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PL 480 TITLE III

BANGLADESH FOOD FOR DEVELOPMENT PROGRAM

ANNUAL EVALUATION FOR FY 1988

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This report reflects only the views of the evaluation team members and does not necessarily reflects the views of their respective agencies. (W:0540D)

GLOSSARY

AID	U.S. Agency for International Development
BBS	Bangladesh Bureau of Statistics
BDG	Government of Bangladesh
BSFIC	Bangladesh, Sugar and Food Industries Corporation
BTMC	Bangladesh Textile Mills Corporation
CCC	Commodity Credit Corporation of the USDA
CDSS	AID's Country Development Strategy Statement
DCC	Development Coordinating Committee of the U.S. Government
EP	Essential Priority
FPA	Food Policy Analysis
ERD	External Resources Division, Ministry of Finance
FAO	Food & Agricultural Organization
FFD	Food for Development
FFW	Food-for-Work Program
FPS	Fair Price Shop
FS	Free Sale
SR	Gratuitous Relief
IF	Institutional Feeding
L/C	Local Currency
LE	Large Employers
MOA	Ministry of Agriculture
MOF	Ministry of Food
MO	Marketing Operations
MR	Modified Rationing
OMS	Open Market Sales
OP	Other Priorities
PFDS	Public Food Distribution System
RR	Rural Rationing
SR	Statutory Rationing
USDA	U.S. Department of Agriculture
USG	United States Government
VGFP	Vulnerable Group Feeding Program
WFP	World Food Program

TABLE OF CONTENTS

I. Summary of Major Findings, Conclusions and Recommendations.....1

A. Introduction.....1
B. Local Currency Generations, Use and Management.....2
C. Local Currency Projects.....5
D. Policy Reform.....7
E. Commodity Issues.....11
F. Program Management.....11

II. Local Currency Generations, Use and Management.....14

A. Report on Local Currency Generations and Deposits.....14
B. The FY 87-89 Agreement: Local Currency Generations and Disbursements.....15
C. The FY 82-86 Agreement: Local Currency Generations and Disbursements.....17
D. Financial Records, Certification and Reporting of Local Currency Deposits and Generations.....18
E. Implications for Local Currency Generations of Commodity Use Offset Provisions.....19

III. Projects and Programs Funded by L/C Generations.....21

A. BDG Budgetary Process.....21
B. Project Selection and Monitoring.....23
C. Contribution of Local Currency Projects to Food Security..25
D. Special Uses of Local Currency.....27

IV. Policy Reform.....30

A. Domestic Procurement Program/Incentives to Farmers.....30
B. Open Market Sales Program/Maintenance of Reserves.....38
C. Reform of the Public Food Distribution System (PFDS).....45
D. Food Planning and Monitoring Unit (FPMU).....50
E. Introduction of Maize.....53
F. Internationally Accepted Procurement Procedures.....55
G. Private Sector Participation in Imports.....55
H. The Cotton Sector.....56
I. Vegetable Oil.....56

V. Commodity Issues.....57
A. Rice.....57
B. Early Shipments of Commodities.....57

VI. Program Management.....58

A. Background.....58
B. Management Changes Introduced in the Past Year.....59
C. BDG Management Changes Introduced in the Past Year.....63
D. Management Issues to be Resolved.....66

ANNEXES

A. Evaluation Scope of Work
B. List of Contacts and Interviews
C. Bangladesh Ministries Involved with PL 480 Title III Projects
D. IFPRI Scope of Work
E. Mission Title III Compliance Review Matrix
F. Mission Management Plan (Sections Pertaining to the Title III Program)
G. Description of Public Food Distribution System (PFDS)
H. PL480: Projectwise Disbursements of Title III Funds by BDG Fiscal Year 1979 - 1989 and Total Disbursements
I. PL 480 Title III: Projects Identified for Funding, Disbursements by Project BDG FY 87 and Preliminary Total Project Allocations FY 88 - 90
J. Bangladesh Agencies/Ministries and Donors Involved in Title III Projects
K. Summary Title III Project Monitoring/Tracking Sheet
L. PL480 Title I/III Repayment Obligations of BDG - U.S. FY 88
M. Tables
    1. Production of Foodgrains in Bangladesh, FY 1961-89
    2 Foodgrain Requirement and Grains Availability, 1981-90
    3. Public Foodgrain Distribution System, Bangladesh, FY 79-89
    4. PFDS Offtake of Foodgrains by Channels, Bangladesh, FY 78-89
    5. Bangladesh Foodgrain Inputs (Commercial & Concessional) by Source, FY 81-89
    6. Rice Imports: Commercial and Concessional by Country of Origin, FY 81-89
    7. Wheat Imports: Commercial and Concessional by Country of Origin, FY 81-89
    8. Food Security Reserve Levels
    9 Bangladesh Food Supply Management System, FY 81-89
    10. Ration and Domestic Market Prices of Foodgrains, Bangladesh
    11. Monthly Market Procurement, Ration and OMS Prices for Coarse Rice
    12. Monthly Market Procurement, Ration and OMS Prices for Wheat
    13. Relative Wholesale Price of Major Agricultural Products in Bangladesh, 1973-88
    14 Position of Agriculture in the Annual Development Program, Bangladesh
    15. Production of Main Crops, 1970-87
    16 Foodgrain Production of District, 1970-87
    17. Average Crop Yields
    18. Aus and Aman Production by District, 1970-88
    19. Production of Boro and Wheat by District, 1970-87

20. Public Foodgrain Distribution System Operations, 1970-87
21. Seasonality of PFDS Offtake, 1972-87
22. Public Foodgrain Procurement by District, 1975-87
23. Percentage Distribution of Foodgrain Production and Procurement by District, 1975-87
24. Public Procurement of Aus and Aman Rice and Paddy by District, 1975-87
25. Public Procurement of Boro and IRRI Rice and Paddy and Wheat, 1975-87
26. Jute and Cotton Milling Statistics, 1980-87
27. Production of Selected Industrial Products by Public Sector Corporations, 1972-87
28. Quantity and Value of Major Import Commodities, 1980-87
29. Imports and Exports Volume and Price Indices and Terms of Trade, 1981-87
30. Commercial Fertilizer Distribution, 1970-87
31. Irrigated Area Details, 1985-86
32. Nominal Wages Retail Prices of Rice and Percapita Availability of Foodgrains
33. Food Aid and Grain Imports into Bangladesh
34. Public Food Distribution and Food Aid
35. Availability of Grains, 1972/73 - 1987/88

N. Figures
1. Grain Imports to Bangladesh, 1973-88
2. Public Food Distribution, 1973-88
3. Value of Foodgrain Imports and Export Earnings in Bangladesh, 1973-88
4. Value of Foodgrain Imports as a Percentage of Total Foreign Exchange Receipts
5(a) Imports and Offtake of Foodgrain in July-Nov each year
(b) Price of Coarse Rice, 1972-87
6(a) Availability of Foodgrains, 1973-88
(b) Availability Percapita (lbs,), 1973-88
7 Monthly Coarse Rice Price Trend
8. Monthly Wheat Price Trend
9. Monthly Rice Price Trend
10. Deflated Retail Wheat and Rice Prices
11. Daily Foodgrain Price Trends, Flood'88
12. Daily Foodgrain Price Trends, Flood'87
13. Monthly Coarse Rice Retail Price, BDG FY 83-89
14. Monthly Wheat Retail Pricee, BDG FY 83-89
15. Monthly Balance in Private Sector Storage and Monthly Open Market Sales by DGF, 1984/85-Foodgrain
16. PFDS Offtakes by Specific Channels
17. Offtakes by FFW and Relief Channels
18. Offtakes by Modified Ration Channels
19. Open Market Sales Operation by Volume

I. SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

A. Introduction

Bangladesh has had three consecutive PL 480 Title III programs. The first agreement covered the period fiscal year (FY) 1978-81 and has been completed. The second agreement covered the period FY 1982-86. Although the last commodities were provided in 1986, the Government of Bangladesh (BDG) has not yet fully complied with the Agreement which requires that it deposit the local currency sales proceeds from those commodities and that it use those proceeds in prescribed activities. This evaluation includes an assessment of BDG progress in meeting these outstanding responsibilities. The third Title III program began in FY 1987, and it is the principal focus of this evaluation which was carried out in Bangladesh between November 3-17, 1988.

The Scope of Work for the evaluation is attached as Annex A. This evaluation report is divided into five areas: a review of local currency generations, deposits and disbursements; a review of the local currency project portfolio; an assessment of the BDG's compliance with policy reforms to which it committed itself in the Agreement; a review of commodity issues, and an assessment of program management.

The evaluation team consisted of two representatives each from AID/W and USDA. The BDG named two persons to be the primary contact persons for this evaluation and generously provided briefings and information which the team needed. The evaluation team interviewed key BDG officials, representatives of other major food donors and U.S. Mission staff to solicit their views and recommendations. However, unless specifically attributed to others, the views expressed in this report are those of the team members and are not necessarily those of the Agency for International Development, the U.S. Department of Agriculture or any other USG or BDG institution.

In carrying out the evaluation, the team reviewed the reports of previous evaluations of Title III programs in Bangladesh. The team also had access to a variety of relevant consultant reports and studies commissioned by USAID, the BDG Ministry of Food (MOF) and other donors.

The evaluation team expresses its appreciation for the support and hospitality of the many Bangladesh and American officials contacted during the preparation of this report.

B. Local Currency Generations, Use and Management

1. Reporting of Local Currency Generations and Deposits

The reporting of local currency generations and deposits is much improved compared with previous years.

2. Special Accounts

The Price Waterhouse team has informed the Mission that prior to July 1988 the BDG utilized only a ledger account for Title III local currency generations, and the BDG did not maintain that account up to date. Moreover, that account did not constitute a bank account which segregated those resources from all other BDG resources.

This situation was partially rectified in July 1988 when the BDG established a new separate depository account in the Bangladesh Bank for the FY 87 agreement, as was required by the fourth amendment to the that agreement. Local currency generations from both the FY 82-86 and FY 87-89 agreements are now being deposited into that account. However, the BDG should segregate the local currency funds generated from the FY 82-86 agreement from the funds pertaining to the FY 87-89 agreement. This will require that the BDG open a second special account in the Bangladesh bank and transfer to it the undisbursed balance for the FY 82-86 agreement. The BDG is already establishing new procedures to ensure that proceeds from rice and wheat sales are transferred quarterly to the special accounts. The BDG has begun to provide monthly bank statements showing deposits and disbursements.

3. The FY 87-89 Agreement: Local Currency Generations and Disbursements

At the time of the evaluation the cumulative value of FY 87-89 agreement is $147 million. The agreement requires that local currency be generated and deposited not later than one year from the end of the quarter in which CCC disbursements took place. Under this provision, deposits of $41.6 million in local currency, which corresponds to the first CCC disbursements made in the fourth quarter of U.S. FY 1987, were due for deposit as of September 30, 1988.

The agreement also provides that the BDG can eliminate the deposit requirement if it meets stipulated grain stock targets and thereby earns Commodity Use Offset. In fact, the BDG has submitted a request for $24.4 million of commodity use offset for 176,293 MT of wheat and 27,463 MT of rice that arrived in Bangladesh in the fourth quarter of FY 1987. The commodity use

offset eligibility conditions have been met (certification is in process) and will also obtain for the next two quarters as well. The remaining $24 million of FY 87 rice and wheat shipments (266,961 metric tons and 30,300 metric tons respectively) will qualify for commodity use offset.

As a result of this commodity use offset, we anticipate that the BDG will be required to deposit sales proceeds of only $10 million each for cotton and vegetable oil into the special account to meet the deposit requirement pertaining to the FY 87 shipments. If the BDG also meets the storage target on July 1, 1989, FY 88 foodgrain shipments under the agreement would also be eligible for commodity use offset, and the amount of local currency deposits required would be reduced by a similar amount.

The BDG has already generated and deposited $45 million of taka, and an additional $57 million of taka is expected from foodgrains marketed through agreed channels during the July-October quarter. The DCC has agreed that the excess of sales proceeds above the $20 million required to cover FY 87 vegetable oil and cotton sales may be applied to the 1982-86 agreement.

4. The FY 1982-86 Agreement: Local Currency Generations and Disbursements

The total CCC value of commodities shipped under the FY 82-86 agreement was $368.1 million. Amendment 13 to that agreement established September 30, 1989 as the deadline for completing deposits and disbursements that can qualify for currency use offset.

Judged by certified reports transmitted from the Mission to the Commodity Credit Corporation (CCC) of the USDA, progress in generating and disbursing additional local currencies to make up the shortfall was less than expected during Bangladesh Fiscal Year 1987/88. Cumulative deposits and disbursements as of June 30, 1988 totalled $215.0 million and $143.0 million respectively of local currencies, leaving approximately $153 million to be deposited and $225 million to be disbursed.

However, as noted above, certification is near for an additional $45 million in local currency deposits for BDG FY 1988 that had not been reported earlier, and the BDG has also submitted documentation for local currency deposits of about $57 million corresponding to the first quarter of its FY 1989 (July-September, 1988). This level of currency generation represents a significant improvement over past years. If these amounts are certified, approximately $97 million may be applied to the FY 82-86 agreement, leaving only an additional $56

million in local currencies to be generated under that agreement by September 30, 1989. The team believes that the BDG will meet that deposit deadline.

With respect to disbursements, the USAID Controller's Office reports that an additional $45 million have been submitted and are in the process of being certified. This will leave about $180 million of local currencies to be disbursed in order to offset the entire $368.1 million in the FY 82-86 program. Although there is reason to believe disbursements will increase significantly over the next 12 months, the evaluation team does not believe that the BDG will be able to utilize this entire amount on sound development projects by the September 30, 1989 deadline. In view of these factors and consistent with the recent "Sense of Congress" legislation, the evaluation team recommends that the BDG be given an additional year to complete disbursements under the FY 82-86 agreement.

5. Improved Record Keeping

The USAID/Bangladesh Controller's Office has devoted much time and effort to improving the records and forwarding the Currency Offset reports. The evaluation team commends this effort.

6. Application of CUO to Currently Due Title I Debt.

To apply CUO to Title I debt falling due, the BDG must request that CUO be so applied. The BDG has not submitted these requests in a timely manner, causing the Title I payments to fall into arrears. At the time of the evaluation, the CCC considered the BDG in arrears approximately $29 million for Title I debt due in FY 1988. The Mission and the BDG are currently preparing the required request to the CCC.

To prevent a recurrence of this problem, the team recommends that responsibility for PL 480 payment due records be transferred from the Mission's Food and Agriculture Office to the Controller's office. The Controller's Office should obtain and transmit the BDG's CUO applications request to the CCC as early in the U.S. fiscal year as is possible. This would allow CCC to apply excess CUO to other Title I debt as soon as it is available. We also recommend that the CCC send the payment notices and amortization schedules directly to the USAID Controller.

7. Implications for Local Currency Generations of Commodity Use Offset Provisions.

If the BDG continues to qualify for commodity use offset, this will greatly reduce the amount of local currency that it needs

to generate, deposit and disburse. Once the BDG has made up the shortfall in local currencies under the FY 82-86 agreement through commodity use offset, local currency generations would be limited to the value of non-foodgrain commodities -- currently cotton and vegetable oil -- provided under the agreement.

The objective for commodity use offset was to encourage the BDG to carry adequate stocks and provide a means for obtaining offset during periods when there was little need for open market sales. It appears that these objectives have been achieved. The evaluation team believes that it is questionable whether the BDG should continue to receive commodity use offset indefinitely for maintaining the level of stocks that has now been achieved. Moreover, BDG requirements for local currencies have increased sharply due to the reconstruction needs associated with the 1988 flooding. For these reasons, the team recommends that the commodity use offset provision be reviewed during the coming year and perhaps phased out at the end of the current agreement.

C. Local Currency Projects

The evaluation team undertook a review of the processes utilized to identify and select local currency projects and programs for funding, the steps taken to monitor individual projects and the contribution of the projects to the program's food security goals. The team concluded that the local currency portfolio, although in need of some improvement, is reasonably well focused and will make a significant contribution to expanding agriculture production. The Mission's monitoring system is being improved and appears to be working adequately.

1. Acceleration of Local Currency Utilization

Although some 38 projects are currently receiving local currency proceeds, utilization of local currency has lagged considerably behind their availability. To accelerate disbursements, the Mission is working with the BDG to expand the approved project list. The evaluation team believes that the Mission's more active involvement in the review and selection of local currency projects will improve the portfolio and enhance its development impact, as well as accelerating disbursements.

2. Quality of the Portfolio

The project portfolio is reasonably well focused on a limited set of important sectors. These include irrigation, agriculture research, input supply and rural infrastructure.

The team's analysis of the portfolio revealed that a considerable number of the irrigation projects were wholly BDG financed, i.e. there was no international donor support. A recent brief review of the irrigation projects suggested that those lacking donor support often did not meet the technical or economic standards donors require. Although the Mission devotes extra monitoring effort to these projects, the team questions whether this monitoring can compensate for design deficiencies and for less stringent controls on implementation. In view of these considerations, the team recommends that the Mission review all non-donor supported projects as soon as practicable and phase-out Title III support for those not meeting acceptable standards.

3. Requirements for Programming and Monitoring Local Currency

The Mission and the evaluation team believe that there is a conflict between DCC pressure to utilize the available local currency resources rapidly and the need to ensure that each activity financed is sound and adequately monitored. As noted above, the team recommends that the BDG be given an additional year to utilize the resources from the FY 82 agreement to ensure that funds are properly utilized. The team also recommends that the Mission continue its recent efforts to tighten-up project selection criteria, even though such changes may make it more difficult to meet the disbursement deadlines. Finally, the team recommends that the DCC continue to press for expeditious conclusion of the FY 82-86 program, but that it be flexible on deadlines if the Mission's insistence on higher quality is a significant factor in causing delays.

The Mission indicated on several occasions that it had difficulty understanding and interpreting the local currency management guidance provided requirements by the DCC, AID/W and AID's Inspector General. The evaluation team recommends that the DCC work together with its member agencies to produce one clear set of local currency management guidelines.

4. Innovative Programming

The team noted the exceptional success of two Title III local currency activities in which the resources go to the BDG's operating budget to finance recurrent costs associated with

USAID Development Assistance projects. This linkage between DA and PL 480 has produced particularly effective development activities and allows some savings in staff monitoring resources.

D. Policy Reform

The evaluation team believes that the BDG has substantially met the Title III program's targets for policy reform. These policy changes will make an important contribution to Bangladesh development.

The policy reform agenda, which focuses on BDG food pricing policies, continues to be relevant and critical to Bangladesh's food security efforts. The specific linkage between the procurement, ration and OMS prices is a particularly strong feature of the policy dialogue and should be retained. Additional analysis, however, is required to support the dialogue in the following areas: (a) foodgrain reserve levels (private and public); (b) procurement/floor prices; (c) initial/trigger OMS prices; (d) introduction of maize to the food distribution system channels; and (e) extent and nature of BDG food subsidies.

1. Reduction of PFDS Subsidies

The BDG has made excellent progress in reducing subsidies in several channels of the PFDS system. Subsidies in the Statutory Rationing and several other channels are now only about 3% of the Open Market Sales price. The agreement calls for the total elimination of subsidies in these channels by September 30, 1989. The team recommends that the Mission and the BDG begin immediately to discuss the steps needed to complete the movement toward this target.

BDG officials informed the team that, even when the subsidies in these channels becomes zero, the BDG will be reluctant to dismantle the ration card system which it believes could be critical to achieving equitable distribution in future emergencies. The team is concerned that maintaining the structure of the old system could lead to the reintroduction of subsidies for middle income families, thereby reversing the very substantial progress that has been realized. The team is hopeful that the BDG and the Mission ensure that this does not occur.

2. Effectiveness of OMS in Moderating Prices

Grain prices fluctuate as a result of changes in domestic supply and demand, imports, availability of substitute commodities, changes in income, price expectations, government intervention in the market and a variety of other factors. Disaggragating the effect of government intervention to moderate price swings is thus difficult. The limited data and analysis currently available suggest that the OMS program has been relatively successful in moderating foodgrain price swings. The stabilizing effects of OMS on wheat prices are more pronounced and obvious than for rice prices. The shortage of rice in the OMS program and the BDG's reluctance in 1987 to raise the OMS price appear to have contributed to the BDG's limited success in stabilizing rice prices.

OMS operational decisions continue to be centralized and somewhat cumbersome. The BDG should consider more decentralized and flexible administrative procedures which would allow OMS managers at regional and local levels to respond more effectively to market conditions.

3. Procurement Prices

Market conditions, increased irrigation and technological advances in Bangladesh have been sufficient to generate increased grain production sufficient to keep pace with population growth but not to reduce the dependence on imports (about 10 percent of grain consumption). In general the BDG's food pricing policy appears to have created weak price incentives for farmers. Ministry of Food analysts argue, however, that higher prices would produce only a small supply response and would cause considerable suffering in millions of low income families. Other elements within the BDG (particularly in the Ministry of Agriculture) have argued for higher prices.

The team found that the data and analysis regarding the "correctness" of the support prices were too limited to draw a definitive conclusion on this matter, and the team urges that more analytical attention be given to this question. The team also recommends that (a) producer prices remain a central Title III policy focus, (b) the formula which links the producer price with the OMS and ration price continue to be utilized in the negotiation process and (c) the Mission and the BDG consider the advisability of multiple (boro and aman) rice price announcements.

4. Procurement Fund

To ensure that there were adequate funds to procure grain for government stocks, the FY 87 agreement provides that up to $20 million in local currency proceeds could be used to establish a revolving fund for grain procurement. However, recent evidence suggests that the Ministry of Food's rice and wheat procurement efforts have not been constrained by a shortage of local currency, and the BDG has been able to raise stocks to desired levels without this special fund. The Title III program helped to make this possible by offering commodity use offset when target levels were achieved. The procurement fund thus appears to be unnecessary, and the team recommends that it not be implemented as part of this agreement.

5. Relief Food Distributions

The strategy incorporated in the Title III program was to reduce subsidies to less needy groups and to increase them to the most needy families. Progress on the first of these objectives is summarized in point #1 above. In accordance with the latter objective, the BDG has increased significantly the volume of foodgrains distributed through the Vulnerable Group Feeding, Food for Work, Test Relief and Gratuitous Relief Channels. Further increases for the most needy are about to be introduced through the new Rural Rationing System (replacing Modified Rationing).

The evaluation team is concerned that (a) these programs may be reaching levels which outweigh the positive subsidy reduction achievements in other PFDS channels and (b) the BDG may not be able to sustain these programs with its own resources in the future. The team recommends that the Mission review the extent to which it should continue to encourage increases in subsidized food relief distributions.

6. Reformed Modified Rationing (MR) System

The BDG appears to have made the MR reforms sought in the Agreement, and the Mission recommends DCC support for the the new MR replacement, Rural Rationing (RR). Before it certifies currency use offset for the commodities which pass through the system, however, the Mission will evaluate BDG effectiveness in preventing leakages (which were estimated to be as high as 65% in the MR system). The evaluation team supports this Mission position which demonstrates responsible caution. However, as noted above, the team is also concerned about the recent rapid expansion of highly subsidized PFDS channels and recommends that the Mission review this issue and its support for subsidized food programs during preparation of the CDSS.

The USAID Mission also recommended that the DCC approve commodity use offset to cover that portion (i.e., 25%) of the RR commodities which will be subsidized by the BDG. (In other words, the BDG would earn loan forgiveness for that portion of RR which is subsidized.) The evaluation team believes that such a certification might inappropriately signal strong DCC approval and support for the RR channel. Futhermore, the BDG will generate adequate local currency from sales in other channels, and therefore it will not be necessary for the BDG to use its own revenues to compensate for the 25% RR subsidy. Thus, the team believes that there is little reason to grant commodity use offset for the subsidy portion, and it recommends against accepting the USAID recommendation to do so.

7. Food Planning and Monitoring Unit (FPMU)

In accordance with the agreement, FPMU has undertaken a considerable amount of food policy analysis. Its output in 1989 should increase further with the arrival of the IFPRI team. The evaluation team noted that no Title III local currency generations have been allocated to this unit. We suggest that USAID and the BDG explore whether providing local currency proceeds to the FPMU is feasible and desirable. We also recommend that the USAID Mission look for other ways to diversify and expand its support for food policy analysis beyond the FPMU.

8. Introduction of Maize

In accordance with the agreement, a considerable amount of research on the feasibility of introducing maize as an alternative crop and as self-targeting food in PFDS distribution channels has been undertaken. Although maize as a component of the Title III commodity mix appears to be several years away, the research results to date are very encouraging. If successful, the introduction of maize into Bangladesh's food system could add diversity to the food system and thus improve overall food security.

