assessment of stocks targets should be made.
- We have public storage capacity of around 15.5 lacs M Tons and our effective capacity is 14.7 lacs ton. In 2007-08, monthly end stocks varied between 36 per cent to 53 per cent of the effective capacity. So lack of storage facilities cannot be an excuse of less stocks.
- Government's food grain procurement policy should be flexible. Govt should not be rigid at the declared procurement rate. Because private rice millers will offer a better rate than the government. The government may declare a floor price for procurement and can be flexible in ceiling. And procurement process should be made easier and hassle free. Citizen monitoring of the procurement process may be encouraged.
- A task force should be constituted to assess, monitor and forecasting the food status of the country. Why the last year's TK 350 crore could not be utilized should also be looked at.

Proposal for Agricultural Sector:

- Budget should allocate higher funds for agricultural research to invent higher yielding varieties of food grain.
- Government should provide agricultural credit subsidy (on interest) to the farmers. For example, if the bank charges 10 per cent interest from the farmer, the govt. can pay the 5 percent to the bank and the remaining 5 per cent could be paid by the farmer.
- Because of the threats of natural disasters and other calamities (Like Bird Flu) farmers should get the facilities of agricultural insurance. Insurance companies should be provided with cash incentives from the government.
- Budget should allocate funds for the better training facilities for the agricultural extension workers. Female extension workers have to be recruited to respond the need of the women farmers who are now playing significant role in agriculture.
- In order to promote proper use of fertilizers the govt. should import light technologies like Leaf Color Chart (LCC). This year the govt. ordered two lacs of LCCs. However the number is very low compared to the number of farmers.
- Govt. should provide enough incentives for production of bio fertilizer by supporting livestock farming particularly in char areas. Extension activities around production of bio fertilizer should be increased using electronic medias (e.g. mobile, television, telecenters etc.)
- Govt. should charge zero tariff on imports of agricultural equipments like drum seeder, LLC etc.
- Allocation should be made for procurement of better quality seeds.
- Agricultural inputs should be made available in the markets. The current distribution channel of the fertilizers has been proved to be inefficient. Fertilizers can be sold in open market or through farmers' CBOs or co-operatives. To implement that these CBOs and Co-operatives should be registered to proper govt. authority.

- Pricing policy of fertilizer can be reexamined. It is more important to make fertilizer available in the market. Dr Mahabub Hossain and Dr Uttam Deb (2007) showed that urea price can be readjusted provided the availability is increased at farmer's doorsteps.

References

Amin, Md. Ruhul and Naser Farid (2005), “Food Security And Access To Food: Present Status And Future Perspective, Food Security In Bangladesh: Utilization, Nutrition And Food Safety” in *Food Security in Bangladesh*, Dhaka: MoFDM and WFP.

Dash, Bal Paritosh (2005) “Regional food security experience: Lessons learnt from India and Timor Leste, Food Security In Bangladesh: Utilization, Nutrition And Food Safety” in *Food Security in Bangladesh*, Dhaka: MoFDM and WFP.

Dorosh, Paul A. and Naser Farid (2003) “Implications of quality deterioration for public food grain stock management and consumers in Bangladesh”, MSSD discussion paper no. 55.

FAO. (1983). “World Food Security: a Reappraisal of the Concepts and Approaches. Director General’s Report.” Rome: FAO.

GoB and WFP (2004) “The Food Security Atlas of Bangladesh”, Dhaka: GOB and WFP.

Raihan, Selim and Enam A Khan (2008), “A Critical Evaluation of the Annual Development Program in Bangladesh”, Bangladesh Economic Outlook, Vol 1, No. 3, Dhaka: Shamunnay.

Sen, Amartya (1981), “Poverty and Famines: An Essay on Entitlement and Deprivation”, Oxford: Oxford University Press

Rahman, Shah Mahfuzur, Md. Asirul Hoque, Md. Ruhul Amin Talukder (2005), “Food Security In Bangladesh: Utilization, Nutrition And Food Safety” in *Food Security in Bangladesh*, Dhaka: MoFDM and WFP.

WFP (2002). “Food Security Assessment in Bangladesh: Issues and Implications for Vulnerability Analysis and Mapping”, Dhaka: WFP

World Bank. (1986). “Poverty and Hunger: Issues and Options for Food Security in Developing Countries”. Washington DC.: The World Bank