9. Private Sector Participation in Food Importing

The BDG has taken some steps recently to allow the private sector to import food into Bangladesh. However, the 20 percent import tax (applicable only to the private sector) and the private sector's lack of adequate storage facilities effectively limits its participation. The team recommends that the BDG reduce or eliminate the import tax and allow the private sector to utilize public sector grain storage facilities. The team also suggests that the Mission and the BDG explore the possibility of having private sector importors participate in future Title III imports.

E. Commodity Issues

1. Cotton. The Bangladesh private textile sector continues to improve, and some mills have developed the capacity to produce a sufficiently high quality cloth to be exported. Although the amount of domestically produced cotton used in textile exports is still very small, that level is expected to grow. If this occurs, the BDG will eventually be in violation of the export limitation provisions of the Title III agreement. The DCC will then have to determine whether cotton can continue to be included in the program.

2. Rice. An increased consumer preference for parboiled rice in Bangladesh has decreased the demand for milled white rice. As a result, the BDG has difficulty selling Title III white rice without discounting the price. The evaluation team recommends that rice supplied under the agreement, if possible, be parboiled.

3. Vegetable Oil. Now that the vegetable oil processing sector has been partially privatized, the Bangladesh Sugar and Food Industries Corporation is more sensitive to the cost of its imports, including those financed under PL 480. As is also the case for cotton, it is important to sign the agreements as early in the U.S. fiscal year as possible in order to allow the BDG importers to make purchases at the most opportune time. The evaluation team recommends that vegetable oil and cotton be included in any early agreement signings.

F. Program Management

1. Organizational Changes Within the Mission.

The Mission has developed a Food Aid Management Plan which considerably expands the use of Mission staff resources to plan and implement the Title III program. Total Mission staff time devoted to the Title III program has increased substantially in the past year, particularly on managing local currency.

2. Management and Accounting for Local Currency Proceeds

The Mission contracted with an international accounting firm to review BDG and Mission system. The work is proceeding well and is already leading to improvements in the control and management of these resources.

3. Project Selection and Management Procedures.

The Mission has developed selection criteria and tougher review procedures to screen potential local currency projects. The Mission's technical staff will review the plans and analyses of projects proposed to see that they have been conducted in accordance with international standards.

4. Delegations of Responsibility.

The evaluation team noted a lack of clarity about whether amendments or PILs are necessary to change the local currency project list and whether DCC clearance is required. The team recommends that the DCC clarify that changes in the local currency project list contained in Annex B can be modified with PILs provided that prior DCC clearance is attained before new projects are authorized. Changes in the project list affected with PILs should be incorporated into subsequent amendments.

5. Programming of Local Currency

To increase the rate of utilization of Title III local currency, the Mission will participate in the BDG's annual planning process. Resources will be overprogrammed to offset the frequent underutilization of budgeted resources.

6. Project Monitoring and Reporting Procedures.

The Mission is improving the flow of project implementation data from the BDG and sponsoring donors. The Mission has developed a report on the status of its monitoring process which shows when it last received financial and physical progress reports and when it last visited the project site. The adequacy of each project's progress is assessed annually and that assessment is used by Mission management to make decisions on the following year's local currency budget.

7. Title III Coordinating Committee

The recently formed Title III Coordinating Committee, which is chaired by the the Ministry of Planning, appears to hold great promise as a focal point for discussing and resolving local currency and policy issues. The committee should strive to meet quarterly.

8. Future Amendments and Agreements.

To permit the BDG and the Mission adequate time to complete the policy and program agenda in the current program and the management reforms now in progress and to develop a new

program, the team recommends that the current agreement be extended through FY 90.

The FY 91-93 proposal should be submitted to Washington by December 1989. The policy agenda for the new agreement should convey our expectation that progress to date (e.g. on reducing subsidies) would be solidified and should include new initiatives to help Bangladesh achieve food security. These initiatives might include measures to improve price stabilization, stock management and the private sector's role in grain importation and storage. The team recommends that the Mission and the BDG seek to structure the agreement so that the policy measures and local currency activities are more complementary. The Mission should consider (in close consultation with the DCC) whether local currency might be programmed to support BDG policy or operating budget initiatives, reducing the need to analyze and monitor numerous projects in the capital budget.

II. LOCAL CURRENCY GENERATIONS, USE AND MANAGEMENT

The 1987 evaluation of the Title III program identified the BDG's lag in generating and depositing local currency under the FY 82-86 program as a major concern. At that time the BDG needed to generate and deposit $257 million in local currency.

To address this problem, the DCC approved the FY 87 program on the condition that local currency generations from sales through the public food distribution system at open market sales prices would increase. Specifically, the DCC expected that by September, 1989, all local currency generations for the FY 82-86 agreement would be deposited into the special account and disbursed, the generation of local currency from commodities provided under the first two years of the U.S. FY 87-89 agreement would be deposited and the pace of local currency generations would be such that no more than one year would elapse between the date of CCC disbursement and the deposit of local currency sales proceeds into the special account.

However, the FY 82-86 agreement was not amended to incorporate these requirements, and little progress was made in improving local currency management. On December 31, 1987, the shortfall in local currency deposits in the special account for the FY 82-86 agreement was still $234 million.

In FY 88 the DCC insisted that the FY 82-86 agreement be amended (Amendment 13) to indicate that all local currencies had to be generated and disbursed by the end of FY 89 in order to be eligible for currency use offset. In addition, the 4th Amendment of the FY 87-89 agreement required all sales proceeds be deposited by the end of the quarter one year after the date of CCC disbursement if they were to be eligible for currency use offset. The 4th Amendment also included provisions for improved reporting of local currency deposits and disbursements, the hiring of an international accounting firm to assess the adequacy of the Bangladesh accounting system, improved project descriptions and monitoring and improvements in program management. Progress on these items as well as the evaluation of specific program objectives are summarized below.

A. Reporting of Local Currency Generations and Deposits.

The reporting of local currency generations and deposits is much improved compared with previous years. Reports are now submitted quarterly to CCC without the long delays which were prevalent in the past. The USAID/Bangladesh Controller is now preparing a certification package for the July-September

quarter. However, the Mission will not submit this package to Washington until problems regarding the special account are resolved.

Several problems concerning the special account were revealed by the work of the Price Waterhouse study (which was about half finished at the time of the evaluation). The Price Waterhouse study determined that the BDG's special account for Title III local currency proceeds (required by the agreement) was only a ledger sub-account (or minor head) of its Foreign Assistance Account. This accounting of deposits and disbursements was not maintained up to date. Further, the Title III proceeds recorded in this manner were not segregated from all other BDG resources as the U.S. Government expects in special accounts.

This problem has been resolved for the FY 87 agreement. A separate special depository account for that agreement was established in the Bangladesh Central Bank in July, 1988, and all local currency generations are now being deposited into it.

The BDG now needs to open a second separate special account in the Bangladesh Central Bank and transfer to it the undisbursed balance from the FY 82-86 program. The Mission indicated that it will request that this be done expeditiously as a follow-up to the Price Waterhouse study. Because the BDG's ledger account for that program is not up to date, the BDG may need to utilize the USAID's records to determine the correct balance to be deposited. The Mission Controller is confident that his records are adequate for this purpose and that they will stand up to audit.

Prior to the Price Waterhouse team's arrival, the BDG Ministry of Food had already undertaken its own review of the process for generating and depositing Title III local currency from wheat and rice sales. That study led the BDG to introduce new procedures to ensure that sales proceeds from eligible channels are deposited promptly into the special accounts. The new system will also provide bank statements so that the Mission can verify deposit and disbursement reports provided by the External Resources Division (ERD) of the BDG.

B. The FY 87-89 Agreement: Local Currency Generations and Disbursements.

At the time of the evaluation, the cumulative value of FY 87-89 agreement was $147 million, including $67 million in FY 87, $60 million in FY 88 and $20 million thus far in FY 89. The commodity composition of the program has included approximately $82 million of wheat (660,000 tons), $25 million of rice (150,000 tons), $20 million of vegetable oil (45,000 tons) and

$20 million of cotton (62,000 bales). (All figures rounded.)

The FY 87 agreement requires that the BDG deposit local currencies by the end of the quarter one year after the corresponding CCC disbursement. As of September 30, 1988, deposits of $41.6 million of local currency were due corresponding to CCC disbursements made in the fourth quarter of U.S. FY 1987.

As an alternative to the currency use offset mechanism, the FY 87 agreement provides that the BDG may request commodity use offset provided that it maintains stipulated stock levels during the year following the arrival of the Title III commodities in Bangladesh. The target stock levels are 900,000 MT on November 1 and 1.1 MMT on July 1.

These stock conditions were met in 1988, and the BDG has submitted a request for $24.4 million of commodity use offset for 176,293 MT of wheat and 27,463 MT of rice that arrived in Bangladesh between July 1 and September 30, 1987. Mission certification is in process. Other FY 87 grain shipments (266,961 MT of rice and 30,300 MT of wheat) valued at about $24 million will also qualify for commodity use offset. Once this commodity use offset is approved, the BDG will need to generate, deposit and disburse sales proceeds of only $10 million each for cotton and vegetable oil (or approximately $20 million of taka in total) to fully offset the $60 million of commodities supplied in the first year of the FY 87-89 Title III agreement. (These figures are summarized in the table on the following page.)

If the BDG also meets the storage target on July 1, 1989, FY 88 Title III foodgrain shipments will also be eligible for commodity use offset. Assuming that that target is met and that the BDG chooses to use the commodity use offset provisions of the agreement, the only local currency generated under the FY 87-89 agreement would come from cotton and vegetable oil sales -- approximately $20 million per year.

The BDG should be able to generate and disburse this reduced level of local currency without difficulty. Deposits in excess of the amount needed to keep the FY 87 agreement up-to-date will be used to eliminate the deposit backlog in the FY 82-86 agreement.

In fact, during its 1987-88 fiscal year, the BDG generated and deposited $45 million of taka, and an additional $57 million of taka is expected from foodgrains marketed through agreed channels during the July-October, 1988 quarter. Thus, recent BDG deposits (when certified) will permit it not only to remain

current on the FY 87-89 agreement, but also to make substantial deposits against the FY 82-86 agreement.

C. The FY 82-86 Agreement: Local Currency Generations and Disbursements

Progress during BDG FY 1987/88 was less than projected in generating and disbursing additional local currencies to make up the shortfall. Out of a total of value of $368.1 million for the FY 82-86 agreement, as of June 30, 1988 the BDG had deposited $215 million in local currencies and had disbursed $143.0 million of local currencies. This left a deposit shortfall of $153 million and disbursement shortfall of $225 million.

As indicated above, however, the USAID Mission now reports that certification is near for an additional $45 million in Bangladesh FY 87-88 local currency deposits that had not been previously reported because of inadequate documentation. The BDG has also submitted documentation for local currency deposits of about $57 million for July-September, 1988, the first quarter of its 1988-89 fiscal year. This level of currency generations represents a significant improvement over past years. Because of the time needed to review documentation provided by the BDG, some of these deposits are not likely to be certified until the end of the December. If these amounts are certified, as much as $97 million could be applied to the FY 82-86 agreement. This would leave only an additional $56 million of local currencies would need to be generated under this agreement by September 30, 1989.

With respect to disbursements, the USAID Controller's Office reports that an additional $45 million of disbursements are also in the process of being certified. This leaves about $180 million of local currencies to be disbursed for projects.

USAID/Bangladesh and the BDG have identified sufficient activities to use this amount of local currencies. However, the BDG has historically not made more than $80 million of disbursements in one year. Although we expect to see disbursements increase over the next 12 months (see Section IV), disbursement of the entire $180 million in local currency will not be possible by the September 30, 1989 deadline.

To address this problem, the Mission will seek DCC approval to amend the FY 82-86 agreement to increase the number of projects eligible for local currency use and to extend the period for making disbursements to September 30, 1990. This would allow prudent selection of local currency funded activities and meet the intent of the recent "Sense of Congress" directive to allow

the BDG more time to utilize local currency proceeds. The evaluation team recommends that the DCC concur in giving the BDG an additional year to complete disbursements under the FY 82-86 agreement.

D. Financial Records, Certification and Reporting of Local Currency Deposits and Generations

The ERD maintains files of government deposit and disbursement orders sent to it by the involved ministries. Copies of these are then submitted to the USAID/Bangladesh Controller for use in preparing the required currency use offset report that is submitted to CCC. The BDG documents are in Bangla and must be translated into English and verified by the by USAID/Bangladesh Controller's Office. The Controller has assigned one foreign service national direct hire employee to obtain and verify the BDG reports. The Mission's Title III office maintains records on CCC disbursements, commodity arrivals, value of the agreement and when payments are due to CCC under each agreement.

One of the principal benefits of this Title III program to Bangladesh is the provision that offset earned by the BDG that is in excess of that which can be applied in the year it is generated to debt payments associated with the Title III program can be applied to debt currently falling due on older Title I programs. With the application of this provision, the Title III program provides the BDG with a double foreign exchange savings: from the Title III commodities which are provided on the most concessional terms (and which might otherwise need to be imported commercially) and from the reduction or elimination of Title I debt payments currently due.

To utilize excess offset in this way, the BDG is required to notify the CCC of this intention not less than thirty (30) days prior to the due date(s) of the payment(s) against which the equivalent dollar value of excess CUO disbursements are to be applied. Although the Mission's Title III office keeps records of payment due dates and reminds the BDG of this requirement, BDG requests have often arrived late. This results in the CCC considering the Title I payments in arrears, even though sufficient excess CUO is available. At the present time, the CCC considers the BDG in arrears approximately $29 million for Title I debt that was due in FY 88 because the BDG has not yet requested CUO application.

The evaluation team recommends that the USAID Controller's Office assume responsibility for maintaining payment due records and for obtaining and transmitting the BDG's request for applying CUO to Title I debt to the CCC. These requests

should be transmitted as early in the U.S. fiscal year as possible. We also recommend that the CCC send the payment notices and amortization schedules directly to the USAID Controller.

As the commodity use offset provision of the agreement is being applied for the first time, the USAID is now developing procedures for reporting on it. The Title III office will need to verify to the Controller which shipments are eligible as well as the dollar value of those shipments so that that amount can be reported to CCC as a disbursement. (The use of the commodity use offset provision has other implication for BDG and Mission monitoring and reporting requirements. These are discussed in the following Section.)

E. Implications for Local Currency Generations of Commodity Use Offset Provisions

It would clearly be inappropriate for any Title III commodities to generate offset more that once. Thus, commodities which generate commodity use offset cannot also generate currency use offset. This implies that the Mission must monitor what happens to the commodities granted commodity use offset.

Title III commodities in BDG stocks which have been granted commodity use offset will eventually either be given away in targetted feeding programs or sold. If commodities which have earned commodity use offset are given away for relief purposes, the BDG should present evidance of this fact to the USAID and should provide assurances that these commodities were not also considered as a donation from another donor. If the commodities in question are sold, the evaluation team believes that the local currency proceeds should be deposited in the special account and used for approved development purposes. The Mission Controller would need to ensure that there is a separate accounting of these local currencies so that they are not subsequently counted for currency use offset when disbursed. Because these local currencies pertain to commodities already offset and would not themselves generate offset, the team recommends that the Mission and the DCC consider allowing the BDG greater flexibility in their use.

As suggested in the analysis presented in II.B above, the BDG's continued utilization of commodity use offset would sharply reduce the amount of local currency that the BDG and the Mission need to program and manage. Once the BDG has made up the shortfall in local currencies under the FY 82-86 agreement, the need for local currency generations would be limited to the value of the non-foodgrain commodities -- currently cotton and

vegetable oil -- provided under the agreement. Such a change has positive and negative implications. It would obviously lessen the considerable management burden which the Mission now faces in monitoring some $60 million per year of local currency expenditures (although the team believes that there may be other ways to reduce this burden). Further, although it would also reduce the Title III program's direct association with the funding of important Bangladesh development activities, it would not diminish the value of the resource transfer to Bangladesh. The Mission may wish to study these and other implications of the commodity use offset as it plans the next Title III program.

These consideration aside, the evaluation team questions whether the commodity use offset provision as now structured should continue indefinitely. The objective of the commodity use offset provision in the FY 87-89 agreement was to encourage the BDG to carry larger stocks and to provide a means for obtaining offset during periods when the supply of grain in the market was ample and prices were sufficiently low that there was little need for the BDG to sell from its stocks. The stock objectives were realized in 1988, and those stocks were of great value to the BDG when the devastating 1988 floods occurred. Those stocks are now being drawn down in the aftermath of the floods and will need to be built-up again before the next monsoon season.

While in this sense the commodity use offset provision has proven exceedingly successful, the continuation of the program as now structured could be viewed as rewarding the BDG repeatedly for simply maintaining stocks at the level achieved in 1988. <u>The evaluation team therefore recommends that the commodity use offset provision be carefully reviewed in 1989 and perhaps phased out in the FY 91 agreement.</u>

III. PROJECTS AND PROGRAMS FINANCED WITH LOCAL CURRENCY

The purpose of this section is to review the process of project selection, programming and monitoring procedures and to consider the probable impact of the local currency program on program objectives.

The evaluation team notes that there has been a considerable transition in Mission and BDG thinking on the question of local currency programming and monitoring, and these changes are being reflected in its programming and monitoring procedures. In the past the Mission viewed the policy goals in the Title III Agreement as the predominant consideration with less weight given to the local currency program. The BDG was allowed considerable latitude in selecting projects and in allocating sales proceeds with minimal input by USAID.

It is now generally recognized in the Mission as well as among the DCC members that, although the BDG made considerable progress on its policy agenda, the process of allocating available local currency funds to projects -- the key to Title III offset provisions -- has been problematic. The slow rate of local currency utilization created delays in certification of currency use offset which in turn contributed to recurrent (albeit temporary) arrearages in old Title I debt payments.

The program's unacceptably large shortfalls in local currency deposits, expenditures and currency use offset led to amendments in May of this year to the 1982 and 1987 agreements, both of which set deadlines for utilization as well as generation of local currency. The amendment to the FY 82 agreement set a deadline of September 30, 1989 for the generation of CUO. However, the recent "Sense of Congress" legislation urges a one year extension of this deadline -- a Congressional recommendation which the evaluation team believes should be incorporated into a new amendment of that agreement.

A. BDG Budgetary Processes

The BDG's development (project) budgeting process is based on its five year development plan. The plan lists projects that the BDG expects to finance from domestic or donor resources.

The BDG'sAnnual Development Plan (ADP) is developed in the January-June period for the BDG fiscal year beginning July 1. After consideration of the projected revenue and BDG priorities, funds are allocated to individual projects and programs. The ADP lists those projects and programs to be implemented that fiscal year and indicates the source of funding and the planned level of expenditure. When the fiscal

year begins, funds are released on a quarterly basis to the Ministries and operating units responsible for implementation.

The BDG also carries out a mid-year budget correction process which may result in either cut-backs or additions to authorized expenditure levels. The BDG is often forced to order mid-year cut-backs, as it did in FY 87 and 88, to finance flood relief or other high priority needs. Projects without assured funding from donors and/or the Title III account are most likely to be unfunded or cut-back. Like government projects everywhere, BDG projects and programs often are underfunded and rarely are completed on schedule.

Once the BDG sets ADP levels, the Mission and the BDG then decide on those projects which will receive Title III resources. These allocations are reflected in the ADP and in the subsequent amendments to the Title III agreement. During the implementation period, the BDG's own resources are disbursed to cover project expenses. It is only later when the implementing agency submits its project expenditure reports to the Ministry of Finance that Title III resources are disbursed from the special account to reimburse the appropriate BDG account. The Ministry of Finance then reports these disbursements quarterly to the Mission. There are thus delays between project implementation activities and the reporting of disbursements and certification of CUO.

The preliminary report of the Price Waterhouse study revealed that the BDG offices responsible for developing the ADP were not fully aware of the actual or potential Title III local currency availabilities, and, consequently, they underprogrammed these resources. Further, due to the frequent implementation delays, not all of the programmed funding is expended during that fiscal year. Unused funds do not carry forward but are recycled as availabilities for reallocation into the following years budget.

The evaluation team understands that the Mission has now put in place a process which will assure that BDG budget authorities are fully aware of Title III availabilities for allocation to projects. The Mission also plans to work more closely with ERD and line agencies to make certain that their projects receive the full allocation levels planned and that funds are released promptly once the fiscal year begins.

Because of normal implementation delays, the Mission and the BDG plan to identify additional projects which meet Title III FFD objectives in order to over-program available funds. This should assure a more rapid draw down of the currencies available from both the 1982 and 1987 agreements.

While roughly 70 percent of Title III local currency is allocated for capital projects in the investment budget, there are two BDG revenue (operating) budget line items that also receive support. The revenue budget process of the BDG follows a similar, but slightly different pattern. The PL 480 currencies are shown as allocations to the operational budgets of the Ministry and units concerned. By informal agreement, PL 480 availabilities are sub-allocated to the USAID-assisted programs on a priority basis.

The Mission's more active role in the programming of taka proceeds is a welcome change and should enhance the developmental impact of the local currency program. The team believes that the increased attention paid to local currency programming will not be in any way detrimental to the program's important policy agenda.

B. Project Selection and Monitoring

The evaluation team's review of the local currency project portfolio was limited largely to an examination of selected documentation in Mission files and to interviews with USAID project managers. Additionally, the team's review was facilitated by the availability of a Mission consultant, Dr. Tony Garvey, who was completing a brief assessment of the Mission's local currency-funded irrigation projects during the team's visit.

Dr. Garvey's findings were particularly useful because the irrigation projects make up nearly 60 percent of the local currency portfolio. Garvey concluded that most projects in the BDG five year plan which are receiving support from external donors had been designed or appraised to meet acceptable international standards. Predictably, donors tend to identify and offer support for the soundest projects. Conversely, those irrigation projects not selected by major donors tend to have been less rigorously designed and appraised, are located in more marginal farming zones or difficult sites and/or include major infrastructure investments for surface irrigation systems with low internal rates of return. Garvey recommended phasing out of projects which do not enjoy the support of one of the major donor organizations. This was also a recommendation of the 1986 Title III evaluation.

To compensate for weaknesses in projects without donor financing, the Mission has focussed its monitoring resources on those projects. It reviews project reports more carefully and visits project sites more frequently. The Mission is concerned that these steps may not be enough, and it has recently determined not to accept additional projects of this type.

The evaluation team finds that projects that do not have donor support offer both special opportunities and special problems. On the positive side, wholly BDG-financed projects probably imply that the Title III local currency achieves more additionality, i.e. they are less likely to be implemented without Title III local currency resources. Further, A.I.D.'s ability to influence project implementation is likely to be greater when other donors are not already involved. On the negative side, significant design and implementation problems seem to be inherent in non-donor supported projects, and this poses a serious potential problem for the Mission. Although the Mission receives performance review reports from BDG sources and attempts to monitor these projects closely, these Mission efforts may well be insufficient to overcome inadequate design characteristics. In view of these latter considerations, the evaluation team recommends that the Mission review all non-donor supported projects as soon as practicable and that it phase-out projects not meeting minimal standards. The Mission has indicated that it plans to do this in CY 1989.

In making this recommendation, the team acknowledges and is concerned that eliminating projects will slow disbursements and CUO generations. Nearly 57 percent of the planned expenditures are for irrigation projects, and fully 75 percent of those disbursements are projected to occur in projects without other donor support. Of total expected disbursements, about 45% is likely to go to projects without a major donor involvement.

Despite the possible need to drop some of those projects, the team is hopeful that Mission initiatives to expand the list of eligible projects will leave sufficient projects to utilize available local currency expeditiously. Further, the team notes that once the BDG has made up the disbursement/CUO shortfall on the 1982 agreement, the BDG's utilization of the commodity use offset provision of the 1987 agreement will mean that there will be far less local currency to utilize.

Projects assisted by major donors are subject to periodic financial and performance reviews and audits. The team believes that the Mission can rely heavily on such reports to monitor projects, augmenting these reports with occasional site visits.

The team's discussions with representatives of other donor agencies suggest that, because of frequent shortages of BDG counterpart funding, there is considerable interest among donor agencies and BDG institutions in obtaining allocations of Title III local currencies. Title III taka can be a critical input in "leveraging" donor financial disbursements, accelerating

project completions, and providing resources for operational and maintenance activities and locally procured technical services.

The USAID expressed on a number of occasions its frustration in trying to meet what it perceives as conflicting guidance. The Mission notes (and the team agrees) that there is a conflict between the rapid use of the available resources desired by the DCC and the large number of projects that this implies, the close monitoring of project activities implied by the DCC and apparently required by AID guidance, and the Mission's limited human and financial resources.

The evaluation team does not see any easy resolution of this problem. We do believe that it would be helpful if Washington agencies would review and clarify local currency management principals. For example, the DCC has offered little in writing about what it expects in the way of local currency management; A.I.D.'s guidance in PD-5 and a subsequent guidance cable is subject to interpretation in the field and was not cleared with the DCC, and AID/IG audits seem to imply that host country owned local currency should be treated like appropriated dollars. The evaluation team recommends that the DCC work with its member agencies to clarify and unify local currency guidelines. (The team also offers several ideas about the future programming and management of local currency in Section VI.)

Given the size of its local currency project portfolio and its staff limitations, the Mission seems to be doing quite a good job of project monitoring. The evaluation team found that project files maintained by USAID staff were generally complete and up to date. Trip reports of visits to project sites were detailed, and they identified problems and issues. Reports were circulated within the Mission and forwarded to the BDG project managers. The files are consulted frequently by Mission staff and contractors needing information on projects.

We note that regular consultations occur with major donors financing these and related projects to identify common issues and problems. USAID receives evaluation reports on progress from both donor and BDG sources. These greatly facilitate the monitoring of project progress.

C. Contribution of Local Currency Projects to Food Security.

The Review Team conducted a limited assessment of the contribution of the taka financed projects and programs to Bangladesh food security, to rural development and to the Food

For Development Plan specified in the Bangladesh Title III Agreements.

Local currency proceeds are currently being use in two basic ways: to support capital development projects in the ADP and to support operational costs of two BDG/AID (Development Assistance) projects. The major elements which receive funding include major irrigation projects (deep tubewells and surface irrigation), minor irrigation projects (low lift pumps, shallow tube wells), agriculture research and various other activities (e.g. seed and cultivar production, etc.). (See Table 2.)

The projects and programs currently identified for local currency support in the 1987 agreement are shown in the appendix tables. The tables also provide the level of expenditure based upon FY 87 certification reports and the projected level of Title III support through FY 90 for each of the above categories. These data indicate that roughly 21% of the portfolio is minor irrigation, 36% major irrigation, 8 % agriculture research (exclusive of the Bangladesh Agricultural Research Centre), 9% other capital projects and 26% support for the two AID-assisted included in the BDG revenue budget.

The portfolio is large (38 separate projects) and complex, involving some sixteen BDG ministries and agencies and seven external donors in addition to USAID. (See list.) It includes shallow and tube well irrigation projects (as opposed to major surface irrigation), support for research leading to locally adopted HYV which extend the cropping/farming systems, development of maize as a dry season crop, production and distribution of improved seeds and cultivars and support for rural access roads and rural electrification. The portfolio is thus focused on production-oriented activities which clearly support BDG food security and the Food For Development (FFD) Program objectives.

The team believes that this focus on increasing agricultural productivity is appropriate. Available evidence suggests that although rainfed rice production has stagnated (largely the Aus and Aman crops), irrigation has permitted total food production in Bangladesh to expand roughly in proportion to population growth. The major production growth has occurred in dry season, irrigated production (the Boro rice crop). Dry season growing conditions where irrigation is available are generally ideal. A very high percentage of varieties grown in the dry seasons are high yield varieties of rice and wheat (HYV=85 %), while HYV use in the monsoon season is low (HYV=35%). Maize (corn), while not now a significant crop, has the potential to become a profitable, high-yielding dry season crop. (See the Winrock Report for discussion of this issue.)

The potential for continued high returns on investment in irrigation appears favorable. The continued expansion of low cost shallow irrigation systems should be economically and technically feasible, will permit the expansion of food grain and non-food grain cash crops and will contribute to the growth of rural income and employment. The evaluation team suggests that the BDG study whether there are policy changes (e.g., privatization of the importation, production, and maintenance of irrigation equipment) which would make such investments more productive. These might be incorporated into the next Title III program.

D. Special Uses of Local Currency

As mentioned above, a portion of the local currency proceeds are being used to support two AID development projects which are not included in the ADP but rather in the revenue budget. The evaluation team reviewed these two activities and its fundings are discussed below:

1. Bridges and Culverts

The Title III local currency Bridges and Culverts project(s) are an integral part of the CARE Title II and WFP Food For Work (FFW) programs. Title II commodities compensate the unskilled labor utilized for rural road repair or construction. Title III local currency finances the design, engineering, construction supervision and contract costs of permanent bridges and culverts needed to complete those roads. The program thus presents an excellent example of how the different types of food assistance can be integrated to achieve development objectives.

The design and construction supervision of large structures are spot checked by USAID engineers, while smaller structures are overseen by Ministry of Relief and Rehabilitation (MRR) staff. The local currencies are allocated and authorized for expenditure as part of the operational budget of the MRR. USAID staff report that funds are being made available on a timely basis.

The evaluation team notes that USAID is currently working to put in place a similar project to support a rural electrification program of the Ministry of Energy. USAID project funds and other donors will support the foreign exchange and "institutional development" components of the rural electrification program.

2. Bangladesh Agricultural Research Council (BARC)

Title III sales proceeds are being used to support a broad based agricultural research program in Bangladesh. This utilization of local currency seems to have produced exceptional results and could be a model for future programs.

Over a period of years, international donors had independently provided support for the construction and strengthening of a variety of research institutes and facilities, including the professional training of staff. This resulted in an institutionally complex system with little central coordination or direction. There was no adequate mechanism to establish research priorities, to allocate budget availabilities or to assure the quality of the research being carried out within the system. Further, the system was paralyzed because of insufficient operational and maintenance funding from the BDG operational budget.

USAID support with dollar resources for the strengthening of the Bangladesh Agricultural Research Council, the coordinating body of the agricultural research system, began in 1976. Support for the Council continues under the Mission's Agricultural Research II project. Local currency support for the research budget of the separate institutes, which began with Title II, Section 206 funds in 1983, has continued with Title III sales proceeds since 1985.

BDG officials and USAID project managers believe that the allocation of Title III taka to the BARC system has had an extremely positive effect on the effectiveness and productivity of the entire system. First, it provided an assured and definite level of budget support which could form the basis of a research management plan. Each institute develops its own budget which is reviewed and prioritized within the Council. Programs and member institutes with management problems are identified and appropriate sanctions applied. Non-productive research activities are terminated promptly.

Second, as the taka are allocated through the BDG budgetary processes, they are under the direct control of the Council. This fact has given the Council and the system managers a sense of responsibility for and "ownership" of the system which was absent when they were dependent on donors for operational funds or subject to shortfalls in BDG funding. The Title III taka are used exclusively for research project costs and for maintenance of facilities and equipment. They are not used for the salaries of permanent professional staff or for major construction or station development.

Third, the quality of the overall research program has improved, allowing the Bangladesh society to benefit more fully from the major investments by donors in the research system. Among its important initiatives, the BARC system will play a key role in introducing maize as a crop within domestic farming systems, diversifying farm systems and breeding and evaluating high yielding varieties of wheat, rice and other cash crops.

The evaluation team views the PL 480 support for the BARC system as a major accomplishment and recommends that the Mission document the combined impact of the bilateral project and the attributions from the Title III special accounts.

IV. POLICY REFORM

A. Domestic Procurement Program/Incentive to Farmers

1. Agreement Provisions

The 1987 Title III Agreement called for the BDG to maintain a procurement program to establish effective floor prices at a level that would provide farmer incentives to grow food, particularly HYV varieties of food-grains. In the Self-Help Measures the BDG agreed to

> "strengthen its program of supporting producer prices of certain commodities by the timely announcement of procurement prices at a level that is in line with international prices and provides an acceptable level of return to the producers who use the recommended packages of HYV inputs for each crop. The producer price will be announced early and effectively enough for the producer to use that price for production decisions. The Government will support the announced price by continuing to pay that rate to procure all acceptable quality grain offered in any locality throughout the season. The Government will keep up its efforts to manage procurement in as cost-effective a manner as possible."

The FFD agreement then lists six specific BDG actions in order to carry out the farmer incentive program.

- develop annual plans for rice and wheat procurement activities
- indicate levels of financing for the procurement activity
- report regularly on the volumes procured by district
- apply the results in terms of price maintenance by district
- immediately raise the per unit rice procurement price to a level that covers the procurement price of one and a half units of paddy plus handling, transportation and milling costs
- closely monitor and analyze price movements that result from the procurement activity to improve procurement procedures and identify particular districts which require attention

Finally, the agreement permits the BDG to use up to $20 million in Title III local currency generations to be used to "capitalize a separate food-grain procurement account," and these funds, if used to fund the procurement program, would be deemed to earn Currency Use Offset, or loan forgiveness. If,

however, the BDG did not carry out the procurement effort as agreed, the $20 million in the procurement account could not be used to earn loan forgiveness. Instead the entire $20 million would have to be deposited in the Special Account (for project use), even if the BDG had already used a portion of the $20 million in taka for some procurement activities.

2. Performance

(a) Rice and Wheat Price Increases

The 1987 evaluation found that the "BDG has been relatively successful in assuring incentive prices to farmers through domestic procurement." In the same month in which the agreement was signed (April, 1987), the BDG increased the procurement price of rice by 16.2% (from Tk.265/md to Tk.308/md) and the procurement price of wheat by 11.1% (from Tk.180 md to Tk.200 md.) The evaluation noted that the BDG made this procurement price announcement as an "extraordinary measure" to procure badly needed food-grain for the PFDS system at a time when overall stocks were low and market prices of wheat and rice unusually high. Rice and wheat stocks were indeed quite low in early 1987 (see Table 8 in Annex M). Table 11 in Annex M confirms that prior to the announcement both rice and wheat market prices were well above procurement prices. In the case of rice, the procurement price was on average 25% below the market price before the announcement, suggesting that the BDG was probably correct in thinking that without a significant procurement price increase little would have been procured for the PFDS.

Between April, 1987 and July, 1988, however, no further procurement price increases were announced. In June 1988, during negotiations for the fifth amendment, Mission officials reminded the BDG of the need to further strengthen the procurement program and increase prices, and the BDG agreed to announce new procurement prices in July 1988. In mid July, 1988 the BDG did announce new procurement price increases; a 5% increase for the 1988 aman rice crop (Tk.308 to Tk.323). Unless new rice and wheat procurement prices are announced within a month or so (and we were told that this might happen) the same aman rice procurement price and wheat price will be used for the 1988/89 boro harvest.

The FY 87 rice procurement price increase of 16.2% in 1986 was relatively high compared to previous increases. The rice procurement price had increased by 10.2% in 1984 but only 2.8% and 3.9% in 1985 and 1986 respectively. The wheat procurement price was increased 12.5% in 1985, 11% in 1986 and then 11.1% in 1987.

There were several possible reasons for the BDG's decision to raise procurement prices by only 5% in 1988. First, another conflicting goal of the BDG's food pricing policy is to keep food prices in general relatively low, stable, and within reach of the poor. Procurement price increases eventually either ratchet up consumer foodgrain prices or result in costly PFDS subsidies. Second, in late 1987 and early 1988 international prices of foodgrains were very low making Bangladesh's domestic prices comparatively high, and it might have been cheaper at the time (from the MOF's point of view) to import commercially than to procure domestically since in reselling the imported commodities to consumers the MOF would realize a profit in Taka terms. Third, reserve stocks were building, and there was little pressure to replenish them for the PFDS. In other words, although the MOF analyzes procurement prices in relation to (a) costs of production, (b) domestic market prices, (c) international border prices, and (d) rates of inflation, often the impact of procurement prices on ration prices, the OMS release prices and the MOF budget takes precedence in the final BDG decision regarding procurement support prices.

(b) Market vs Procurement Prices and Volume Procured

The relationship between rice and wheat procurement prices, market prices, ration prices and OMS trigger/initial prices is shown in Figure 1. This figure is based on the data in Annex M, Tables 11 and 12, which list the monthly procurement, ration and market sales prices for wheat and rice by month over the period July 1984 to September 1988. Note that during the period under review (1987 and 1988) the lowest average market price of rice remained well above the procurement/floor prices. Not surprisingly, as it turned out, the 1987/88 aman procurement effort was, in the words of an official MOF report, "not satisfactory". The 1987 flood lowered production and raised the market price well above the procurement price, and, as a result, only 49,000 mt of aman rice was procured in 1987/88. Although the 49,000 mt 1987/88 aman procurement was double the even lower 1986/87 level of 23,000 mt, it was only about one third the 1985/86 aman procurement and one-third of the seven year average aman procurement.

The 1988 boro rice harvest, however, exceeded expectations, and the volume of BDG purchases were the highest on record. As post-boro harvest prices dropped (the drop in prices was caused by the good harvest as well as the high stock levels), the program realized an all time high of about 300,000 MT which was more than double the volume of the previous year's boro rice procurement. This indicates that the procurement price was at least high enough to acquire sufficient rice for the PFDS when supplies at harvest time are high.

The boro wheat procurement, however, was not very large even though the wheat procurement price appeared to be high enough. Wheat market prices were at times Tk. 50 below the procurement price of Tk. 200, suggesting that the BDG may not have implemented the procurement program as aggressively as possible because of the largest-ever wheat stocks on hand. Although nearly 87,000 MT of wheat were procured, compared to 51,000 MT 1987, 130,000 MT was procured in 1986 even though total wheat production in that year was about the same as the 1988 crop.

(c) Cost of Production vs. Procurement Price

The agreement calls for the procurement price to cover the costs of production plus a reasonable margin of profit. The team could find only one recent cost of production survey in the July 1988 UNDP "Bangladesh Agriculture Sector Review." Using survey data for four of the last six years, that analysis suggested that official BDG rice procurement prices were below the costs of rice production (including a 10% margin for "risk" or profit) for all six years and below the costs of wheat production for four out of six years. (See table below.) Although caution must be exercised in drawing conclusions from this one survey, it does suggest a need to review the adequacy of official BDG procurement prices as incentives to farmers.

Cost of Production vs Procurement Price

	Cost of Production Plus 10% Risk Margin		Procurement Price	
	Boro Paddy	Wheat	Paddy	Wheat
81/82	125	171	124	124
82/83	149	133	135	135
83/84	176	132	144	144
84/85	NA	176	165	162
85/86	NA	NA	175	180
86/87	189	277	185	185

Source: UNDP

(d) Procurement Prices vs. Inflation Rates and Wholesale Price Index

In the absence of data which conclusively establishes that the procurement prices were adequate to cover costs of production plus a reasonable margin of profit, the team examined procurement price trends in relation to prices of other commodities in the economy. The following table compares the economy-wide annual inflation rate in Bangladesh between 1980 and 1988 with the procurement price increases during the same

period. Note that while the average inflation rate for the nine year period was 11.3%, the rice and wheat procurement prices increased only 7.5% and 7.0% respectively on average over the same period.

Rice and Wheat Procurement Price Increases
Compared with General Inflation Rates

Year	Inflation Rate*	Procurement Price Increases Rice	Wheat
1980	13.1%	2.9%	4.5%
1981	10.3%	8.6%	7.8%
1982	12.7%	10.5%	0.0%
1983	5.0%	7.1%	8.9%
1984	16.4%	10.2%	6.7%
1985	14.9%	2.8%	12.5%
1986	5.7%	3.9%	11.1%
1987	12.0%	16.2%	11.1%
1988	11.4%	4.9%	0.0%
Average	11.3%	7.5%	7.0%

* Source: World Bank

The team also compared the current prices of wheat and rice relative to the wholesale price index (See Annex M, Table 13) and found that during 1980's the prices of rice and wheat relative to the prices of other commodities in the economy declined slightly.

To reach definitive conclusions from this type of comparison, we would need to take into account changes in the costs of agricultural inputs, technological changes, changes in the availability and costs of irrigation and other factors which might significantly affect the cost of production. Nevertheless, while these two tables by themselves do not provide a definite answer to the question about the adequacy of procurement prices as production incentives, they do suggest that the procurement prices were at least not excessive and probably tended to be low. Further attention to this question is warranted.

(e) Domestic Production

Other indicators of the adequacy of the BDG's grain pricing policy are changes in production and imports. Although farmgate food prices are only one ingredient in a strategy to increase foodgrain production, if domestic foodgrain production and per capita foodgrain production were increasing, and

food-import dependence (measured in terms of absolute volumes or a percentage of total foodgrain use) is declining, there would be little debate about whether the procurement prices were providing adequate/incentives for food producers.

Annex M, Table 1 indicates that foodgrain production increased by an encouraging 20% between 1980 and 1988. This allowed per capita production to keep pace with population growth, but it did not improve over the period. Bangladesh dependence on food imports also did not improve during the 1980's, i.e., dependency measured in terms of food imports as a percentage of total domestic production remained at about 10 percent. (See Annex M, Table 2.) The percentage of foreign exchange earnings spent on commercial food imports, however, has declined significantly since the 1970's, and this is certainly an encouraging development. (See Annex N, Figure 4.) Nevertheless, it appears from the team's rather cursory review that during the 1980's there has been little progress toward the BDG's goal of foodgrain self-sufficiency.

(f) Border Prices vs. Procurement Prices

The agreement calls for the BDG to set procurement prices which are an incentive to farmers and which are "in line with international prices". Time and data constraints did not permit the evaluation team to analyze with any degree of confidence whether, in fact, procurement prices of wheat and rice were generally in line with border prices during the past few years. Although such analysis is planned as part of IFPRI's future analytical tasks, FPMU has done a limited amount of work and provided the team with the following table which suggests that procurement prices were roughly in line with border prices. Based on this admittedly slim evidence, it appears that the BDG is in substantial compliance with this important aspect of the agreement. However, world market prices of foodgrain imports during the mid-1980's have been unusually low, and the recent upward swing in world prices have no doubt changed the equation considerably. Expected higher international prices in 1988 and 1989 will increase MOF's cost of imports and the costs of holding high levels of reserves, and this, in turn, may put pressure on the BDG to either keep the reserves lower or build PFDS stocks with domestic production. The evaluation team recommends USAID support and encourage the BDG to monitor closely key border prices and strengthen such analysis in the future.

Rice and Wheat Procurement Prices
vs.
Border Prices

	Procurement Prices		C.I.F. Chittagong Prices	
	Wheat	Rice	Wheat	Thai Rice
1984/85	$ 167/mt	Tk. 6,644/mt	$ 176/mt	Tk. 6,127/mt
85/86	$ 156/mt	Tk. 6,831/mt	$ 157/mt	Tk. 6,981/mt
86/87	$ 174/mt	Tk. 7,605/mt	$ 136/mt	Tk. 6,820/mt
87/88	$ 172/mt	Tk. 8,251/mt	$ 150/mt	Tk. 9,360/mt
88/89	$ 187/mt	N/A	$ 180/mt	N/A

(g) Timely Announcements

BDG officials recognize that timely announcements of incentive prices are helpful guides to farmers and can result in positive production and procurement responses. In accordance with the agreement, the Ministry of Food (MOF) has developed seasonal procurement plans, reviewed pricing data with the Ministry of Agriculture (MOA) and made procurement/floor price announcements. Between November of 1986 and the date of this evaluation, rice and wheat procurement prices were raised three times, or only about once each year.

The team believes that it would be desirable for the BDG to make two adjustments per year in the rice procurement price, one for the aman crop and one for the boro crop. Although the BDG has in the past made two rice price announcements per year, the bureaucratic difficulty in reaching a joint MOF/MOA procurement price decision tends to discourage multiple announcements. Typically the MOA argues for considerably higher procurement prices to stimulate production while the MOF favors lower prices in order to keep general food prices and subsidy requirements down.

If only one procurement price adjustment and announcement is to be made, it may be preferable to make it prior to boro planting since the short-run boro supply response to price increases is reportedly two times greater than that of aman and even greater for the aus crop. (See UNDP's 1988 "Agricultural Sector Review," page VII-4.) The team was told that new procurement boro, wheat and rice prices may be announced in December, 1988.

The evaluation team recommends that the BDG and the Mission continue and intensify efforts to make timely procurement price announcements and consider the inclusion of multiple annual announcements as an element of the next Title III program.

(h) Aggressive Procurement Efforts

Even if incentive procurement prices are announced in a timely fashion, the program can, and in the past, often was frustrated by uneven administration. Rather than purchasing all suitable grain offered by farmers for sale, if MOF officials at either the central or local level believe that there are sufficient grain reserves for the PFDS rationing system, administrative controls, such as the allowable moisture level content of farmers' grain, can be tightened, and this effectively lowers the volume procured regardless of the procurement price. USAID field trips suggest that there have been many improvements in the implementation of the purchasing effort, but many problems remain. The team recommends that the Mission continue to monitor BDG grain procurement operations, especially when reserve levels are high as they are at present.

(i) Procurement Fund

The agreement provides for the possible establishment and Title III local currency funding of a revolving foodgrain procurement fund to provide resources "in addition to what the BDG normally allocates for the procurement program." The BDG has not moved forward on this initiative. The evaluation team discussed the need for the procurement fund with AID and BDG officials and concluded (although this was not the view of all those with whom it was discussed) that this part of the program should not be implemented. The reasons for the teams conclusion were as follows:

(1) At the time the agreement was negotiated there was a perception that funding constrained the procurement effort. This has turned out not to be the case. The MOF has had access to a line of credit which has permitted it to procure whatever amount of grain it deemed appropriate.

(2) During the original negotiations for the agreement the BDG alluded to internal administrative difficulties it might encounter in establishing the separate account. Based on our brief conversations with MOF officials these difficulties still remain.

(3) From cash management point of view, utilizing a separate revolving cash fund, in lieu of a line of credit that can be used as needed for the procurement effort, would tie up financial resources even when they are not needed to finance stocks.

(4) Determining "additionality" would be difficult since it would require a BDG and USG determination about what constitutes "normal" BDG procurement funding.

(5) Providing Currency Use Offset for procuring stocks, and then Commodity Use Offset for maintaining them could result in double counting.

(j) Conclusion

Appropriate producer prices are a key to Bangladesh's efforts to raise domestic production and to reduce food import dependency. Although the BDG has enjoyed some success in raising grain production levels, food pricing policy in general tends to be consumer-oriented, and "success" has probably been greater at holding prices down for consumers than in creating production incentives for farmers. Evaluating the "correctness" of a procurement or floor price, however, is an exceedingly complex undertaking, beyond the scope of this evaluation and deserving of further analysis. If international food prices remain high, or even continue to increase, it will become increasingly cost effective for the BDG to support higher domestic procurement prices. The team recommends that (a) producer prices remain a central Title III policy focus, and (b) the formula which links the producer price with the OMS and ration prices continue to be utilized in the negotiation process. At a minimum the BDG's procurement prices should (a) maintain prices during periods of high production, (b) not be a disincentive to production, and (c) prevent a deterioration in the food grower's terms of trade.

B. Open Market Sales (OMS) Program/Maintenance of Reserves

1. Agreement Provisions

Since 1978 each Title III Agreement has contained a central BDG policy commitment to reorient the PFDS by operating a market-oriented, price stabilizing Open Market Sales (OMS) program to moderate food-grain price instability. The FY 87 Agreement called on the BDG's Ministry of Food to operate and improve the "OMS program that acts as a release mechanism for the (food) reserve, ensures that reasonably priced food-grains are available throughout Bangladesh and helps to moderate consumer price increases." The long-term goal, as expressed in the FY 82 Agreement and incorporated by reference in the FY 87 agreement, is for the OMS spigot to eventually replace most other channels in the ration system when food-grain self-sufficiency is achieved.

The OMS system is designed to constrain the seasonal movement of rice prices within a range or "band" of 20 to 25% of the

procurement price. The band's floor price is the procurement price, and the band's ceiling or trigger price which initiates OMS sales is set at approximately 15% above the procurement price in non-statuatory rationing areas and 20% in statutory rationing (SR) areas (primarily urban). If, despite OMS releases, the market prices continue to rise, and that rise is 10% (or 20%) above the trigger price, the OMS release/sales price increases by 5% (or 10%), or one half the percentage change in the market price increase. As the price comes down, similar adjustments in the OMS release price are made in a downward direction until the market price falls below the trigger/initial OMS price at which point OMS sales are terminated. OMS sales are to be made in lot sizes of 10 to 200 maunds (373 kgs to 7,464 kgs) except that unlicensed dealers may be limited to purchasing only 150 maunds (5,600 kgs) or about one five ton truck load.

Adequate stocks of food-grains, particularly rice, in all areas of the country are key to overall price stability and to the success of the OMS program. The Agreement therefore urges the BDG to maintain overall food stocks at approximately one million metric tons, which is nearly 50% of total annual "throughput" (i.e. domestic production plus imports) of food-grains in the PFDS and 6% of the total supply of food-grains in Bangladesh. The FY 87 agreement provides a very strong incentive for the BDG to maintain these relatively high reserve levels; if the BDG's food-grain stock level is 1.1 million tons on July 1 and 0.9 million tons on November 1 (just before the aman procurement season), the BDG would receive Commodity Use Offset (or debt forgiveness credit) for all Title III commodities deemed to be held in the reserve during that period.

Finally, the agreement called for the BDG to (a) "strengthen the monitoring and analysis of disaggregated consumer price data for foodgrains" (needed for OMS fine tuning), (b) "simplify (OMS) procedures to make the system operate as much like a private sector enterprise as possible," and (c) "review the OMS price-setting and marketing formula, revising it as appropriate."

2. Performance

(a) OMS Volume

Although the volume of OMS offtakes is a limited indicator of the program's effectiveness and no offtake targets are established in the Agreement, a low volume is likely to suggest that the BDG is not being aggressive in moderating prices. Approximately 54,000 MT were used in the first year of program,

1979. Between 1983 and 1985, annual OMS food grain offtakes ranged from 100,000 to 200,000 MT. OMS offtakes fell in 1986 to only 57,000 MT. However, in 1987 the amount of foodgrains released through the OMS spigot increased dramatically to 217,000 MT, and OMS offtakes are projected to be 207,000 MT in 1988. These increased offtake levels as an encouraging indicator of the BDG's commitment to moderate grain price fluctuations. (See Annex M, Table 3 for OMS offtake levels.)

The 1987 evaluation did not highlight these positive OMS volume trends, but focused instead on the BDG's reluctance in 1987 to raise initial/trigger OMS prices by the same percentage as that for procurement prices in accordance with the agreement. It appears now that the narrower band of prices could have even been responsible for the upward trend in OMS volume, even though, as expected, the increased volume appears to have had only a limited moderating influence on rice prices. Wheat prices, however, seem to have been more directly affected. We believe, however, that the volume of OMS sales could increase significantly if BDG operational restrictions were lifted. (See para 4 below.)

It is important to note that although OMS annual volumes are small compared to total PFDS offtakes and total availability, a more important comparison is the volume of OMS sales versus the volume of foodgrain in the open market at the same time. Almost all of the OMS sales take place during a very limited period of time -- when foodgrain volumes in the open market are at their lowest. Small volumes released at those times can have a significant impact on prices. Further analysis of these dynamics would help the BDG to establish appropriate price and volume targets.

(b) <u>The Procurement/OMS Price Band</u>

(1) <u>Negotiations Regarding the OMS Trigger/Release Prices</u>

As previously noted, in April of 1987 the BDG increased procurement prices of rice and wheat by 16.2% and 11.1% respectively. In accordance with the Agreement, the BDG should have immediately raised the initial OMS release prices by the same percentages so that these initial OMS prices would remain 15% above the procurement prices in non-SR areas and 20% above the procurement price in SR areas. Instead the BDG raised the OMS rice price by only 1.6% (instead of 16.2%) and the OMS wheat price by only 2.9% (instead of 11.1%).

The BDG thus narrowed the range or "band" between the procurement price and the OMS initial sales price, or ceiling

price. The size of the band can have several implications. According to a 1987 IFPRI report, "when the band is so narrow that it does not allow private traders to stock food-grains with a normal profit, the government has to undertake an increasing amount of stocking and market operations to bring about the desired degree of price stability. This implies an increasing rate of cost in the stabilization program." On the other hand, if market prices can be maintained within the narrower band, consumers benefit from lower food prices. Further, since ration prices are also set as a fixed percentage of the OMS price, a lower margin means lower ration prices for the consumers and possibly increased subsidies. One of the most difficult challenges for the BDG is to establish prices which provide adequate incentives for farmers but do not increase prices beyond the reach of consumers.

The USAID-supported IFPRI study also points out that the BDG is, in general, less interested in the price stabilizing function of the procurement prices than in acquiring through the procurement program sufficient quantities of food-grain for the PFDS ration channels. This is consistent with the 1987 Title III evaluation which commented that it is somewhat unrealistic to expect the BDG's MOF to take readily to a market-oriented price stabilization mechanism, such as the procurement/OMS system, when the MOF's charter was designed originally to countervail a competitive market structure. The implication is a market oriented price stabilization scheme such as the OMS is likely to take a long time and continued pressure before it is accepted by the BDG as a legitimate price stabilizing mechanism and a replacement for all other PFDS spigots.

Both the USAID Mission and the 1987 evaluation team decided to accept the BDG's decision not to increase the OMS sales price in accordance with 15-20% formula in the agreement, primarily because of the July-September floods, which at the time were "the worst floods experienced in the past 70 years" Instead, in September, 1987 the BDG raised the initial OMS prices for rice and wheat only 1.6% and 2.9% respectively, and then raised it another 7.8% and 2.8% in January of 1988. Since the normal spread had still not yet been fully restored, during the June, 1988 negotiations for the fourth amendment to the agreement, USAID again raised the OMS pricing formula issue, and both the USG and the BDG agreed at that time to restore the normal spread between the procurement and initial OMS prices by mid-November, 1988 (i.e. in time for the aman procurement) unless both the BDG and USG agreed to change the formula in the meantime.

Another major flood occurred, however, and in mid-October, 1988 the Mission recommended that because of the disastrous floods the DCC accept, for a limited period only, a BDG proposal that the initial OMS price be set at 10% above the procurement price (instead of 15% per the Agreement) in all areas save the urban SR areas where the initial OMS price would be 15% (instead of 20%). The Mission suggested that these prices be accepted as ad-hoc, temporary adjustments (and not a change in the agreed formula) which would remain in effect for one more year until another evaluation could review the advisability of returning to the original agreed formula. The Mission noted that the recent floods and the need to keep ration prices low for the rural poor necessitated the change. In November, 1988 (i.e., during this evaluation) the DCC concurred to the Mission/BDG proposal provided that the Mission "devise a monitoring system that will provide information and data for further discussion well before November, 1989."

As in the case of procurement prices, evaluation of the "correctness" of initial OMS prices is difficult because there is very little empirical evidence regarding the optimal spread between procurement prices and initial OMS prices. The BDG complains that the 15-20% Agreement formula results in a spread which (a) constrains the volume of OMS offtakes, thus compounding stock rotation problems, and (b) is not necessary to ensure private sector traders with an adequate margin of profit. Indeed, in 1987 and 1988, when the BDG abandoned the originally-agreed formula, OMS sales volume increased considerably, but this intervention appears to have had only a limited effect on rice prices.

The Mission believes there is some evidence of increased efficiencies in Bangladesh's food marketing system over the last six to eight years which may have reduced the margins needed by traders for a reasonable profit. Increased efficiency might indeed result from improved roads, greater private-sector competition, better storage, growth of mechanized milling, greater market integration, multiple cropping and other improvements which have been realized.

The evaluation team thus believes the BDG's proposed temporary adjustment in the spread between the procurement price and the initial OMS price may be reasonable, although more empirical evidence is clearly required on this issue. Until that evidence is available, the team agrees with the Mission's view that the program retain the agreed formula. We recommend that the Mission initiate a new round of negotiations on the price band issue early in CY 1989 when initial aman crop procurement estimates and the first boro crop projections will be available. This issue should receive intensive study over the next 6-12 months.

(2) OMS Effectiveness in Stabilizing Prices

Evaluation of the overall effectiveness of the OMS system in stabilizing foodgrain prices is challenging because one must disaggregate the price effects of relatively miniscule amounts of OMS sales (about 200,000 MT of which about 75% of which are wheat) from some nine million tons of foodgrains which flow through a variety of public and private sector marketing channels. (i.e., one must segregate the effects of OMS sales from the effects on prices of private-sector sales, ration shop sales, relief distributions, overall BDG reserve stock levels, privately-held reserve stocks, etc.) This formidable task will be undertaken by the IFPRI team, and in the meantime the BDG and the USG are left primarily with anecdotal evidence and global price trends.

Tables 11 and 12 in Annex M provide data on procurement, OMS, ration and market prices for both rice and wheat; Figure 7 in Annex N is a graphic representation of the same data. Note that the wheat procurement/OMS price band has been reasonably close to the agreed formula, although there has been the narrowing referred to above in the last two years. Also note that wheat market prices have in general tended to fluctuate within the band in accordance with expected results. Also note that the wheat ration price dipped below the procurement/support price for a time in 1987. Based simply on a review of this wheat graph, it appears that the OMS program might have been relatively successful at moderating wheat price swings in accordance with agreement objectives.

The rice data, however, suggests otherwise. For a seven month period in 1987 the OMS release price was very nearly the same as the procurement price, and for the past 10 months the band is narrower than called for in the agreement. Not surprisingly, market prices did not remain within the narrow band that prevailed. Since April of 1986 (except for 2-3 month during the past 1988 boro harvest) the average market price of rice was well above the OMS release price. OMS releases of wheat (because of cross elasticities) have a lesser price depressing effect on rice market prices than rice releases.

Despite these constraints on the system, it appears that OMS sales have had some moderating influence on rice price fluctuations. We note, for example, that the price swing effects of the extraordinary floods in the past two years appear to be less pronounced than those of the 1970's. Part of this success is clearly attributable to the larger 1988 boro crop and improved import scheduling, but there is little disagreement that OMS sales in the 1988 flood period had a significant rice and wheat price dampening effect at a critical time.

The team also found other evidence which indicates that OMS releases have had the positive effects on prices and volume through their influence on the behavior of private sector traders. The recently completed Price Waterhouse foodgrain storage and marketing study compared OMS releases of wheat and rice in 1984/85 with the amount of foodgrain reportedly held by private traders at the same time. Although the report provided few details about the extent of this analysis, the study found that privately held stocks declined sharply when OMS releases commenced, indicating that the private sector expected that OMS releases would lower prices. Private traders then apparently began to sell their own stocks making theirs a self-fulfilling prophesy. Further, as soon as OMS sales were terminated, traders once again began stocking foodgrain, indicating expected price increases. (See Annex N, Figure 13.)

(c) OMS Operations

At present the actual implementation of the OMS is more centralized than necessary. Each district (there are 20 districts in Bangladesh) receives from MOF a monthly OMS allotment which is then sub-alloted to upazillas. At the upazilla if the MOF Local Storage Depot (LSD) official has not received a sub-allotment, he is not authorized to make any OMS releases even if the market price exceeds the trigger price. Once the market price does exceed the OMS trigger price, a district "Price Fixing Committee" must meet to decide the OMS price and to issue instructions to begin OMS releases. This committee is chaired by the Deputy Commissioner (DC), the highest ranking central government official in the district. This DC approval requirement often slows the initial releases of OMS food for several weeks after the trigger price is reached by the market price. In addition, because of the long delays in reaching decisions after the trigger price is reached, by the time the OMS releases are made the market prices may have moved up or down, rendering the OMS price inappropriate. USAID field trips also reveal that local MOF officials give preference in OMS releases to licensed dealers, since unlicensed dealers are more difficult to control, and the resale of OMS commodities are restricted to 3 kg per person.

Although many of these administrative procedures are understandable, and the Mission should be commended for its field monitoring of OMS operations, the team believes that, to the extent possible, both BDG and USAID monitoring of OMS field operations should continue, and administrative bottlenecks reviewed at appropriate times. The Ministry of Food apparently continues to fear that unlimited access to supplies when OMS

releases are triggered will lead to a depletion of their security stocks. The evaluation team recommends that the Mission continue to encourage the BDG to relax restrictions on authorization to begin OMS sales, quantities of OMS allocated and dealer/trader access to stocks at OMS prices.

(d) Conclusion

There appears to a growing BDG acceptance that the OMS program can and does work effectively (and at a relatively low cost) to dampen and stabilize food prices. A continuing question, however, is the relative ineffectiveness of wheat in lowering rice prices. If sufficient quantities of rice are not available for use in OMS then much larger quantities of wheat are needed in the OMS system to stabilize rice prices, and this, in turn, may result in depressed wheat prices. In short, it appears that until more rice is used in OMS operations the full potential of OMS is unlikely to be achieved.

Two of the team members participated in the first Title III evaluation in 1979, and they recall that the BDG was highly suspicious of OMS at the time. Much of this initial resistance is no longer apparent. The BDG has come a long way in both accepting the philosophy and implementing the release mechanism. It is clear, however, that the BDG is still not convinced that the OMS system will ever be a suitable replacement for any of the other PFDS distribution channels. We recommend that the Mission continue to encourage the BDG to rely increasingly on OMS rather than subsidized PFDS channels to ensure adequate food supplies at reasonable prices.

C. Reform of the Public Food Distribution System (PFDS)

1. Agreement Provisions

A central objective of the Title III program is to "reform" the PFDS. This is to be accomplished by:

(a) reducing the volume, and phasing out by the end of the Agreement period (September, 1989) the subsidies in those PFDS channels, such as Statutory Rationing (SR) and other priorities, that cater to BDG employees and other relatively privileged classes;

(b) increasing the volume of food through the Vulnerable Group Feeding (VGF), Food for Work (FFW), Test Relief (TR) and Gratuitous Relief (GR) channels which are targeted on the needy and destitute;

(c) developing innovative ways, including a reformed Modified Rationing (MR) channel with to reach the poorest in rural areas of Bangladesh and redirect sales of approximately 400,000 mt of grain through the reformed MR system;

(d) on a pilot basis, distribute MR wheat ration through local flour millers and distribute MR rice through rural dealers; and

(e) test several modifications to the MR rationing outlet, such as a food stamp experiment, different commodity mixes and a variety of alternative price levels.

2. Progress

The goals of the PFDS reform program are highly ambitious. The team concluded that substantial progress had been achieved on four of the five proposed actions.

(a) Subsidy Reduction

Annex M, Table 4, provides the volume of foodgrains distributed through the various PFDS channels. Although the volume passing through the SR channel in 1987 and 1988 exceeded the 1986 volume, over the longer run (i.e. since 1978) the 1987 and 1988 SR volumes were considerably less than the average of previous years in accordance with the agreement objectives. Although the volume channeled through the Other Priority (OP) spigot increased slightly contrary to agreement provisions, this is a minor problem since the price in this channel is now almost at the OMS price, i.e., the subsidy has been almost totally eliminated.

In accordance with the agreement, and continuing recent trends, the BDG twice adjusted ration prices upwards since the agreement was signed. SR, OP and MR channel prices are now only 2-3% lower than the OMS sales price. (Currently MR ration prices are close to market retail prices. See Annex M, Table 10.) These price actions, as well as other cost reducing measures, have resulted in significantly reduced costs of food subsidies to the BDG's budget in recent years. The following World Bank table notes that the BDG's overall PFDS subsidy requirements fell to TR 470 million in FY 87 after gradually increasing from Tk.1,090 million in FY 81 to Tk.2,440 million in FY 85. (The team did not examine whether the lower food import prices had an effect on the subsidy reduction trends.)

Rate of Subsidy in PFDS

Commodity/Channel	FY81	FY82	FY83	FY84	FY85	FY86	FY87
Rice	Percentage of Economic Subsidy /a						
SR, MR, OP	51.6	46.1	34.2	18.1	10.3	8.4	3.5
LE, FM	32.6	31.5	25.1	11.8	-0.1	1.7	-7.9
EP	80.5	81.2	81.4	79.8	79.3	80.5	80.6
Wheat							
SR, MR, OP	29.2	29.3	28.5	28.0	27.3	25.6	19.4
LE, FM	17.5	20.3	24.5	23.8	21.3	20.0	10.2
EP	69.5	72.3	75.4	77.0	78.1	80.0	79.8
Budgetary Subsidy (millions of taka)	1090	1820	1930	1600	2440	500	470
Share of Food Subsidy in Current Expenditure (%)	8.4	9.5	8.4	5.6	7.1	1.3	1.1

/a Difference between border price and issue price and issue price as a percentage of border price. Border price is estimated from 3-year moving average of world prices adjusted for fiscal year, quality differences, transportation costs, and distribution margins.

Source: World Bank estimates/1988 WB Economic Memorandum.

While these upward price adjustments have not come without some difficult USAID-BDG negotiations,.the overall trend in PFDS subsidy reduction is encouraging. The agreement called for the BDG, by September, 1987 (six months after the agreement was signed) to reduce SR and OP subsidies by 2% of the sales price in the case of rice and 3% of the sales price in the case of wheat. These new prices were put into effect by the BDG in August of 1987, one month ahead of schedule.

The agreement also called for additional SR and OP percentage price increases by July 15, 1988, further ration price increases of 2-4% by September 30, 1988, and complete elimination of the subsidies by September 30, 1989. The objective is to establish SR prices which are equal to the initial OMS prices in the non-SR areas. In accordance with the agreement the BDG made the required price increases by July 15, 1988, but the Secretary of Food cited "political difficulties because of the (1988) flood" as grounds for delaying the ration price increases scheduled for September 1988.

The evaluation team believes that such a delay, although somewhat disappointing, is certainly within the terms of the agreement which cites "a food crisis of emergency proportions" as grounds for delay. The 1988 flood was certainly such a crisis.

However, BDG and donor initial estimates of the flood damage to the aman crop appear to have been exaggerated and recovery, at least in terms of food production, may be more rapid than first expected. The evaluation team therefore urges USAID and the BDG to continue negotiations and agree as soon as possible on a new date for the ration price increases.

(b) Increased Volume Through PFDS Relief Channels

In recent years there has been a sudden and dramatic increase in the amount of food distributed through the FFW, Vulnerable Group Feeding, and other relief categories. Between 1978 and 1982, the annual volume through these relief spigots averaged 382,000 MT. In 1988 1.1 million tons, or more than double the the 1972-82 annual average, were distributed as relief, and 1.3 million tons are projected for 1989. Clearly the BDG has met the terms of the agreement. The evaluation team, however, was concerned about whether it is sensible for the USG to support further increases in relief distributions, particularly in light of the BDG proposed subsidized MR rural rationing scheme which will add to, and might overlap with other relief distributions. A 400,000 MT subsidized MR rural rationing system, plus more than one million tons per year in relief distributions would mean that over 5% of total annual food availability (i.e., private sector as well as public sector) in Bangladesh is distributed in relief channels. Since "leakage" in the relief programs is reportedly high (e.g. 15% in the tightly administered FFW program and 65% in the current MR program) the team believes continued policy emphasis beyond the current agreement on an increase in relief food and income transfer mechanisms deserves careful review in the coming year.

(c) Modified Rationing Reform

In 1986, Beacon Consultants completed a report entitled "the Existing System of Public Foodgrain Distribution in Bangladesh and Proposal for Restructuring". The study recommended a reformed MR system, and these recommendations were incorporated into the FY87 Title III Agreement.

In accordance with the agreement, the BDG, with Mission support, commissioned a follow-up report by the same consultant to conduct an in-depth examination of the MR system. That report,

entitled "Modified Rationing in Bangladesh; An Exercise in Reform to Increase its Effectiveness (Final Report)" was completed in October 1988, just prior to this evaluation.

In the meantime the FPMU undertook efforts to update the MR Distribution Priority lists, prepared an implementation plan for the reformed MR system and formally proposed the new system, renamed Rural Rationing (RR), to the Mission. The BDG has begun to implement the new RR system, although no distributions have been made as yet.

In the new RR system, the MOF will sell about 20,000 MT of wheat a month, or 245,000 MT per year, directly to local flour millers, or atta chakkis, at the usual ration price which presently includes a 4% subsidy. Each miller will receive a fixed allocation of about two metric tons per month. The evaluation team is strongly supportive of this important element of the RR system which has minimal subsidy, uses private sector distributors and market mechanisms.

The second component of the new RR system consists of the distribution of 347,000 MT per year to over 4 million rural poor through a ration card system at 75% of the ration price. Eligible recipients will receive 1.5 kg of rice or wheat per adult or 4.5 kg per family. The Mission believes that the proposed reform is consistent with the objectives of the agreement and should receive the anticipated support of the Title III program. <u>The Mission recommends that inclusion of RR in the program be contingent on its confirmation that the "diversions", or "leakages" which plagued the MR system (estimated by some observers to have been as high as 65 percent) have indeed been eliminated. The evaluation team concurs in these Mission recommendations.</u>

With regard to MR local currency generations, the agreement states that "once the recommended MR reforms are implemented the BDG will be authorized to use Title III foodgrains for sale through the (new) MR channel" --(however)-- "if the generation of the sales proceeds falls short of the CCC disbursed cost of the food grains," (and it will because of the 29% subsidy component of the program) "the BDG will have to make up the shortfall from other sources of revenue." The USAID Mission has proposed that, instead of forcing the BDG to deposit the shortfall from "other sources" which the BDG claims it does not have, the USG eliminate this requirement by allowing Commodity Use Offset equivalent to the subsidy element.

Last year's evaluation report noted (pg 16) that some USAID and BDG officials were not optimistic about the benefits of a reformed MR and preferred instead to rely on the market-oriented

OMS mechanism to limit prices and the VGF and FFW to reach the rural poor. This year's evaluation team had similar misgivings regarding USG support for a major expansion of a subsidized, PFDS distribution spigot. Although the Mission's primary concern appears to be related to possible leakage or diversion in the new system, the evaluation team is concerned about the longer-run implications of establishing highly subsidized relief program in rural areas in addition to four other PFDS relief spigots and other subsidized channels. We wonder how the system will operate ten years from now, and whether USG support for a new subsidized channel is consistent with the overall subsidy reduction,/market oriented thrust of the Title III policy dialogue.

While the Title III agreement has called for such reforms, and the proposed reforms are therefore in compliance with the provisions of the existing agreement, the team believes that the Mission and the BDG should reconsider carefully the advisability of this approach to rural food security. The team recommends that USG support for the new RR system at most be limited to offset for the L/C generations; we thus recommend against using the Commodity Use Offset mechanism to fill any generation gap caused by the subsidy.

(d) Pilot Tests

To date the BDG has not tested several modifications to the MR rationing outlet as called for in the agreement, and it appears unlikely that it will be able to do more than implement the reformed MR system mentioned above before the agreement terminates. The team considers this to be an insignificant compliance shortcoming, given the substantial progress in other MR reform areas, and we recommend that the pilot tests not be pursued until a USG position regarding the RR system is decided upon.

D. Food Planning and Monitoring Unit (FPMU)

1. Agreement Provisions

Building an improved base of analytical data is key to the success of the Title III central policy reform effort to maintain correct procurement, PFDS, and OMS prices. The FY 87 Agreement therefore called on the BDG to mount studies and other research efforts on a broad range of food and agriculture issues and use local currency generations "...to support the expansion of the range of responsibilities and the analytical capabilities of the MOF's Food Planning and Monitoring Unit (FPMU)."

A principal specific FPMU activity was to be "the implementation, by the end of FY 88, of a system for monitoring the food consumption and nutrition situation regionally as well as nationally." This effort was to complement an ongoing effort to develop an early warning mechanism for assessing crop prospects. Other specific FPMU activities included

- "a review of the experience with managing the 1984 flood-induced food crisis" to produce recommendations regarding free distribution systems, such as VGF, GR, and Test Relief.

- carry out the required planning and analysis to ensure that the operations of the OMS program are closely coordinated with those of the floor price maintenance program.

- mount studies and research on the methods and means for fostering private investment in productive, non-agriculture enterprises (particularly agri-business, commercial and industrial enterprises) to supply inputs to farmers and to process and market farm products.

- contracting with a "reputable international organization" (i.e. IFPRI) to increase its competence in dealing with these broader issues.

- update and verify the Distribution Priority (DP) lists and MR card holders nationwide and carefully scrutinize other procedures under MR so that improvements can be made.

- institute a process of monitoring the effectiveness of the MR reform and test several modifications to the reformed MR system on a carefully monitored trial basis.

- conduct analysis on improving the cost-effectiveness of PFDS targeted subsidy programs such as VGF and FFW. (It is not specifically stated in the agreement that FPMU will do this, but it appears that the drafters of the agreement had the FPMU in mind)

- devise, test and, if cost-effective, implement during the Agreement period other delivery systems for getting free food to the destitute.

- direct an experimental campaign to introduce maize into the food system by developing a plan of action and then a timetable to complete the design and research work. In the second year the FPMU will begin prototype development and testing, and in the third year begin large scale

implementation. The agreement noted that, with regard to this maize introductory effort, FPMU would contract with local research institutions to do some of the work but would also participate directly in much of the work.

- develop annual plans for price announcements and rice and wheat price-maintenance activities, indicate levels of financing for procurement and provide regular reports an analysis of the results of the procurement program.

The list of expected analytical tasks is indeed a formidable one, and it was probably too ambitious to expect that all would have been accomplished by the end of U.S. FY 88, especially when one realizes that the FPMU consists of a total of only 10 positions, seven of which are filled at present. These include the FPMU section chief, a deputy chief not filled, three assistant chiefs, three research officers - one position filled and two investigators.

Substantial progress has already been made in strengthening the unit and several studies have been commissioned (a number of which are complete). Major studies which were commissioned by the MOF and completed in recent years include:

- "Report on the Existing System of Public Foodgrain Distribution in Bangladesh and Proposal for Restructuring", September, 1986 (Beacon Consultants)

- "Study on Subsidies in the Public Food Grain Distribution System in Bangladesh", October, 1986 (Eureka Consultants)

- "Fluctuations of Rice Prices and an Approach to Rice Price Stabilization in Bangladesh", 1987 (IFPRI)

- "Bangladesh PL-480 Title III Maize Study," September, 1987 (Winrock International)

- "Public Foodgrain Distribution System and Food Price Policies in Bangladesh: A Program of Research and Advisory Service", May-June, 1988. (IFPRI)

- "Foodgrain Storage and Marketing Study-Final Report", August, 1988 (Price Waterhouse Asia Pacific)

- "Modified Rationing in Bangladesh: An Exercise in Reform to Increase its Effectiveness (Final Report), October, 1988 (Beacon Consultants)

Most of the analytical work envisaged when the agreement was written will be conducted by the FPMU with the assistance of IFPRI which is scheduled to begin work in early 1989. The Scope of Work for this activity (included in Annex D) includes analysis and planning related to food consumption and nutrition data, OMS pricing policy and operations, PFDS procurement/floor prices and ration release prices and greater involvement of the private sector in Bangladesh's food systems.

The BDG has not yet initiated studies to review the experience of managing the 1984 flood crisis, nor has it begun analysis of the cost-effectiveness of the various relief channels (e.g. FFW and VGF). Since the agreement and the USG's current position advocated an expansion of VGF and FFW relief programs, such research will prove useful in deciding whether to continue this policy initiative.

Although the agreement called for the BDG to allocate Title III local currency generations to the FPMU, none has been allocated. Apparently neither the USAID Mission nor the BDG have seriously pursued this provision as an opportunity for FPMU support, possibly because local currency funding arrangements in general have been cumbersome to arrange. Nevertheless, FPMU's recurrent budget constraints are apparently significant and could impede progress in meeting analytical requirements. The evaluation team therefore recommends that the BDG and the Mission reconsider whether it is advisable and possible to use Title III local currency generations to support the unit's activities.

In general the evaluation team concluded that considerable progress has been achieved since April 1987 in support of the FPMU and food policy analysis. Elsewhere in this policy reform section of the report we have referred to the need for additional analysis, particularly on procurement and OMS prices. We therefore believe that FPMU's role in Title III program will become increasingly critical, particularly during the coming year as the Mission revises its CDSS and prepares for the submission of a new FFD program.

E. Introduction of Maize

1. Agreement Provisions

The agreement calls for the BDG to mount a "campaign" directed by FPMU "to introduce a new self-targeting grain, maize, into the food system." Applied research will be undertaken to develop and test low-cost nutritious, consumer acceptable products, such as maize, for free distribution to the needy, for

ration shop sales and/or for commercial retail sales. The agreement timetable is to complete the design and research work in the first year of the agreement, (i.e. FY 87), start prototype development and testing in year two, and "full scale implementation" in the third year. During the negotiations for the agreement USG officials mentioned that maize could be programmed under the PL-480 agreement if the research turned in positive results, but the BDG expressed doubts about including of maize in the Title III commodity mix.

2. Progress

Although not all of these overly ambitious targets were realized, USAID and the BDG have made substantial progress toward the overall objectives of the maize introduction program. The first step, a technical feasibility survey, was carried out by Winrock Foundation in 1987 in cooperation with the Agricultural University and the Agricultural Research Institute. The study confirmed that ecological conditions are favorable for the introduction of maize as an alternative to rice in the aus season and wheat in the aman season. Yields in farm trials are estimated to be twice that of wheat in the aman season and three times that of rice in the Aus season. The potential was sufficiently encouraging for USAID to assist the Ministry of Agriculture in supplying 500 tons of improved, composite maize seed for distribution and planting this (i.e. 1988) Aman season. This should give a significant boost to total production so that the cost of production and market feasibility can be more fairly demonstrated.

Before maize can be introduced into the food system it is recognized that a major public education campaign would be needed to advise recipients and cash customers about the nutritional value and preparation instructions regarding maize flour and maize/wheat flours. At present such a campaign has not yet been planned, nor does the Ministry of Food or Ministry of Relief and Rehabilitation have plans to experiment with maize as a self-targeting food. However, IFPRI will begin work in 1989 on the potential maize marketing and processing mechanisms.

Given the uncertainties surrounding both the supply and demand side of the maize acceptability issue, and given and the workload of the FPMU and Ministry of Food, the BDG has not yet requested maize as a Title III or Title II commodity. Such a request appears to be several years away.

When wheat was first introduced into Bangladesh, it was considered an inferior food forced on rice eating Bangladeshis by careless food aid donors. Now it is a preferred food and a major foodgrain crop. Although maize may never be as successful

in Bangladesh as wheat, local experts believe that the prospects are encouraging.

F. Internationally Accepted Procurement Procedures

The agreement calls for the BDG to adopt internationally accepted tendering, contracting, shipping, and settlement procedures for food-grain imports. This is important for Bangladesh if it is to receive the best price, to obtain the type of commodities that best meets its need and to treat all suppliers fairly.

Tendering procedures have improved during the last year with most commercial purchases occurring under open tenders. The major problems that the BDG still faces in this regard are improved commodity specifications and tight contract provisions that protect both the buyer and the seller. The U.S. Wheat Associates recently provided assistance in this area by holding a technical training session for BDG and private sector participants.

G. Private Sector Participation in Imports

One of the goals of the Title III program is to allow the private sector to import part of its needs. The BDG has taken some steps in this direction but more needs to be done. Imports by the private sector within limits are permitted. However, the importer must post a 200,000 taka (about $6,500) performance bond and pay a 20% import tax. While there are a number of importers who could post the performance bond, competing against the government which pays no sales tax is difficult. In spite of this, the private sector imported 82,000 metric tons of rice when the international price was low in comparison to the price in Bangladesh. Large imports by the private sector are unlikely as long as the import tax is maintained at this level. Because the government has traditionally done all of the importing of foodgrains, it will take time for the private sector to build up the capability to import. Private sector traders are not likely to undertake the necessary investment in unloading, handling and storage facilities without some BDG assurance that they will be able to continue to have the ability to import. The evaluation team recommends that the BDG consider reducing or eliminating the import tax (or applying it equally to government and private imports), allowing the private sector to use Ministry of Food storage and handling facilities and allowing the private sector to participate in purchases under the Title III program.

H. The Cotton Sector

Cotton provided under the agreement goes to the Bangladesh Textile Mills Corporation (BTMC) which is owned by the government. Most of the cotton is spun into yarn which goes to private handloom operators or is used to produce relatively low quality textiles consumed domestically. Bangladesh is only 80 percent self-sufficient in textile production, though it has now reached self-sufficiency in yarn production. Consumption of textiles is still very low at approximately nine meters per person per year.

An active private sector has developed since the privatization of a number of mills several years ago. Two or three private sector mills have developed the capacity, using a mix of domestically and imported yarns, to produce cloth of sufficient quality be used by the export garment sector. Up to now the exports of textiles and garments has been based completely on imported materials that were cut and sewn in Bangladesh and then exported. The amount of domestically produced cotton textiles currently used in exports is still very small but is likely to grow. This situation has been discussed with the the Economic Section of the Embassy which monitors the situation closely. It now appears that it is only a matter of time until the BDG will be in violation of the export limitations provision of the agreement. When this occurs, a decision will have to be made whether or not to continue to program cotton under the agreement.

I. Vegetable Oil

Vegetable oil is purchased by the Bangladesh Sugar and Food Industries Corporation (BSFIC). Recently the vegetable oil processing operation has been spun off as a holding company that is 51% government and 49% privately owned. Because of the late signing of the agreement, the BDG paid a high price for their vegetable oil. Since the BSFIC sells through private dealers who also purchase supplies from the private refining mills, it is concerned about covering the CCC cost of the vegetable oil and the effect of higher prices on profit margins. Soybean oil remains competitive in Bangladesh because there is a higher tariff on refined palm oil.

V. COMMODITY ISSUES

A. Rice

Because of changes in taste and greater availability in the local market of domestically produced parboiled rice, the Food Ministry has had a great deal of difficulty selling U.S. white (milled) rice. Until the flood, U.S. rice had remained in storage because of limited demand. The Food Secretary informed a U.S. Rice Millers Association (RMA) team that visited Dhaka in early November that only parboiled rice would be accepted in the future. One of the members of the RMA team stated that there are now adequate supplies of parboiled rice available in the U.S. at reasonable prices. The evaluation team recommends that, if at all possible, only parboiled rice be provided under the program. There is the potential that if milled rice is provided, it could remain unutilized and remain in storage until it goes out of condition. This would not serve the best interests of Bangladesh, the USG or the U.S. rice industry.

B. Early Shipment of Commodities

Both the BMTC and the BSFIC have complained in the past that the late signing of Title III Agreements have forced them to procure in the last few months of the U.S. fiscal year when their supplies were relatively adequate and international prices were seasonally high. This increases the price to the Bangladesh economy and consumers, creates problems of stock management for the BMTC and the BSFIC and places these parastatal corporations at a disadvantage in competing with private sector importers who have greater flexibility as to when they enter the market. Additionally, if the BSFIC and BTMC are unable to cover CCC cost, then the BDG would have to provide local currencies from its own resources in order to obtain full currency use offset. The early signing of Title III agreements will thus be very helpful to the BDG, and vegetable oil and cotton should be included in such signings whenever possible.

VI. PROGRAM MANAGEMENT

The purpose of this section is to summarize and provide the team's views on the changes on Title III management which have taken place over the past year. The team also offers suggestions for the coming period.

A. Background

Last year's evaluation highlighted a number of problems which, from the DCC's viewpoint, had not been given adequate attention in the field. Principal among these problems were the delays in the deposit and disbursement of local currency and the certification of CUO. The evaluation also noted several areas where the required policy reforms established in the Agreements had not been fully realized. These two problems were tied together because of the linkage between policy and local currency generations in the Bangladesh Title III Agreements, i.e., failure to comply fully with very specific policy targets limited the generation, deposit and disbursement of local currency. Additionally, the DCC was concerned about the adequacy of the Mission monitoring and reporting on local currency projects.

In response to these problems, the DCC included in the FY 88 amendments to the 1982 and 1987 agreements (Amendments 13 and 4, respectively) provisions which required that the BDG meet strict new deadlines for local currency deposit and utilization, that an international accounting firm be employed to review the generation and control of local currencies and that a local currency use plan be developed by December 1988. These amendments also opened two additional PFDS channels eligible for use of Title III commodities. Further, the amendments partially "delinked" policy from local currency deposits; the BDG now must deposit all local currency generated from the sale of Title III commodities in any of the five channels into the special account regardless of whether the prices in those channels are in compliance with the agreements. However, only the use of local currency generated from sales at prices consistent with the agreement may generate CUO.

In addition to these changes, the DCC curtailed the USAID Mission's authority to interpret and adjust the agreements in response to changes in local conditions. The DCC informed the Mission that any change or significant interpretation of the agreement (e.g. what constituted "substantial compliance" with price policy targets) would required DCC notification and approval. The DCC left for future determination the question of whether such interpretations and adjustments would be effected through amendments (approved by the DCC and the highest levels

of the BDG) or through PILs (issued by the Mission and accepted by BDG counterpart institutions).

B. Management Changes Introduced in the Past Year

The evaluation team observed many indications of a sharp increase in USAID/Bangladesh's efforts to manage this complex program effectively. This effort was directed by Mission management, which established new monitoring systems and reorganized the Mission's handling of the various components of the program. Management also participated in discussions with senior BDG counterparts on significant policy and management issues, impressing on high level BDG counterpart the need to improve its performance on and accounting for local currency. The principal changes which the Mission has introduced are summarized in the following paragraphs.

1. Reorganization of Program Responsibilities

Early in the year, the Mission contracted with a management consulting firm to review the Mission's food aid planning and implementation responsibilities and to help the Mission reconsider its internal allocation of responsibilities. This effort led to the development of a Mission Food Aid Management Plan. (Sections of the Management Plan pertaining to the Title III program are included in Annex F.)

The Management Plan formalized important changes in the way the Mission manages the Title III program. In the past, the Title III project manager and his Bangladesh staff had responsibility for virtually all aspects of this complex program. The Management Plan assigns important tasks to five other members of the Mission's staff, with the project manager coordinating and directing activities. A U.S. direct hire Agricultural Economist is now assigned to monitor the program's major food policy and production elements and to carry out the required disincentive analysis. The Program Officer is to provide leadership in the programming of local currency proceeds, including the establishment of Mission priorities and the negotiation with BDG counterparts. The Mission Controller is assigned responsibility for tracking local currency deposits and disbursements and for assuring compliance with requirements of currency and commodity use offset. The Mission's Legal Advisor is being utilized to assist in the development and negotiation of amendments and accompanying memoranda of negotiation.

2. Utilization of an International Accounting Firm to Review BDG Systems for Local Currency Management

As required in Amendment IV to the 1987 Agreement, the Mission developed a scope of work and contracted with an international accounting firm (IAF), Price Waterhouse/India, for a comprehensive, in-depth review of the BDG's systems for generating, accounting for and utilizing local currency proceeds. The Price Waterhouse team leader met with DCC representatives in Washington in August 1988 to learn firsthand about their concerns regarding the Title III program. Additionally, upon its arrival in Bangladesh, the evaluation team benefited from a briefing by the IAF team on its work. Among its findings were that (1) the special account for the 1982 agreement is only a ledger account and not a separate bank account; (2) the ledger account is not up to date, making the Mission records the only accurate source of information on the amount of local currency actually generated and disbursed; (3) reported generations and deposits were until recently based on estimated rather than the actual sales revenues, and (4) the BDG's system for programming Title III local currency systematically underprograms and underspends available resources.

The IAF is now developing its recommendations and will make its report to the Mission and the BDG in the coming weeks. However, the evaluation team noted that Mission staff are working closely with the IAF and are helping to develop solutions to the problems encountered. The Mission is, in fact, already moving to implement some recommendations (e.g. application of project selection criteria, USAID collaboration with BDG units planning and monitoring the Annual Development Plan) which will come out of the IAF study. The IAF team leader is expected to visit Washington early in 1989 to brief DCC members more fully. In addition, the team will return to Dhaka next year to evaluate progress against the recommendations it makes in the course of its current review.

3. Improved Local Currency Project Selection and Programming

The Mission has briefed the evaluation team on a new system it intends to introduce to improve the programming of local currency proceeds. The system includes four key elements.

a. Project Selection Criteria. The Mission will screen projects on the basis of eight criteria. These include consistency with the Title III program guidance and the Mission's COSS objectives, involvement of a donor organization, importance afforded to the project by BDG planners, technical

and economic feasibility, implementation record to date and project size (to avoid many small projects).

b. Technical Analysis and Project Approval Procedures. In the past the Mission has not required a technical review of BDG projects before they were accepted for Title III local currency financing. Although the selection of local currency projects appears not to have been an issue which has particularly concerned previous evaluations or the DCC, the Mission has itself questioned whether its procedures were consistent with A.I.D.'s current guidance (contained in AID Policy Determination No. 5 and State 327494 of 21 October 1987) on local currency management.

Because of its concern, the Mission asked the IAF to review the Mission's procedures and to recommend ways those procedures could be improved. The Mission also arranged for a brief independent review of local currency funded water projects which constitute more than half of the Title III local currency portfolio. As discussed in Section III, this latter review, which coincided with the evaluation team's visit, questioned the economic and technical feasibility of those projects which are not supported by an international donor. The new project selection criteria which the Mission and the IAF are developing is expected to reduce or eliminate such projects from future consideration.

Because of the impossible workload it would imply, the new procedures will not require that Mission staff carry out independent studies nor certify the accuracy of the data and analyses of other donors or BDG agencies which they review. However, the technical staff will review the plans and analyses develop for proposed projects to ensure that they were carried out in accordance with internationally accepted norms. The findings and recommendations from these reviews will be forwarded to Mission management for decision.

The Mission and the IAF believe that this new review procedure will improve the Mission's ability to screen out poor projects and will gradually produce a stronger portfolio. Given the concerns about those projects already in the portfolio which are not supported by any major donor, the evaluation team believes that the Mission will also need to conduct a technical review of those projects.

The evaluation team believes that it is unclear at the present time whether local currency projects can be added to or deleted from the portfolio by PIL or if formal amendment of the agreement is necessary. Projects were apparently added in the past through PILs, but the DCC appears to have questioned this authority during the past year.

In considering this issue, the evaluation team believes that it will become increasingly important that the project list be adjusted expeditiously if, as discussed elsewhere in this report, the Mission is to become involved in the ADP process and to utilize L/C resources more promptly. For example, if the ADP process leads to Mission-BDG agreement in March or April to an expanded allocation for a budget year which begins on July 1, it would make no sense to wait until the agreement is amended in October to reflect these local currency allocations.

The Mission has pointed out that amendments to the agreement occur infrequently and require considerably more time to prepare and to clear through the BDG bureaucracy than PILs. The Mission also notes that AID procedures for appropriated DA or ESF projects permit changes in agreement annexes with PILs. On the other hand, USDA representatives have indicated a preference for a prior Washington review before accepting new projects. This permits the USDA to ensure that PL 480 agreements are not used for activities which might prejudice the interests of those producers. Further, the USDA representatives point out that PL 480 agreements and amendments are distributed to a wide variety of U.S. producer groups, while PILs are not. This suggests that agreements and amendments should accurately reflect the program that is being implemented.

The evaluation team believes that these legitimate concerns of both parties can be met. The desirability of obtaining DCC clearance does not require the more lengthy amendment process; DCC clearance could be required equally well for selected PILs. Therefore, <u>the evaluation team recommends that the DCC authorize the Mission to add or delete projects by PIL provided that prior DCC concurrence is secured before projects are added. The Mission document summarizing the staff's technical review of a proposed L/C project which is prepared for Mission management could be cabled to Washington and serve for DCC consideration. A PIL would then be issued to add the project(s), and the Mission would update the project list when the following amendment is prepared and signed.</u>

c. <u>USAID Input in the Preparation of the BDG's Annual Development Plan (ADP)</u>. In past years, the BDG office preparing the ADP has not had correct information on the level of Title III local currency resources available nor on A.I.D.'s interests or constraints in programming those resources. Part of this problem should be resolved by changes in BDG accounting procedures recently undertaken by the BDG and additional changes which the Price Waterhouse team is expected to recommend. In addition, the USAID Mission plans to work closely with the BDG planning unit on the preparation of the ADP. This collaboration

will contribute to a more prompt and effective utilization of resources.

d. Overprogramming of Available Local Currency. The Title III agreements have included lists of eligible local currency projects with expenditure levels next to each project. The agreements have not specified whether these funding levels were maximums, minimums or targets, and consistency with the agreement's levels has not been a condition of CUO certification. Previous evaluations have focussed on the overall level of local currency spending but have not compared actual against projected expenditures for individual projects.

As a result of the Price Waterhouse study, the Mission has learned that the BDG planners have under-budgeted because they have not known how much was available in the special ledger account and not taken into account projected deposits into the account during the ADP plan period. Further, what was budgeted was frequently not spent because of a variety of unpredictable implementation problems. (See discussion in Section IV.)

In order that these problems not continue to reduce disbursement and CUO generation, the Mission proposes to work with BDG budget planners to overprogram available local currency resources. The Mission believes that this will substantially increase the BDG's ability to utilize the local currency resources and to generate CUO. The evaluation team supports this worthwhile change in Mission program management procedures.

4. Improved Project Monitoring and Reporting

During the past six months, the Mission has implemented a number of reforms in its project monitoring procedures. First, the Mission has obtained assurances from several of the principal donors supporting these projects to provide their periodic supervision reports on financial and physical progress. By obtaining these reports directly from the donors, the Mission should obtain a more complete and timely set of reports and is likely to pick up informally pertinent data not included in formal reports.

Second, it has developed a working relationship with the BDG institution responsible for monitoring the implementation of ADP projects. This unit seems to be staffed with engineers and other professional who are independent of the implementing agency and concerned with the same set of issues as is the Mission.

Third, the Mission has developed a computerized project list which shows the status of monitoring activities for each

project. The list indicates when the last site visit was conducted and the date of the latest financial and physical progress reports were reviewed, giving Mission management, auditors or program evaluators an excellent summary of the status of the monitoring process. (A copy of this list is included in Annex I.)

Finally, the Mission has tied the monitoring process back into the allocation process. The Mission staff will prepare a brief annual progress summary on each project providing a recommendation to Mission management on the continuation of funding with Title III local currency.

5. Mission Staffing Considerations

The increased involvement of the Mission's Controller and Program Office in local currency management has relieved somewhat the Title III workload within the Office of Food and Agriculture. At the same time, a second employee has been made available to assist in monitoring local currency projects, and an additional position has been created in the Food Operation's section. Given the increased efficiencies that will stem from other office investment in Title III matters and improvements in local currency project monitoring procedures, the Mission believes that current staff will be sufficient to manage the current Title III program.

One exception revolves around the Mission's concern about the local currency irrigation projects. Currently, the Mission has no one on its staff to oversee this portfolio. The Mission believes that its improved access to foreign donor reports and BDG project reports, together with judicious use of such outside expertise, will permit adequate monitoring of the local currency projects over the period of the current program agreement. However, as part of the upcoming Agricultural Sector Assessment (January 1989) and Bangladesh CDSS development process, the Mission will review whether increased involvement in the water sector should be a part of its program in future years. A positive determination may lead to the addition of an irrigation specialist to the Mission staff who could also play a role in monitoring the Title III local currency water projects.

C. BDG Management Changes-Introduced on the Past Year

1. Creation of the Title III Coordination Committee

The team notes that the BDG convened two sessions of the new Title III Coordination Committee over the past year. Committee sessions were chaired by the Secretary of ERD and attended by

representatives of the Ministry of Food, Ministry of Finance, Bangladesh Bank, BTMC, and BSFIC, as well as USAID. The agenda included financial management issues stemming from the local currency generation's and disbursement requirements. A third meeting is being scheduled for late November, at which time the Price Waterhouse team will present its findings and options for BDG follow-up. All parties involved in the committee feel that it is useful. The team concurs with the suggestion made by representative from several BDG entities that the committee should meet quarterly.

2. Changes in Local Currency Generation and Accounting Procedures

On its own initiative the Ministry of Food (in collaboration with Ministry of Finance Representatives) undertook a review of its performance in generating local currency through the sale of wheat and rice through authorized channels. This review preceded by several months the arrival of the Price Waterhouse team and resulted in significant changes in the way the Ministry generates local currency and accounts for its movement into the special account.

3. Creation of a Special Depository Account for Title III Proceeds

As discussed elsewhere in the report, a special depository account was created in late July for Title III proceeds received from Ministry of Food BTMC and BSFIC. The Bangladesh Bank has already begun to provide bank statements to USAID which include daily balances as well as deposit into and disbursements out of the account. The team concurs with the Mission and with the upcoming Price Waterhouse recommendation that a second such account must now be established for receipt of the balance due under the 1982 agreement.

4. Increased Participation of Ministry of Planning in Programming Title III Local Currency.

In collaboration with USAID program office representatives, the Ministry of Planning's Programming Division is now intimately involved in identifying those projects in the ADP appropriate for Title III local currency support. This should lead to much more efficient programming and more rapid disbursement from the special account.

D. Management Issues to be Resolved

During the past year the Mission has responded energetically to the DCC's concerns. These Mission efforts have been quite effective. However, the problems are not yet fully resolved.

The evaluation team believes that the BDG and the Mission should continue to focus their attention on completing the policy reforms outlined in the current agreement and on completing the commitments to generate and utilize the local currency proceeds. The team recommends that the 1987 agreement be amended to extend it by one year (through FY 90) to allow time to complete these efforts. The FY 89 and 90 amendments should revise Annex B, as appropriate, to reflect recommendations included in this evaluation.

The extension of the current agreement will permit the Mission to structure the new Title III program to complement its new CDSS due to be submitted in December 1989. Planning the CDSS and the Title III programs simultaneously should produce a Title III program which is more fully integrated with other Mission programs and its overall strategy.

The BDG and the Mission will need to begin almost immediately to develop ideas about a new Title III program. Indeed, the work of IFPRI and the FMPU which is already underway should be particularly useful in identifying policy and program areas for inclusion in the new agreement.

The target date for signing the FY 91 agreement should be September, 1990. Although the new Title III guidance requires submission of the corresponding program document to Washington by October 31, 1989 (for a FY 91 agreement), the evaluation team suggests a submission date of December, 1989 to coincide with the Mission's CDSS. This schedule would still leave nine months for AID and DCC review and Mission negotiation of the agreement.

In developing its next basic Title III program, the evaluation team recommends that the Mission consider shifts in the program's policy reform emphasis and in its method for handling local currency. With respect to policy, the Mission and the BDG have made encouraging progress in providing price incentives to farmers, reducing price fluctuations and reducing PFDS subsidies. These reform initiatives should be retained in a new agreement, but the evaluation team believes that significant new policy initiatives in food security might be considered as well. There is clearly room for further progress, for example, in reducing price fluctuations, stock management and the private sector's role in grain importation and storage.

The team found the current agreement to be over-burdened with too many objectives and rigid formulas, making it difficult and staff-intensive to implement. The next agreement should be less complex and easier to track.

With respect to the local currency program, the evaluation team was struck by the amount of staff time that the Mission is finding necessary to devote to planning and monitoring the generation and utilization of these resources. The evaluation team is concerned that, given current trends, the Title III program may become an unsustainable management burden for the Mission.

In part, this reflects the Mission's understandable confusion over the rules of the game. The Mission is expected to comply with both the Title III legislation, DCC guidance and AID guidance on local currency management. Audits from AID's Inspector General seem to propose yet a third set of local currency standards. As indicated in Section III above, the team recommends that the DCC and its member agencies work together to produce uniform guidance on programming and monitoring Title I/III local currency.

The evaluation team also believes that the Mission needs to consider options for local currency management which would reduce the amount of staff required for monitoring the program. Reducing or eliminating projects which have not been reviewed and accepted by international donors will reduce staff time needed for initial review and for monitoring.

Another step might be to fund only local currency activities which directly relate to the program's policy agenda. In effect, the current Title III program is composed of two large and complex programs which are not closely linked: a set of policy reform activities focussed on increasing the role of market forces and the private sector in food marketing, and a set of investment activities designed to increase agricultural productivity. The evaluation team believes that a program which more closely links the local currency uses to the policy agenda might produce a greater development impact with less management burden.

Third, the Mission should consider moving away from using local currency to finance a lengthy list of capital projects and towards the use of these resources to provide support to on-going priority programs. Obviously, any option would need to meet Title III legal requirements, DCC policy guidance, AID guidelines for local currency management and the concerns of the IG and the GAO. However, it is not clear that the current

programming and utilization procedures are the only method of meeting these requirements. The program might, for example, channel local currency into additional operating budget activities. The current agreement already allocates resources to two non-ADP budget accounts, agriculture research and bridges and culverts. (A Title III program in Egypt several years ago also funded operating budget for financing capital improvements at the village level.) Similarly, local currency might be to finance increments in particular BDG operational budget line items, e.g., increases in BDG expenditure for maintenance of roads and other types of rural infrastructure. The Mission could also consider some form of policy performance-based disbursement. Although this has not been previously done with Title III local currency, that such schemes have apparently passed legal and audit requirements for appropriated DA dollars suggests that this might be possible with host country-owned Title III local currency.

These options would clearly need to be aired thoroughly with the policy and legal staffs of interested DCC members. The team suggests that the Mission consider how the local currency program might best be structured to meet its needs and that it submit a summary description of that approach to the DCC for review.

EVALUATION SCOPE OF WORK

A. The evaluation team will prepare a statistical review of program performance under both the 1982 and 1987 Title III agreements. This report will show shipments by U.S. Fiscal Year in metric tons and dollars. This section of the evaluation report will include data on the dollar equivalent taka generations, in OMS and other PFDS channels. An analysis of the status of the two special accounts will show annual deposits, disbursements and current balances. It will also include an assessment of USAID/Bangladesh's plans for disbursing all 1982 agreement proceeds by September 30, 1989.

B. The evaluation team will evaluate the use of local currency generated from sale of Title III commodities. Total proceeds generated will be compared to the amounts disbursed for approved development projects. The extent to which Title III local currency disbursement may have contributed to the achievement of the program's goals will be reviewed. Performance of the individual development projects will be evaluated through random site checks and review of field visit reports prepared by USAID/Bangladesh staff.

C. The evaluation team will review USAID/Bangladesh plans for:

- (1) Improving local currency generation, disbursement, and certification processes;

- (2) Developing more detailed descriptions, improved budget information and measurable performance objectives for those projects receiving Title III generated local currency;

- (3) Improving Mission monitoring of those Projects receiving Title III generated local currency. (FY1. PW1 is to assist USAID/Bangladesh in developing all three of these improved systems. End FY1.)

D. The evaluation team will assess the activities and performance of the food planning and monitoring unit in developing and implementing food security policy. The evaluation will cover: size of staff, qualifications, status, part/full-time, extent of turnover, major products to date, and planned activities related to Title III objectives and policy actions.

E. The evaluation team will review the Bangladesh Government's domestic procurement program designed to assure incentive prices to farmers.

F. The evaluation team will assess the OMS program to determine its effectiveness in moderating price increases.

G. The evaluation team will evaluate Bangladesh Government performance in reforming those aspects of the public food distribution system covered by the 1987 Title III agreement. The review will include an assessment of food price changes within the statutory and other priorities channels.

H. The evaluation team will evaluate progress made in targeting food-grains to the rural poor. This includes an assessment of steps taken to reform the modified. Rationing system and the use of non-monetized food and self-targeting food such as maize.

I. The evaluation team will review status of development of all other provisions in Annex B program activities evaluate progress made toward the objectives of the agreement, and assess desirability of limiting further efforts in these activities to priority items which can show measurable progress over the next 18-24 months. In this context, team should consider advisability of Mission designing new FY 90-93 Title III agreement or extending current agreement for a fourth year.

J. Evaluation team will review courses of action and options for P.L. 480 Title I/III beyond FY 1989. (This modifies second sentence in para 1, ref (E).)

K. In particular the evaluation team will review:

-- progress towards using internationally accepted procurement procedures for imports.

-- private sector participation in undertaking imports.

-- progress in developing the private sector cotton

-- review BDG policies towards, and impact on, private operation of the vegetable oil sector.

LIST OF PERSONS CONSULTED

U.S. EMBASSY

Willard A. De Pree, Ambassador
Charles A. Mast, DCM
Md. Akhtaruzzaman, Agricultural Specialist, FAS/USDA
William R. Falkner, Chief, Econ/Comm. Section
Mr. Boyce, Commercial Officer
Patricia Haslach, Agricultural Attache (New Delhi)

USAID Mission

Priscilla M. Boughton, Director
Malcolm J. Purvis, Deputy Director
Frank Young, Program Office
George R. Jenkins, Controller
Alan R. Hurdus, Food and Agriculture
David Heesen, Food and Agriculture
Tridib Mukherjee, Food and Agriculture
Edward Dunnet, Food and Agriculture
Ibrahim Khali, Food and Agriculture
Nizam Ahmed, Food and Agriculture
David Sarker, Food and Agriculture
A.S.M. Jahangir, Food and Agriculture
Md. Ershadullah, Food and Agriculture
Al Hankins, Food and Agriculture
Latifur Rahman, Food and Agriculture
David Warner, PD & E
Julie Defleu, PD & E

Ministry of Food

Nurun Nabi Chowdhury, Secretary
Khan Chowdhury, Joint Secretary
Md. Giashuddin, Chief Food Planning Monitoring Unit
Md. Abdul Aziz, Assistant Chief, Food Planning and Monitoring Unit (Member of Evaluation Team)
Md. Ruhul Amin, Ministry of Food
Anwar Hussain, Deputy Chief Food Planning and Monitoring Unit

Ministry of Planning External Resources Division

Enam Ahmed Choudhury, Secretary
Mirza Tasadduq Hussain Beg, Deputy Secretary
Mr. Shahidiullah, Research Officer, Americas Desk (Member of Evaluation Team)

World Food Program

Gaston Evyan, Director
James Conway, Deputy Director

Research Programs

- M.H. Mondol, Director General, Bangladesh Agricultural Research Institute (BARI)
- S.A. Mtam, Head, Plant Pathology Division, BARI
- Jerry Macintosh, IRRI Representative, BARI

Private/Parastatal Sector

- Shafi Chowdhury, Local Businessman, Continental Grain Co., Representative
- S.M. AltafHussain, Local Businessman, Cargill Grain Co. Representative
- K.M. Hussain, Secretary Bangladesh Textile Mills Association
- Habibur Rahman Khan, Chief (Purchase) Bangladesh Sugar and Food Industries Corp.
- Steven Gabbert, Executive Rice Millers Association (USA)
- Mr. Willis, U.S. Rice Council
- Bruce Currey, Winrock International Institute for Agricultural Development/Bangladesh Agricultural Research Council
- Syed Javed Ahsan, Arenco (textile broker)
- Donald Peterson, U.S. wheat industry representative
- John Pitchford, U.S. wheat industry representative
- Vincent Peterson, U.S. wheat industry representative
- Stanley Smith, U.S. wheat industry representative
- Timothy Outatt, U.S. wheat industry representative

Bangladesh Agencies/Ministries Involved with PL-480 Title III Projects

1. Ministry of Irrigation, Water Development & Flood Control
2. Bangladesh Water Development Board (BWDB)
3. Ministry of Agriculture (MOA)
4. Bangladesh Agricultural Development Corporation (BADC)
5. Department of Agriculture Extension (DAE)
6. Bangladesh Rural Development Board (BRDB)
7. Bangladesh Agricultural Research Institute (BARI)
8. Bangladesh Rice Research Institute (BRRI)
9. Bangladesh Jute Research Institute (BJRI)
10. Bangladesh Agricultural Research Council (BARC)
11. Ministry of Finance (MOF)
12. External Resource Division (ERD)
13. Ministry of Food (MOF)
14. Ministry of Relief and Rehabilitation (MORR)
15. Bangladesh Agricultural University (BAU)
16. Ministry of Energy

External Donors Co-Financing PL 480 Title II Assisted Projects

1. World Bank, International Development Association (IBRD/IDA)
2. Asian Development Bank (ADB)
3. Canadian International Development Agency (CIDA)
4. United Nations Development Program (UNDP)
5. International Fund for Agricultural Development (IFAD)
6. Saudi Fund for Development (SFD)
7. European Economic Community (EEC)
8. United States Agency for International Development

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PAGE 01 OF 04 DHAKA 06891 00 OF 05 2905422 5221 020862 A100363
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ACTION OFFICE FFP-03
INFO ANDF-03 AKSA-03 FPDC-01 AHMC-01 BTFA-01 PPR-01 GC-01
GCAN-02 FVA-01 SND-02 FVHP-01 ANTR-00 ES-01
PRE-00 STRE-03 STFA-01 STHN-02 AAPE-01 CIRM-02 FPA-02
FELC-01 AMAD-01 LAB-00 NAY-01 /003 A0

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E.O. 12356: N/A
SUBJECT: PL-480 TITLE III PROGRAM: IFPRI FOOD POLICY CONTRACT STATUS

1. THE PURPOSE OF THIS CABLE IS TO UPDATE THE DCC REGARDING USAID/BANGLADESH EFFORTS TO ENGAGE THE INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE (IFPRI) OF WASHINGTON, D.C. IN FOOD POLICY RESEARCH ACTIVITIES IN BANGLADESH. ADDITIONALLY, THE SCOPE OF WORK DEVELOPED FOR IFPRI FOLLOWS IN PARA 4.

2. THE OBJECTIVES OF THE IFPRI EXERCISE ARE, ESSENTIALLY, TWO-FOLD. FIRST, IFPRI ADVISORS WILL CONDUCT POLICY ORIENTED RESEARCH CONGRUENT WITH THE SELF-HELP MEASURES FOUND IN THE 1987 TITLE III AGREEMENT. SECONDLY, IFPRI WILL PROVIDE TRAINING TO ENHANCE THE GOVERNMENT'S OWN CAPACITY TO ASSESS AND DESIGN ALTERNATIVE FOOD POLICIES IN THE FUTURE. IFPRI'S POLICY FOCUSSED ACTIVITIES WILL COMPLEMENT THE WORK OF PRICE-WATERHOUSE WHICH, IN TURN, ADDRESSES THE OPERATIONAL SIDE OF THE TITLE III PROGRAM (LOCAL CURRENCY GENERATION, PROCUREMENT, AND TRACKING).

3. BDG APPROVAL OF IFPRI'S SCOPE OF WORK WAS RECEIVED IN JULY AND THE CONTRACTING PROCESS WITH IFPRI IS UNDERWAY. IFPRI HAS ALREADY PREPARED AN INITIAL WORK PROGRAM FOR THEIR 3 YEAR STUDY WHICH WILL BE POUCHED SHORTLY TO THE DCC FOR FURTHER INFORMATION.

4. THE TEXT OF THE SCOPE OF WORK FOR THE PROJECT IS AS FOLLOWS: BEGIN TEXT.

BACKGROUND

I. SCOPE OF WORK

AS STATED IN THE PL-480 TITLE III AGREEMENT OF APRIL 17, 1987, THE PURPOSE OF THE THREE-YEAR FOOD FOR DEVELOPMENT PROGRAM IS TO ASSIST THE BANGLADESH GOVERNMENT (BDG) IN: INTEGRATING AGRICULTURAL DEVELOPMENT WITH PLANNING AND PROGRAMMING FOR IMPROVED FOOD CONSUMPTION AND NUTRITION; ACCELERATING AGRICULTURAL DEVELOPMENT THROUGH IMPLEMENTING AN EFFECTIVE PROGRAM FOR MAINTAINING A FLOOR

DHAKA 06891 00 OF 05 2905422 5221 020862 A100363

ON FOOD-GRAIN PRICES, PROMOTING CROP DIVERSIFICATION, AND BOLSTERING AGRICULTURAL RESEARCH; GENERATING PRODUCTIVE EMPLOYMENT TO INCREASE EFFECTIVE DEMAND WHILE STIMULATING GROWTH; IMPROVING MANAGEMENT OF FOOD SYSTEMS, INCLUDING THE ENHANCEMENT OF PRIVATE SECTOR OPERATIONS; AND UTILIZING TITLE III SALES PROCEEDS TO FUND AGREED AGRICULTURAL AND RURAL DEVELOPMENT ACTIVITIES, INCLUDING THOSE INTERNALLY LINKED WITH POLICY IMPROVEMENT. IN SUMMARY, THIS PROGRAM INCLUDES FOUR MAJOR COMPONENTS: (1) ENHANCED FOOD CONSUMPTION AND NUTRITION FOR ALL INDIVIDUALS OF THE SOCIETY; (2) INCREASED AGRICULTURAL PRODUCTIVITY; (3) ACCELERATED EMPLOYMENT GENERATION; AND (4) IMPROVED FOOD SYSTEMS MANAGEMENT TO INCREASE THE EFFICIENCY OF FOOD-GRAIN DISTRIBUTION AND HANDLING.

THE PURPOSE OF THIS CONTRACT IS TO PROVIDE TECHNICAL ASSISTANCE, TRAINING, AND LIMITED COMMODITY SUPPORT TO THE BANGLADESH GOVERNMENT SO THAT IT CAN MORE EFFECTIVELY IMPLEMENT THE TITLE III FOOD FOR DEVELOPMENT PROGRAM. HAVING EVOLVED FROM EARLIER FOOD FOR DEVELOPMENT PROGRAMS, THIS THIRD PROGRAM CALLS UPON THE GOVERNMENT TO MORE FULLY INTEGRATE AGRICULTURAL PRODUCTION AND FOOD SECURITY CONCERNS. THIS WILL REQUIRE MORE FINE-TUNING OF GOVERNMENT ACTIVITIES; THUS THE NEED FOR THE EXPERTISE TO BE PROVIDED UNDER THIS CONTRACT.

II. CONTRACTUAL SERVICES TO BE PROVIDED

A. INTRODUCTION

UNDER THIS CONTRACT, THE CONTRACTOR WILL PROVIDE THE BANGLADESH GOVERNMENT WITH TECHNICAL ASSISTANCE IN THE FORM OF RESIDENT ADVISORY SERVICES AND SHORT-TERM CONSULTANCIES, SPECIFIED PROFESSIONAL TRAINING IN-COUNTRY AND ABROAD, AND A LIMITED AMOUNT OF COMMODITY SUPPORT CONSISTING PRIMARILY OF AUTOMATED DATA PROCESSING EQUIPMENT. THE PURPOSE OF THE TECHNICAL ASSISTANCE, TRAINING, AND COMMODITY SUPPORT WILL BE TO STRENGTHEN THE INSTITUTIONAL CAPACITY OF THE BANGLADESH GOVERNMENT IN GENERAL AND THE MINISTRY OF FOOD IN PARTICULAR TO CARRY OUT EFFECTIVE FOOD SYSTEM MANAGEMENT INCLUDING: DATA

COLLECTION AND ANALYSIS; PLANNING; POLICY FORMULATION; AND PROGRAM AND PROJECT DESIGN, DEVELOPMENT, IMPLEMENTATION, AND EVALUATION.

THE CONTRACTOR WILL FIELD A TECHNICAL ASSISTANCE TEAM CONSISTING OF TWO LONG-TERM, RESIDENT ADVISORS, AT LEAST 36 PERSON MONTHS OF SHORT-TERM CONSULTANTS OR SUBCONTRACTORS, PLUS NECESSARY HOME-OFFICE SUPPORT STAFF FOR PROFESSIONAL AND ADMINISTRATIVE BACKSTOPPING, OVER THE THREE YEAR LIFE OF THE CONTRACT. THE CONTRACTOR WILL ALSO ARRANGE TRAINING PROGRAMS, IN BANGLADESH AS WELL AS IN THE U.S. OR THIRD COUNTRIES, IN APPROPRIATE SPECIALTIES FOR BANGLADESH GOVERNMENT OFFICIALS AND, POTENTIALLY, QUASI-PUBLIC OR PRIVATE SECTOR PERSONNEL. THE CONTRACTOR WILL, IN ADDITION, PERFORM ALL OF THE FUNCTIONS REQUIRED TO SELECT, PROCURE, DELIVER, INSTALL, OR OTHERWISE ENSURE THE SUCCESSFUL PROVISION OF COMPUTER EQUIPMENT AND ANY OTHER APPROVED COMMODITIES TO BE SUPPLIED UNDER THIS CONTRACT, IN ACCORDANCE WITH THE REGULATIONS OF THE GOVERNMENTS OF THE U.S. AND BANGLADESH. FINALLY, THE CONTRACTOR'S PARTY WILL HAVE AT THEIR DISPOSAL A TAKA FUND, IN THE SUM OF TK. 900,000, TO HELP DEFRAY LOCAL CURRENCY COSTS OF PERFORMING THE RESEARCH AND OTHER WORK UNDER THE CONTRACT. THE SOURCE OF THIS TAKA FUND WILL BE THE LOCAL CURRENCY PROCEEDS OF SALES OF TITLE III COMMODITIES IN DOMESTIC MARKETS.

B. COUNTERPART RELATIONSHIPS

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THE CONTRACTOR'S COUNTERPART ORGANIZATION WILL BE THE FOOD PLANNING AND MONITORING UNIT (FPMU) OF THE MINISTRY OF FOOD. THE CONTRACTOR'S CHIEF OF PARTY WILL WORK UNDER THE GUIDANCE OF THE MINISTRY OF FOOD'S JOINT SECRETARY IN CHARGE OF PROCUREMENT AND DEVELOPMENT AND WILL SERVE AS HIS PRINCIPAL ADVISOR FOR PURPOSES OF THIS CONTRACT. THE CHIEF OF PARTY'S MAIN WORKING-LEVEL COUNTERPART WILL BE THE CHIEF OF FPMU.

ALTHOUGH THE MINISTRY OF FOOD, AND ESPECIALLY FPMU, WILL BE THE LEAD AGENCY IN CARRYING OUT THE ACTIVITIES AIDED BY THIS CONTRACT, SEVERAL OTHER BANGLADESHI ORGANIZATIONS WILL ALSO BE INVOLVED. THOSE ORGANIZATIONS INCLUDE: THE BANGLADESH INSTITUTE OF DEVELOPMENT STUDIES (BIDS); THE INSTITUTE OF NUTRITION AND FOOD SCIENCE (INFS) AND OTHER PARTS OF DHAKA UNIVERSITY; THE BANGLADESH BUREAU OF STATISTICS (BBS); THE BANGLADESH COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH (BCSIR); THE BANGLADESH AGRICULTURE RESEARCH COUNCIL; THE MINISTRIES OF AGRICULTURE, RELIEF AND REHABILITATION, HEALTH, FINANCE, AND PLANNING; AND NON- GOVERNMENTAL ORGANIZATIONS (NGOS), AS WELL AS UNICEF, FAO, WFP, AND OTHER DONOR AGENCIES. THE CONTRACTOR WILL ASSIST FPMU IN ESTABLISHING DIRECT LINKS WITH THESE AND OTHER ORGANIZATIONS IN CARRYING OUT THE ACTIVITIES SUPPORTED BY THIS CONTRACT. TO FACILITATE COOPERATION AMONG IMPLEMENTING AGENCIES, THE CONTRACTOR WILL HELP THE MINISTRY OF FOOD TO ESTABLISH AN INTER-AGENCY COORDINATING COMMITTEE, WITH FPMU AS ITS EXECUTIVE SECRETARIAT.

C. TECHNICAL ASSISTANCE

ALTHOUGH THE PROSPECTIVE CONTRACTOR MAY, IN RESPONSE TO THE REQUEST FOR PROPOSAL, RECOMMEND AN ALTERNATIVE COMPOSITION FOR THE TECHNICAL ASSISTANCE TEAM, THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) ENVISAGES THAT THE TECHNICAL ASSISTANCE WOULD CONSIST OF: THE LONG-TERM SERVICES OF TWO RESIDENT ADVISORS, EACH OF WHOSE STAY IN DHAKA WOULD BE ON A RESIDENT BASIS FOR THE FULL THREE-YEAR LIFE OF THE CONTRACT, AND WHOSE TECHNICAL SKILLS WOULD COMPLEMENT ONE ANOTHER'S; AND THE EXPERTISE OF SEVERAL SHORT-TERM CONSULTANTS OR SUBCONTRACTORS, WHOSE VISITS TO BANGLADESH WOULD VARY IN TIMING DEPENDING ON THE REQUIREMENTS OF THEIR PARTICULAR TASKS UNDER THE CONTRACT OR SUBCONTRACTS. SOME OF THESE CONSULTANTS OR SUBCONTRACTORS MIGHT, IF THE CONTRACT ALLOWED, CONTINUE WORK ON THEIR TASKS IN THE U.S. HOME OFFICE OR ELSEWHERE, ALTHOUGH USAID EXPECTS THAT MOST OF THE CONTRACT ACTIVITIES, INCLUDING RESEARCH, WILL TAKE PLACE IN BANGLADESH.

1. CHIEF OF PARTY - ADVISOR ON FOOD POLICY

ONE OF THE TWO RESIDENT ADVISORS WILL BE THE CHIEF OF PARTY (COP) FOR THE CONTRACTOR. THE USAID OFFICER TO WHOM THE COP WILL REPORT WILL BE THE CHIEF OF THE FOOD AND AGRICULTURE OFFICE'S AGRICULTURE FOOD POLICY DIVISION, OR HIS DESIGNEE. THE COP WILL BE THE CONTRACTOR'S PRINCIPAL REPRESENTATIVE IN-COUNTRY FOR CONTRACT MANAGEMENT AND IMPLEMENTATION. HE OR SHE WILL HAVE PRIMARY RESPONSIBILITY FOR ENSURING PERFORMANCE AND COMPLIANCE UNDER THE TERMS AND CONDITIONS OF THE CONTRACT. THE COP SHOULD ALSO HAVE AN EXPERT TECHNICAL SPECIALTY, PREFERABLY FOOD POLICY (AS DEFINED IN THE BOOK OF THAT NAME BY TIMMER, FALCON, ET AL), SO THAT HE OR SHE CAN EXERCISE PROFESSIONAL SUPERVISION OVER THE WORK OF THE REST OF THE TECHNICAL ASSISTANCE TEAM. IN ADDITION, THE COP WILL IN ALL LIKELIHOOD HAVE TO BE THE MANAGER OF SPECIFIC CONTRACT ACTIVITIES, SUCH AS THE ANALYSIS AND REFORMULATION OF PUBLIC FOOD DISTRIBUTION SYSTEM (PFDS) PRICING POLICIES.

2. ADVISOR ON FOOD CONSUMPTION AND NUTRITION PLANNING AND PROGRAMMING

THE OTHER RESIDENT ADVISOR SHOULD PREFERABLY BE AN EXPERT IN THE FIELD OF FOOD CONSUMPTION AND NUTRITION PLANNING AND PROGRAMMING, SINCE THAT SUBJECT IS ONE OF THE MOST IMPORTANT SETS OF ACTIVITIES FOR CONTRACT IMPLEMENTATION. THE FIELD ALSO SOMETIMES FALLS UNDER THE HEADING OF: THE ECONOMICS OF FOOD AND NUTRITION. THIS SECOND ADVISOR SHOULD HAVE PROVEN ABILITY TO DESIGN AND DEVELOP FOOD SYSTEM INTERVENTIONS - BE THEY DIRECT FEEDING PROGRAMS, MARKET-SEGREGATING SUBSIDIZED SALES OPERATIONS, OR INCOME-GENERATING PROJECTS FOR REDUCING UNDERNOURISHMENT - CAPABLE OF IMPROVING THE QUANTITY AND QUALITY OF POOR PEOPLE'S DIETS.

3. SHORT-TERM CONSULTANTS AND SUB-CONTRACTORS

THE PURPOSE OF PROVIDING FOR SHORT-TERM CONSULTANCIES UNDER THE CONTRACT IS TO ENABLE THE COP, IN CONSULTATION WITH THE OTHER RESIDENT ADVISOR, USAID, AND THE BANGLADESH GOVERNMENT, TO CALL FORTH ADDITIONAL EXPERTISE TO SUPPLEMENT THEIR SKILLS IN THESE OR OTHER FIELDS FOR SPECIAL ASSIGNMENTS OF SPECIFIC DURATION DURING THE THREE-YEAR LIFE OF THE PROJECT. ALTHOUGH THE PRECISE KINDS, NUMBERS, AND SCHEDULES OF SHORT-TERM CONSULTANCY VISITS MUST CLEARLY EVOLVE AS CONTRACT IMPLEMENTATION PROCEEDS, THE ADVISORS WILL ALMOST CERTAINLY NEED SEVERAL SHORT-TERM CONSULTANCIES EARLY IN THE CONTRACT PERIOD, INCLUDING:

1. AGRICULTURAL DIVERSIFICATION AS A MEANS OF INCREASING FARM PRODUCTIVITY, EXPANDING INCOME-GENERATING EMPLOYMENT, AND IMPROVING AVAILABILITY OF NUTRITIOUS FOODS.

2. PROMOTION OF MAIZE AS A STAPLE FOOD.

3. FOOD-GRAIN PRESERVATION AND STORAGE.

4. INTERNATIONAL FOOD-GRAIN TENDERING AND OTHER IMPORTATION PROCEDURES.

5. DESIGN OF A FOOD CONSUMPTION MONITORING SYSTEM.

THESE ARE IMPORTANT SKILLS THAT THE TWO RESIDENT ADVISORS ARE UNLIKELY TO POSSESS THEMSELVES.

D. PLAN OF IMPLEMENTATION

ON ARRIVAL IN BANGLADESH, THE TEAM OF RESIDENT ADVISORS WILL BEGIN PREPARING A DETAILED PLAN OF IMPLEMENTATION FOR ACTIVITIES UNDER THE CONTRACT. THE COP WILL HAVE PRIMARY RESPONSIBILITY FOR PREPARING THIS IMPLEMENTATION PLAN. IT WILL SPECIFY THE MAJOR TASKS OF THE TWO LONG-TERM ADVISORS, PROVIDING TIME FRAMES AND OTHER DETAILS FOR THE STEPS ENTAILED IN IMPLEMENTING THE INDIVIDUAL TASKS, AT LEAST THROUGH THE FIRST YEAR OF THE CONTRACT PERIOD. THE PLAN WILL ALSO DESCRIBE THE ROLES THAT SHORT-TERM CONSULTANTS ARE TO PLAY IN IMPLEMENTING

THESE TASKS AND OTHER CONTRACT ACTIVITIES. THE IMPLEMENTATION PLAN WILL CONTAIN A SCHEDULE OF ACTIONS REQUIRED FOR THE INITIAL PROCUREMENT OF COMPUTER EQUIPMENT AND ANY OTHER COMMODITIES TO BE SUPPLIED UNDER THE CONTRACT. THE PLAN WILL OUTLINE A SET OF INITIAL TRAINING PROGRAMS TO BE SUPPORTED UNDER THE CONTRACT.

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USAID-DHAKA WILL EXPECT A DRAFT OF THE DETAILED IMPLEMENTATION PLAN TO BE AVAILABLE WITHIN 60 DAYS AFTER THE COP'S ARRIVAL IN-COUNTRY. THE PLAN WILL BE SUBJECT TO REVISION, THROUGH AN ITERATIVE PROCESS INVOLVING THE USAID MISSION, THE BANGLADESH GOVERNMENT AUTHORITIES, AND THE CONTRACTOR, AS CONTRACT IMPLEMENTATION PROGRESSES. USAID-DHAKA WILL EXPECT TO REVIEW THE PLAN AND ITS IMPLEMENTATION AT LEAST SEMI-ANNUALLY THEREAFTER.

USAID-DHAKA AND FPMU WILL HAVE ALREADY BEGUN FOOD FOR DEVELOPMENT PROGRAM ACTIVITIES BEFORE THE RESIDENT ADVISORS ARRIVE IN BANGLADESH. THE COP AND HIS TEAM OF ADVISORS AND CONSULTANTS WILL BE EXPECTED TO FIT INTO THE IMPLEMENTATION PROCESS ON THEIR ARRIVAL IN-COUNTRY. THE MISSION WILL HAVE DOCUMENTATION ON IMPLEMENTATION PROGRESS AVAILABLE FOR THE CONTRACTOR IN PREPARATION FOR THE TEAM'S ARRIVAL.

E. SPECIFIC AREAS OF CONTRACT ACTIVITIES

THE FOLLOWING SECTION OF THIS SCOPE OF WORK STATEMENT INDICATES THE MAJOR AREAS OF ACTIVITIES TO BE CARRIED OUT UNDER THE CONTRACT. IT DESCRIBES THE RESPONSIBILITIES THAT EACH OF THE RESIDENT ADVISORS WILL HAVE IN RELATION TO PARTICULAR AREAS. IT ALSO SPECIFIES WHICH AREAS WILL BE HANDLED MAINLY BY SHORT-TERM CONSULTANTS OR SUBCONTRACTORS. ALTHOUGH IT IS MEANT TO BE INDICATIVE OF THE WAY THE CONTRACT ACTIVITIES WILL BE ORGANIZED AND IMPLEMENTED, USAID EXPECTS THAT THE PROSPECTIVE CONTRACTOR'S PROPOSAL FOR PERFORMING THE WORK WILL FOLLOW THE OUTLINES DESCRIBED BELOW. SHOULD THE PROSPECTIVE CONTRACTOR PROPOSE ALTERNATIVE ARRANGEMENTS FOR ORGANIZING AND IMPLEMENTING THE WORK, THE PROPOSAL SHOULD CLEARLY HIGHLIGHT THE RATIONALE FOR THE ALTERNATIVE AND ITS IMPLICATIONS FOR ACCOMPLISHMENT OF THE FOOD FOR DEVELOPMENT PROGRAM OBJECTIVES.

1. PFDS POLICY AND MANAGEMENT

ONE MAJOR AREA OF CONTRACT ACTIVITY, FOR WHICH THE COP WILL HAVE PRIMARY RESPONSIBILITY, IS BANGLADESH GOVERNMENT PRICING POLICY AND RELATED PRACTICES IN THE PUBLIC FOOD DISTRIBUTION SYSTEM (PFDS). THE CONTRACTOR WILL ASSIST THE BANGLADESH GOVERNMENT IN DEVELOPING PROGRAMS FOR STABILIZING FOOD-GRAIN PRICES SUCH THAT FARMGATE PRICES ARE REASONABLE, CONSUMER PRICES ARE ACCEPTABLE, MARKETING MARGINS ARE SUFFICIENT TO ENCOURAGE PRIVATE STORAGE AND MARKETING, AND GOVERNMENT ADMINISTRATIVE COSTS ARE MINIMIZED. FURTHER ANALYSES OF THE PFDS PRICE SETTING MECHANISMS AND STOCK LEVELS WILL BE MADE. THERE HAS BEEN MUCH DISAGREEMENT OVER APPROPRIATE LEVELS FOR PFDS PROCUREMENT PRICES, THE LINKED PERCENTAGE AT WHICH THE OPEN MARKET SALES (OMS) PRICES IS ABOVE THE PROCUREMENT PRICE, AND THE PRICES AT WHICH THE GRAIN IS SOLD IN THE RATION CHANNELS. THE TEAM WILL REVIEW AND COMMENT ON A RECENT REPORT BY RAY HOOKER ON PFDS FOOD-GRAIN PRICING AND ALSO ON MORE CURRENT UNDERSTANDINGS WITH THE BANGLADESH GOVERNMENT. THE RESULTS OF THIS REVIEW WILL BE PRESENTED TO USAID WITHIN 90 DAYS OF THE TEAM'S ARRIVAL IN COUNTRY. THE LONG TERM ADVISOR ON THESE ISSUES WILL BE WELL-VERSED IN ECONOMETRICS, ESPECIALLY THE USE OF MICRO-COMPUTERS IN CONDUCTING MULTIPLE REGRESSION ANALYSIS AND SOLVING SYSTEMS OF SIMULTANEOUS EQUATIONS. HE OR SHE SHOULD BE FAMILIAR WITH THE IFPRI WORK BY BERNARD/AHMED, "SEASONALITY OF RICE PRICES, EFFECT OF NEW TECHNOLOGY, AND AN APPROACH TO RICE PRICE STABILIZATION IN BANGLADESH."

THE CONTRACTOR WILL DEFINE OPTIONS FOR THE BANGLADESH GOVERNMENT TO STRENGTHEN THE MONITORING AND ANALYSIS OF DISAGGREGATED FARMGATE AND CONSUMER PRICE DATA FOR FOOD-GRAINS. THE COP WILL PROBABLY REQUIRE THE SERVICES OF SHORT-TERM CONSULTANTS IN SPECIALIZED FIELDS TO WORK ON THIS TOPIC.

2. IMPROVING FOOD CONSUMPTION AND NUTRITION

THE RESIDENT ADVISOR ON FOOD CONSUMPTION AND NUTRITION PLANNING AND PROGRAMMING WILL BE ABLE TO TAP INTO ONGOING WORK IN THIS AREA. FPMU IS DRAFTING THE TERMS OF REFERENCE FOR A STUDY OF FOOD CONSUMPTION AND NUTRITION. THE STUDY WILL SPAN ONE YEAR, AND BE CONDUCTED WITH THE ASSISTANCE OF A LOCAL CONSULTING FIRM. IT WILL BUILD ON PREVIOUS NUTRITION STUDIES THAT HAVE BEEN CONDUCTED BY SUCH ORGANIZATIONS AS THE INSTITUTE FOR NUTRITION AND FOOD SCIENCE OF DHAKA UNIVERSITY. IT WILL FOCUS ON ASSESSING THE IMPACT OF THE PUBLIC FOOD DISTRIBUTION SYSTEM (PFDS) BY LOCATION, BY INCOME GROUP, AND BY YEAR. THE STUDY WILL RECOMMEND WAYS OF DEVELOPING LOCALLY PRODUCIBLE, CHEAP FOODS THAT ARE CAPABLE OF SELF-TARGETING ON THE POOR. THIS WILL BUILD ON A USAID-FUNDED STUDY OF MAIZE AS A POTENTIAL SELF-TARGETING FOOD-GRAIN. ALSO, IT WILL RECOMMEND WAYS FOR THE BANGLADESH GOVERNMENT TO IMPROVE ITS HANDLING OF FOOD EMERGENCIES THROUGH COST-EFFECTIVE FOOD ASSISTANCE PROGRAMS, SUCH AS THE FOOD FOR WORK, MODIFIED RATIONING, TEST RELIEF, GRATUITOUS RELIEF, AND THE VULNERABLE GROUP DEVELOPMENT PROGRAMS, WHICH PROVIDE REASONABLY PRICED OR FREE FOOD-GRAINS. IT WILL REVIEW THE EXPERIENCE OF THE BANGLADESH GOVERNMENT IN MANAGING THE 1984 FLOOD-INDUCED FOOD CRISIS. A FOOD-STAMPS PROGRAM WILL ALSO BE CONSIDERED. THE LONG-TERM ADVISOR ASSIGNED TO WORK ON FOOD CONSUMPTION AND NUTRITION ISSUES MUST BE FAMILIAR WITH FIELD SURVEYS IN LDCS, AND IN DATA PROCESSING AND ANALYSIS. THE ADVISOR WILL HELP THE BANGLADESH GOVERNMENT AND THE LOCAL CONSULTING FIRM TO RESPOND TO THE ISSUES RAISED IN THE BANGLADESH GOVERNMENT STUDY.

3. MARKETING AND DISTRIBUTION

THE LONG-TERM ADVISORS WILL BE RESPONSIBLE FOR RECOMMENDING TO USAID AND THE BANGLADESH GOVERNMENT SHORT-TERM CONSULTANTS TO ASSIST ON-GOING EFFORTS IN BANGLADESH TO EXPAND EFFECTIVE DEMAND AND IMPROVE MARKETING AND DISTRIBUTION FACILITIES, LOGISTICS, AND MANAGEMENT.

IN PARTICULAR, USING EITHER ITS OWN STAFF OR SUB-CONTRACTING, THE CONTRACTOR WILL ASSIST THE BANGLADESH GOVERNMENT IN INSTITUTIONALIZING INTERNATIONALLY ACCEPTED TENDERING, CONTRACTING, SHIPPING, AND SETTLEMENT PROCEDURES FOR FOOD-GRAINS. IN ADDITION, THE CONTRACTOR WILL PROVIDE A DETAILED SET OF PROPOSALS FOR ASSISTANCE TO THE MINISTRY OF FOOD CONCERNING GRAIN STORAGE AND PRESERVATION, AS WELL AS DISPOSAL OF DAMAGED OR DETERIORATING FOOD-GRAINS.

F. INCEPTION REPORT

AN INITIAL "INCEPTION REPORT" WILL BE GIVEN TO USAID/BANGLADESH WITHIN 60 DAYS OF THE CHIEF OF PARTY'S ARRIVAL IN BANGLADESH. THIS DOCUMENT WILL PROVIDE, FOR USAID'S APPROVAL, DETAILED SCOPES OF WORK FOR THE TEAM OVER THE COMING YEAR, AS WELL AS A MORE GENERAL PLAN OVER THE LIFE OF THE CONTRACT. THIS WILL BE FOLLOWED BY SEMI-ANNUAL REPORTS ON THE STATUS OF THE WORK WHICH WILL

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BE A MINIMUM OF 15 DOUBLE-SPACED PAGES IN LENGTH AND
INCLUDE DETAILS ABOUT CONTRACT FUNDING, STATUS OF
STUDIES, STATUS OF POLICY DIALOGUE, AND PROPOSED CHANGES
IN THE SCOPE OF WORK, IF NECESSARY. END TEXT. DE PREE

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Mission Title III Compliance Review Matrix

	Progress to Date	Progress Next 6 months	Progress by end FY89
A. Enchanced Food availability thru PFDS & Effectiveness			
A.1 MR			
1. Plan	Beacon study complete and received by Mission. New Rural Rationing (RR) proposal received from BDG.	Review RR proposal and procedures. Solicit DCC concurrence for inclusion in eligible channels.	AID to complete field checks of RR control procedures. IFPRI will evaluate new RR program by end of 1989.
2.Pilot Test	TOR for surveys completed	Initiation of surveys by FPMU. Functional Committee set up.	Surveys completed + Pilot Test initiated.
3. Scale up Nationwide	None	Surveys initiated will be national in scope.	National Surveys completed
4. Further improvements to MR:			
a)Monitoring system	Selected area monitoring of MR by Beacon.	Survey of wheat grinders	Nationwide System designed by IFPRI for continued monitoring.
b)Food stamp/ alternatives	None	IFPRI designs a study. Travel to Sri Lanka etc.	Nationwide IFPRI study initiated in 1987. Results due June 1990.
c)Implementation Extended (400,000MT Target)	None	New RR program proposed distribution of 450,000 tons of grain.	
d)Incorporation Goal	None	None	Before 1990

	Progress to Date	Progress Next 6 months	Progress by end FY89
A.2 Non Monetized			
1. Analysis of increased cost effectiveness of FFW	Task Force Operating Consultant Hired Analysis of making targeted Food Aid more developmental initiated A Report on VGD already available	1.Consultant Report completed Job will be done by the end of the year 2.FFW IV Proposed Draft by USAID	Policy decisions made by BDG. Funding level proposed.
2. Analysis of cost effectiveness of expanded VGD	WFP task force	A study is included in IFPRI work plan	?
3. Devise and Test Experiments on diversification of FFW Project	None	IFPRI will design tests for other party to rest.	IFPRI study in progress
4.Pilot Test	None	None	None
5.Full scale Implementation	None	None	None
A.3 Maize			
1.Action Plan Study. Visit by IBSNAT	Kaul Feasibility operation will develop a research program for maize	IFPRI to initiate operations.	IFPRI to initiate a study on the demand for a maize. Results available by 1990.
2.Research Design	Some independent research experiments conducted at various research institutions.		Depends on IFPRI findings
3.Prototype	Maize promotion committee reactivated.	None	Depends on IFPRI findings.
4.Nationwide	None	None	Nationwide program in progress

	Progress to Date	Progress Next 6 months	Progress by end FY89
A.3. Food Emergency Preparedness			
1.Monitoring System of Food consumption (Nutrition/Demand) (Monitoring vulnerable groups and early warning)	TOR developed and included in IFPRI SOW.	1. Per capita consumption study started by short term local consultants 2. IFPRI Plan of operation will include food emergency programs	Short term IFPRI consultant to initiate design of of a food consumption monitoring system. Results due by 1990.
2.Design and Test Implement	None	None	Initiate some pilot tests
3.Complete Early Warning System (Crop estimate/supply)	Model already developed with a grant from FPMU SPARRSO in testing remote sensing mechanism.	Generating data by BBS from FPMU sharper estimates by SPARRSO.	Continuing progress by BBS and SPARRSO
4.Review Flood Experience 1984	Report Prepared	None	None
B.1/B.2 Support Price System, Wheat, Rice			
1. Stabilization Fund	MOF assumed responsibility for developing fund proposal for submital to AID.	Receive proposal and review control procedures. Coordinating Committee.	?
2. Annual Plans for Procurement (including financing)	Food Min. develops seasonal plans on a continuing basis	Food Min. continuing plans for procurement	Food Min. continuing plans for procurement.

	Progress to Date	Progress Next 6 months	Progress by end FY89
3. Floor Price announcement	Announced July 1,87	Announced Mid-July'88	Timly announcements institutionalized
4. Purchase all grain offered at procurement price	Improvement in Spring '88. Procurement prices for wheat higher than market price in June-July 1988.	Storage is a constraint. Explore use of unused fertilizer godowns.	
5. Establish regular district level analysis for procurement	Site visits by OFA staff in June revealed many problems. BDG has included in its food documents creation of additional storage facilities.		
B.3 Agricultural Diversification			
1. Dev. of Roads	See Q Sheets for Bridges, Culverts FFW,RRIM	Continued Portfolio Activity	Possible development of a new decentralization project
2. Study to encourage diversification	None	None	IFPRI will initiate major diversification study in FY 89. Results will be available by 91.
3. Support production oriented projects of other donors	None	None	None

	Progress to Date	Progress Next 6 months	Progress by end FY89
B.4 Increased Effectiveness of Agricultural Research System	Contract being negotiated for ARP 1I. PL480 local currency being used AVRDC, ISNAR etc procured	Contractor in place, Work-Plan developed.	Research underway. Significant strengthening of the system
C. Employment Expansion			
C1. New initiatives in rural employment			
1.Greater labor use in Agriculture	None	IFPRI plan of operation will define limited work for short term consultants regarding employment expansion	IFPRI infrastructure Team is in plase. Studies of infrastructure planned for winter 88/89
2.Studies	TAPP approved. PDE to initiate a separate research contract with IFPRI.		
3.Pilot Program	None	None	None
C.2 Private Cotton Spinning & Weaving			
1.Increased Yarn to Handloom Sector	70% of yarn produced from Title III cotton goes to rural sector handloom weavers who are predominently women.	None	None
2.Private mills receiving raw cotton.	Private mills receive FX to import cotton.	None	None

	Progress to Date	Progress Next 6 months	Progress by end FY89
C.3 Encouragement of Private Oil Industry			
1.Marketing of oil by private sector	All Title III commodities received by BSFIC are marketed thru private sector dealers.	None	None
2.Analysis of import duty etc. on local industry	None	None	None
D.Improved Food Systems Management			
D.1 Removal of subsidies to Non Needy			
1. Reform SR & OP	Price increased to stipulated levels effective June 6. Proposed Sept. adjustment under discussion with MOF.	Upgrade real adjustments in SR & OP prices anticipated.	Total elimination of subsidies by the end of the Agreement
2.Abolish FS & MO	FS & MO abolished		
D.2 Strengthen OMS System			
1.Review of existing formula	Raisuddin Ahmed studies (II) complete.	IFPRI to initiate oerations. issue including echnical aspects	IFPRI will initiate a major study of the private grain trade and prices. Results will be available by the end of 1990, including recommendations regarding formula.
2.Maintain existing formula until recommendation accepted	Formula maintained, but proposal received from MOF to modify the formula		
3.Include Rice and Paddy in OMS			

	Progress to Date	Progress Next 6 months	Progress by end FY89
4.Simplify procedures to make OMS like Private Sector.	None	None	Recommendations on OMS procedures to be generated by IFPRI in 1990.
5.Introduce flexible allotment procedure	None	"	"
D.3 Strengthening FPMU Capacity			
1.Contract with IFPRI	TAPP signed. Negotiations with IFPRI nearly complete.	Chief of party confirmed IFPRI to initiate operaions.	Studies OTT initiated.
2.Upgrade staff	Started One in training in U.S.	IFPRI/FPMU colloboration begins addressing additional staffing and training for FPMU members.	Staffing Complete and some Training initiated.
3.Implement Reorganization	New Organization chart approved, TAPP signed etc.	IFPRI Plan of operation will address responsibility of FPMU for leading Title III research program in long term	Staff training & Staffing underway.
D.4 Improvement in Foodgrain Distribution policies			
1.Review extended procurement procedures	US Wheat Associates study Food Policy issued by BDG	Follow-up by USDA and U.S. Wheat Associates.	
2.Private imports of wheat	Tenders invited from private traders	"	

	Progress to Date	Progress Next 6 months	Progress by end FY89
3.Relax anti-hoarding laws	Accomplished		
4.Liberalize private sector trading	Mission dialogue preventing reduction in margin is supportive of the market.		IFPRI work on pricing will promote increased role of private sector.
5.Maintain food stock	1. Food stocks at Record Levels in June 1988. Stock level as of July 10 about 1.45 mill tons, highest ever. may be applied.	IFPRI plan of operration will propose research program or stock levels. Commodity use offset available by end of 1990.	IFPRI will initiate a major study regarding optimal stock levels for Bangladesh. Results will be
	2. BDG has met the indicated stock level of 900,000 MT as of November 1, 1989 and 1.1 million MT as of July 1, 1988.		

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USAID/BANGLADESH

MISSION FOOD AID MANAGEMENT PLAN

I. MISSION APPROACH TO FOOD AID MANAGEMENT

II. RESPONSIBILITY ASSIGNMENTS

DRAFTED BY:

ASHWANI PURI

AND

BHARTI G. RAMULA

PRICE WATERHOUSE/INDIA

MAY 11, 1988

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I. MISSION APPROACH TO FOOD AID MANAGEMENT

A. GENERAL

The Mission's Office of Food and Agriculture (OFA) has the responsibility for managing the food aid program through its Agriculture and Food Policy (AFP) Division.

Upon completion of the 1988 transfers, Dave Heesen (BS10) would manage the division, supervising FFPO Bob Sears (BS15) who would continue to handle Title II, FFP Ag. Economist I. Mukherjee (BS15) who would spearhead the Mission's food and agricultural policy analysis effort, and Program Specialist ASM Jahangir (FSN12) who would continue to be the first line support and deputy to the division chief in administering the Title III program.

B. TITLE III

1. Heesen would be the Mission line manager most responsible for the design and direction of the Title III program.

2. In view of the strong policy reform component of the program, food and agricultural policy analysis is seen as an integral part of the management of the Title III program. In this respect Heesen would be supported by Mukherjee and his team of one program associate (TNC FSC) and an FSN program assistant. While Mukherjee would concentrate on areas like program planning and disincentive assessment, Dunnett (program associate) would be the Mission staff primarily responsible for coordinating with contractors for various studies and consultancies, including IFPRI.

3. Heesen, as AFP division Chief, would have primary responsibility for the actual negotiation of the Title III agreements and amendments with the Bangladesh Government Agencies. In this, he will be supported by Jahangir who provides information on the local social, cultural and political issues besides having long experience and knowledge of the Bangladesh Title III program. Mission Director Priscilla Boughton and Program Office Director, Frank Young would play a substantive role both in shaping the Mission's positions and in handling the highest level consultation.

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4. In monitoring program implementation, Heesen and Jahangir would be assisted by two FSN professionals. FFF ag Economist Mukherjee and his team would also lend support to this activity with analysis of food security issues and experiments, in terms of developing options for USAID's position on amendments to the agreement and for designing the follow on agreements. Heesen, Jahangir and the Controller would represent the Mission on the GOB Title III Coordination Committee, having participation by all the implementing agencies and tasked with ensuring implementation of the agreement .

5. Establishing priorities for local currency programming would be mainly Program Office (PRO) responsibility, discharged in consultation with the Mission's Title III Committee. The actual programming will be based on the analysis of the Government of Bangladesh Annual Development Plan projects by the AFP division, fund requirements of the Mission's DA funded and Title II supported projects as well as fund requirements of other studies/consultancies required to achieve Title III objectives.* Jahangir would continue to be responsible for administering local currency operations such as monitoring commodity offtake, local currency generation and utilization, writing PILs and ensuring adherence to reporting requirements. The Controller Office would get more involved in reporting and compliance issues, monitoring special account operations including pipeline management, currency use offset certification and assuring loan repayment or forgiveness in coordination with AFP division chief Heesen.

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* The Mission feels that its effectiveness in achieving food policy objectives will not be sustained if valuable Mission resources are diverted to detailed programming or monitoring of local currency projects. Further, the Mission believes that efforts to gain GOB concessions on programming for local currency projects would weaken its ability to obtain concessions necessary to achieve the larger food policy objectives, which have justified this program since its inception. The Mission recognizes its responsibilities to monitor projectized local currencies, per FDS as amended. However it believes that the success of its Title III program will be measured on the success of policy reforms more than on the results of the various projects (43 at present) themselves, notwithstanding their own intrinsic importance. Given the fixed limit on OE budget and personnel ceilings, the Mission will continue to be challenged in monitoring these projects by competing demands upon limited management resources.

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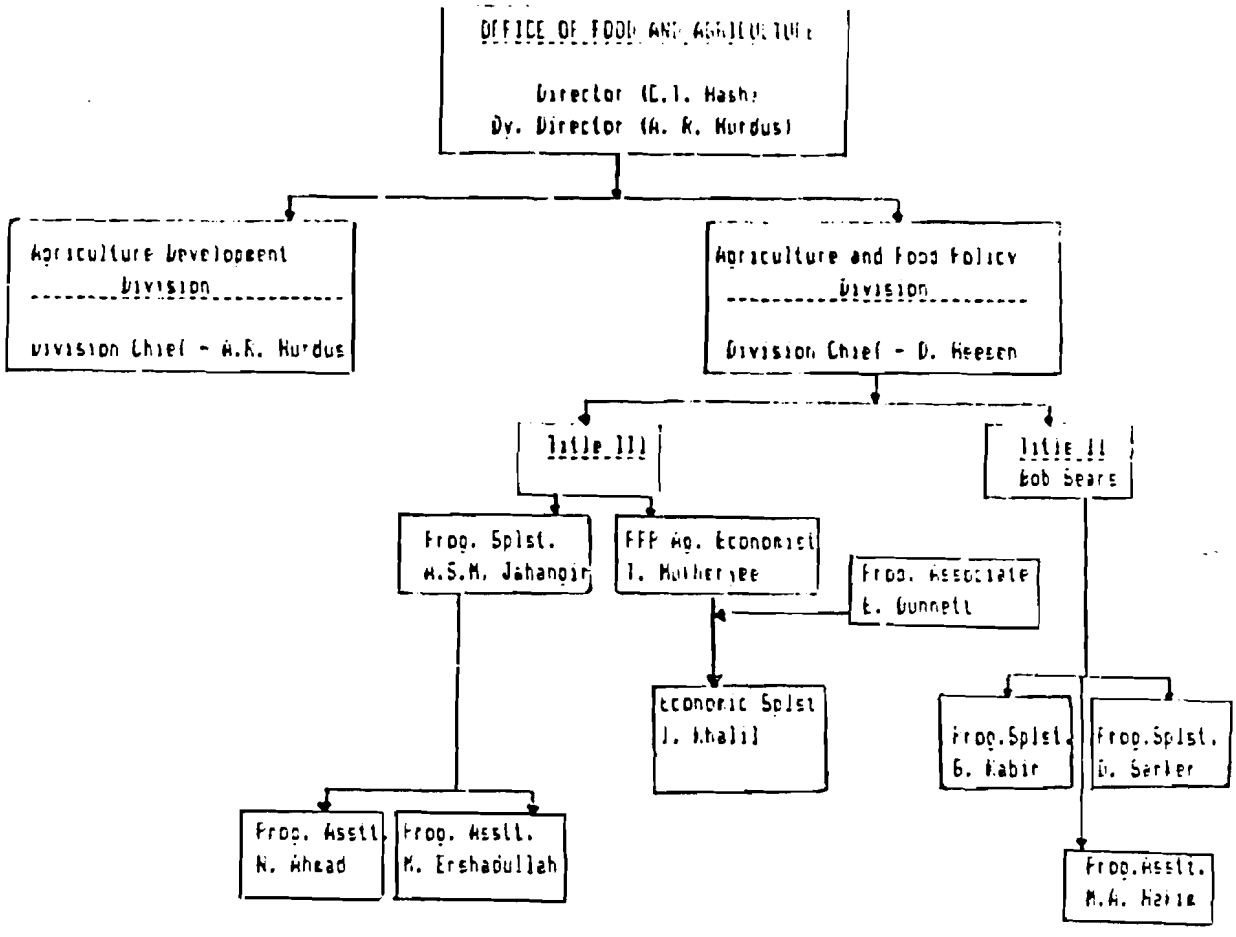
6. ORGANIZATION CHART OF AGRICULTURE AND FOOD POLICY DIVISION



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E. COMMITTEES

1. MISSION TITLE III COMMITTEE

PURPOSE : 1. To provide staff support (legal, financial and project management) to the line managers of the Title III programs.

2. To achieve better coordination between the Mission's DA and food aid program.

MEMBERSHIP: Mission Director/Dy. Mission Director (Chairperson)

AFP Division Chief (Secretary)
PRO
PDE
CONT
RLA
DFA
AFP Ag. Economist
Title III Program Specialist

MANNER OF FUNCTIONING:

Role : Advisory

Meeting : Once a month (or as required)

Note: The AFP Division Chief and the Title III Program Specialist together with a Controller staff represent the Mission on the Government of Bangladesh Coordination Committee for Title III.

2. MISSION FFW III COMMITTEE

PURPOSE : Project Committee

MEMBERSHIP : FFPD (Title II) (Chairperson & Secretary)
CONT
PRO
RLA
PDE
AFP Division Chief

MANNER OF FUNCTIONING : As per USAID/Bangladesh Mannual Order No. 38.

cc: Mission

A. GENERAL RESPONSIBILITY ASSIGNMENTS

FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
1. Overall management of country food aid program (Direction, Policy & strategy issues, achievement of overall objectives)		Mission Director (Priscilla Boughton)
2. Operations management of:		
- Title I/III program and related grants		AFP Div. Chief (D. Heesen)
- Title II program and related grants		FFFD (Bob Sears)
- WFP programs		FFFD (Bob Sears)
- Emergency food aid	i) Overall responsibility ii) Disaster Relief Officer	AFP Div. Chief (D. Heesen) FFFD (Bob Sears)
3. Donor coordination	i) Representation on WFP Task Force	Mission Director (Priscilla Boughton) FFFD (Bob Sears)
	ii) General	AFP Div. Chief (D. Heesen)
4. Program Implementation Review		Mission Director (Priscilla Boughton)
5. Management Planning and review		Dy. Mission Director (Malcolm J. Purvis)

B. SPECIFIC RESPONSIBILITY ASSIGNMENTS COMMON TO ALL FOOD AID PROGRAMS

FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
1. Monitoring and analysis of national food situation		Program Specialist (ASM Jahangir)
2. Food aid needs assessment		AFP Div. Chief (D. Meesen)
3. Food and Agricultural policy analysis		FFP Ag. Economist (T. Mukherjee)
4. Food policy dialogue with host government		AFP Div. Chief (D. Meesen)
5. Assessment of adequacy of handling (including port conditions), storage and distribution facilities		Program Specialist (ASM Jahangir) in collaboration with FAS
6. Disincentive Assessment		FFP Ag. Economist (T. Mukherjee) in collaboration with FAS

C. RESPONSIBILITY ASSIGNMENTS FOR AMENDMENTS TO TITLE I/III AGREEMENTS

FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
1. Early programming considerations	i) Mission discussion	Mission Title III Committee
	ii) Consultation with BDG	AFP Division Chief (D. Heesen)
2. Mission review of implementation and compliance of ongoing agreements	i) Progress review ii) Program direction iii) Amendment expectations	AFP Division Chief (D. Heesen) in consultation with Mission Title III Committee
3. Development of Mission position in respect of amendment	i) Food Aid needs assessment	AFP Division Chief (D. Heesen)
	ii) U.S. commercial interest	New Delhi Ag. Attache (Pat Haslach) in consultation with Econ. & Com. counselor (Chuck Mast)
	iii) Supply and distribution data/recommendation	AFP Division Chief (D. Heesen) Prog. Specialist (ASM Jahangir)
	iv) Handling and storage information/assessment	Prog. Specialist (ASM Jahangir)
	v) Disincentive analysis	FFP Ag. Economist (T. Mukherjee)
	vi) Economic and developmental justification	FFP Ag. Economist (T. Mukherjee)
4. Discussions at country team level		Mission Director (Priscilla Boughton) AFP Division Chief (D. Heesen)
5. Submission of data and communication of Mission position to Washington	i) drafting ii) approval	AFP Division Chief (D. Heesen) Mission Director (Priscilla Boughton)
6. Joint Annual review and informal discussions with BDG	i) With BDG Title III Coordination Committee	AFP Div. Chief (D. Heesen) Prog. Specialist (ASM Jahangir) Controller (George Jenkins)
	ii) With Implementing Agencies	AFP Div. Chief (D. Heesen) Prog. Specialist (ASM Jahangir)

* The AFP Division Chief has the primary responsibility for developing negotiating and executing a new Title I/III agreement. The Mission would do detailed responsibility assignments (as illustrated in Attachment I) at the time of commencement of the design effort.

FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
7. Local Currency Programming	i) Establishing priorities for funding	PRO (Frank Young)
	ii) Collection and review of information on projects/activities eligible for financing from Title III generations, and making of recommendations	a) Ag. Research Projects Ag. Dev. Officer (R. Morton) b) Bridges & Culverts Constn. Projects - Small(less than 40'): FFPO (Bob Sea - Large (over 40'): Sub.Proj.Contracts (L. Eldredge) c) Rural Electrification Projects PDE d) ADP Projects Program Specialist (ASM Jahangir) e) Studies, Consultancies & Other Acti FFP Ag. Economist (T. Mukherjee)
	iv) Screening & funds allocation	PRO (Frank Young) in consultation with Mission Title III Committee
8. Development of specific benchmarks for evaluation of performance		ADP Div.Chief (D.Hessen) with Evaluation Specialist
9. Drafting of proposed negotiating parameters and amendment to the agreement	i) Drafting ii) Review iii) Submission to Washington	AFP Div. Chief (D. Heesen) RLA (Pat Ramsey) Mission Title III Committee Mission Director (Priscilla Boughton)
10. Negotiations in accordance with negotiating instructions	i) Overall ii) With ERD iii) Formal	AFP Div. Chief (D. Heesen) PRO (Frank Young) Mission Director (Priscilla Boughton)
11. Drafting of minutes of negotiation and revisions to draft agreement	i) Drafting ii) Review iii) Submission to Washington	AFP Division Chief (D. Heesen) RLA (Pat Ramsey) Mission Title III Committee Mission Director (Priscilla Boughton)
12. Agreement Signature	i) Request for authorization ii) Signature	Ambassador As authorized by AID/W-FFP

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D. RESPONSIBILITY ASSIGNMENTS FOR IMPLEMENTATION AND MONITORING OF THE TITLE I/III PROGRAM

FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
1. Monitoring of status and utilization of programmed commodities	i) Tracking of PA's issued, despatches/shipments made, and arrivals	FAS
	ii) Determinations of channel eligibility	AFP Div. Chief (D. Heesen)
	iii) Monitoring utilization in relation to shipments/arrival	Program Specialist (ASM Jahangir)
2. Monitoring local currency generations and deposits	i) Development of monitoring and reporting requirements and assuring compliance	Controller (George Jenkins) with Program Specialist (ASM Jahangir)
	ii) Reconciliation of commodity offtake information with reported generations	Program Specialist (ASM Jahangir)
	iii) Tracking special account deposits in relation to CCC disbursements	Controller (George Jenkins)
3. Monitoring progress of local currency financed projects/activities	i) Development of monitoring and reporting requirements for the projects and assuring compliance	As in C.7. (ii) in consultation of Controller (George Jenkins)
	ii) Monitoring progress through reviewing performance reports and through discussions and field trips	ADP Projects: Program Assistant (Nasim Ahmed) All others: As in C.7.(ii)
4. Monitoring utilization of local currency/special account operation	i) Development ofmonitoring and reporting requirements and assuring compliance	Controller (George Jenkins) with Program Specialist (ASM Jahangir)
	ii) Reconciliation of reported disbursements from special account with project expenditure information	As in D.3. (ii)
	iii) Pipeline Management	Controller (George Jenkins) with AFP Div. Chief (D. Heesen)

FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
5. Effecting changes in local currency programming	i) Developing guidelines for review of local currency programming	PRO (Frank Young) with Controller (George Jenkins) and AFP Division Chief (D. Heesen)
	ii) Review of local currency programming and recommending desired changes	As in C. 7 (iii)
	iii) Screening and funds reallocation	PRO (Frank Young) in consultation with Mission Title III Committee
	iv) Documentation as authorized by Washington	Prog. Specialist (ASM Jahangir)
6. Review and certification of commodity and currency use offset		Controller (George Jenkins) with AFP Div. Chief (D. Heesen)
7. Monitoring the use of commodities for which a commodity use offset has been certified	i) Develop reporting requirements	AFP Div. Chief (D. Heesen) with Controller (George Jenkins)
	ii) Assure use is in accordance with requirements.	AFP Div. Chief (D. Heesen) Prog.Splst (ASM Jahangir)
8. Monitoring progress on self help measures and achievement of Title III program objectives		AFP Div. Chief (D. Heesen) (Detailed in Program ~~Implementation Tracking System~~ Components action & PROGRAM COMPLIANCE & OPERATION
9. Compliance monitoring on UMRs, fair share requirements, reexport and transshipment restrictions, and identification and publicity requirements		FAS
10. Program Evaluations (as per Monitoring & Evaluation Plan)	Planning, Coordination/interaction with Evaluation Team, review of findings/Mission comments and follow-up	AFP Div. Chief (D. Heesen) with Evaluation Specialist

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FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
11. RIS/Non-federal audits	i) Need determination/require for audit, coordination/interaction with Audit Team, review of findings/Mission comments and follow-up	Controller (George Jenkins) in consultation with AFP Div. Chief (D. Keesen)
	ii) Compliance Reporting	Controller (George Jenkins)
12. Assuring loan repayment or loan forgiveness		Controller (George Jenkins)

SAMPLE RESPONSIBILITY ASSIGNMENTS FOR A MULTI-YEAR TITLE I/III AGREEMENT*

	FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
1.	Initiation of intended program and verification of acceptability	i)Program expectations/objectives	Mission Director (Priscilla Boughton)
		ii)Eligibility determination	AFF Div. Chief (D. Heesen)
		iii)U.S.commercial interest	New Delhi Ag. Attache (Pat Haslach) in consultation with Econ.& Com. Counselor (Chuck Mast)
		iv)Economic policy considerations	FFP Ag. Economist (T. Mukherjee)
		v)Commodity considerations	
		- Demand side	AFF Div. Chief (D. Heesen)
		- Supply side	New Delhi Ag. Attache (Pat Haslach)
		vi)Program parameters	PRO (Frank Young DFA (Charles Hash) Sr.FFPO (Lowell Lynch)
		vii) Liaison with:	
		- AID/W,	
		- Country team members including USDA/FAS, &	AFF Div. Chief (D. Heesen)
		- GOB Officials	
2.	Program design/development	i)Commodity Table	AFF Div. Chief (D. Heesen)
		ii) Payment/credit terms	PRO(Frank Young) AFF Div. Chief (D. Heesen)
		iii)Adequacy of handling, storage & distribution facilities assessment	Prog.Splst.(ASM Jahangir)
		iv)Disincentive assessment	FFP Ag. Econ. (T. Mukherjee)
		v)Supply & distribution data	
		- Data gathering	Prog.Asst.(MM Ersnadullah)
		- Analysis and comments	Prog.Splst.(ASM Jahangir) AFF Div. Chief (D. Heesen)
		vi)Usual Marketing Table and Export Limitations	New Delhi Ag. Attache (Pat Haslach)

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* Referred to in footnote on page 10.

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FUNCTION/AREA	MISSION ROLE/ACTION	RESPONSIBILITY
	viii) Self-help Measures and food for development program	AFP Div. Chief (D. Heesen) DFA (Charles Hash) PRO (Frank Young)
	viii) Sale of commodities/generation & deposit of Sale proceeds/ Special Account requirements	AFP Div. Chief. (D. Heesen) CONT. (George Jenkins)
	ix) Use of sale proceeds	PRO (Frank Young) AFP Div. Chief (D. Heesen) DFA (Charles Hash) PDE (Donald Reese)
	x) Reporting & monitoring requirements	CONT. (George Jenkins) AFP Div. Chief (D. Heesen)
	xi) Evaluation and Review requirements	PRO (Evaluation Splst.)
	xii) Operational Considerations	FAS
	xiii) PAAD drafting coordination	AFP Div. Chief (D. Heesen)
	xiv) Assuring coherence to AID documentation and legal requirements	RLA (Pat Ramsey)
	xv) Review	Title III Food Committee
	xvi) Submission to AID/W	Mission Director (Priscilla Boughton)
3. Drafting of proposed negotiating parameters and Agreement	i) Draft ii) Review	AFP Div. Chief (D. Heesen) RLA (Pat Ramsey) Mission Title III Committee
	iii) Submission to AID/W	Mission Director (Priscilla Boughton)
4. Negotiations in accordance with negotiating instructions	i) Overall ii) with GOI iii) Formal	AFP Div. Chief (D. Heesen) PRO (Frank Young) Mission Director (Priscilla Boughton)
5. Drafting of Minutes of negotiations & revisions to Draft Agreement	i) Drafting ii) Review	AFP Div. Chief (D. Heesen) RLA (Pat Ramsey) Mission Title III Committee
	iii) Submission to AID/W	Mission Director (Priscilla Boughton)
6. Agreement Signature	i) Request for authorization ii) Signature	Ambassador As authorized by AID/W-FFP

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REPORTS/DOCUMENTS CHECKLIST FOR TITLE I/III

Reports/Documents	Mission Role/Action	Periodicity/Timing	Responsibility
A. GENERAL			
1. Bellmon determination	i) Obtain required information from BDG ii) Prepare Bellmon determination cable	During the final phase of agreement/amendment negotiation	FFF Ag. Economist (T.Mukherjee) Prog. Spist. (ASM Jahangir)
	iii) Send cable to USDA, Washington	Before signing of each agreement/amendment	AFF Div. Chief (D. Meesen)
2. Application for Purchase Authorization/ Operational Reporting cable	i) Assure timely receipt of Application for PA	Within 90 days from effective date of agreement/ supplementary agreement	FAS (The application is made to USDA directly by the BDG embassy in Washington).
	ii) Develop required information for operational reporting cable in consultation with BDG	Upon signing of an agreement/ amendment for import of commodities	
	iii) Transmit Operational Reporting Cable for issuance of PA to Washington	On receiving request from BDG for issue of PA	
3. Shipment Arrival Report	i) Forward reporting format received from USDA giving shipping information to BDG/ERD		Program Specialist (ASM Jahangir)
	ii) Pursue BDG to ensure timely receipt of report properly filled in and certified.	Within 30 days of completion of each shipment on receipt from USDA	
	iii) Forward report to USDA in Washington.		

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Reports/Document	Mission Role/Action	Periodicity/Timing	Responsibility
4. Project/Sector proposals for financing from Title III funds	i) Obtain required information regarding proposed/assisted projects/activities	During agreement/amendment design and on finalization of BDG MOU	As in D(iii) of Responsibility Assignments
	ii) Review and make recommendations for appropriate action		
	iii) Review and take appropriate action as required		FRO (Frank Young) in consultation with Mission Title III Committee
	iv) Submission to AID/W and communication to BDG		Mission Director (Priscilla Boughton)
5. Progress reports on physical and financial progress of projects/activities funded from Title III sale proceeds	i) Review and monitor progress	Monthly/Quarterly	As in D3 (ii) of Responsibility Assignments
	ii) Use with disbursement reports for certification of currency use offset (Ref. item 7 below)	Quarterly	
6. Report on Commodities Received, Sales, Sale Proceeds Generated, Deposit into Special Account and Subsequent Disbursement to Agreed upon Development Projects, Certified by FRO.	i) Pursue BDG to ensure timely receipt of report	Quarterly; within 30 days following end of BDG quarter:	Controller (George Jenkins)
	ii) Review for compliance with Agreement terms and PIL's, and satisfactory progress on local currency financed projects /activities	Q/E Due Date Sep 30 Oct 30 Dec 31 Jan 30 Mar 31 Apr 30 Jun 30 Jul 30	Controller (George Jenkins) with AFF Div. Chief (D. Heesen) and Prog. Spist. (ASM Jahangir)
7. Mission certification of value of Commodity use or Special Account disbursements which are eligible for offset against repayments due	i) Obtain clarification/additional information which may be required to determine amount eligible for offset.	Quarterly, following review of BDG Reports (item 6 above)	Controller (George Jenkins)
	ii) Issue notice of ineligibility to host government if any reported disbursements or commodity use are found to be ineligible for offset.		
	iii) Prepare Mission Certification/ submission to Washington		
	iv) Signature & submission to USDA & AID in Washington.		Mission Director (Priscilla Boughton)

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Reports/Document	Mission Role/Action	Periodicity/Timing	Responsibility
8. Summary of self-help progress to date	i) Consult with BDG officials to obtain information	Annually, August 31	AFF Div. Chief (D. Heesen) Prog. Spist. (ASM Jahangir)
	ii) Draft, review and submit to AID/W		
9. Comprehensive report on activities and progress achieved under the FFD program during FYE 30 Sept. (Reference point for joint evaluation)	Obtain report or information from BDG/assist BDG in preparation of report	Annual. November 1	AFF Div. Chief (D. Heesen) Prog. Spist. (ASM Jahangir)
10. Evaluation and Annual Review Report	i) Review Annual Comprehensive Report and conduct joint evaluation with BDG	Annual; North of November.	Evaluation Team in consultation with AFF Div. Chief (D. Heesen)
	ii) Review within Mission		Mission Title III Committee
	iii) Review with BDG		Mission Director (Priscilla Boughton) with AFF Div. Chief (D. Heesen)
	iv) Drafting of comments/ recommendations		AFF Div. Chief (D. Heesen)
	v) Submission of comprehensive Report and Evaluation with comments and recommendations to AID/W	December 1	Mission Director (Priscilla Boughton)
11. Report on Usual Marketing, Export Limitation, Utilization and Publicity (Compliance Report)	i) Forward reporting format to BDG after recording identifying information.	On completion of supply period (normally around Sept.30). Annual: within 60 days of expiry of supply period. Dec 1 for US Fiscal Year.	FAS
	ii) Pursue BDG to assure timely receipt of completed report		
	iii) Review to ensure compliance with requirements.		
	iv) Forward to USDA in Washington.		
12. Repayment schedule/ Revised Currency Use offset schedule.	Submission to BDG	60 days before first Title I loan installment becomes due for repayment	Controller (George Jenkins)

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Reports/Document	Mission Role/Action	Periodicity/Timing	Responsibility
B. MISSION INTERNAL REPORTS			
13. Title III Commodity and Financial Status Report	i) Prepare ii) Review and initiate appropriate action	Quarterly	Program Specialist (ASM Jahangir) WFP Div. Chief (D. Heesen) in consultation with Mission Title III Committee
14. Mission's internal Report for Program Implementation Review	i) Prepare report ii) Mission review of progress, issues and decision on follow-up	Quarterly	Prog. Splst. (ASM Jahangir) WFP Div. Chief (D. Heesen) Mission PIR Committee
C. BANGLADESH FOOD SITUATION REPORTS			
15. Daily market prices of rice, paddy and wheat	i) Collect from Directorate of Food (DDF) ii) Review, summarize and update graphical charts	Twice a week	Prog. Asstt. (M. Ershadullah)
16. Monthly Food Situation Review Reports (including production forecasts/estimates)	i) Ensure timely from FPMU ii) Review and circulate within DFA	Monthly	Prog. Asstt. (M. Ershadullah)
17. Crop Assessment Report	Prepare & circulate within DFA	Quarterly	Prog. Splst. (ASM Jahangir)
18. Food Shipment and Arrival Reports (including other donor shipments)	i) Collect from DDF ii) Review in DFA	Monthly	Prog. Asstt. (M. Ershadullah)
19. Internal Procurement Reports on rice, paddy and wheat	i) Collect from DDF ii) Review in DFA	Weekly	Prog. Asstt. (M. Ershadullah)
20. FFDS offtake Statements	i) Ensure timely receipt from DDF ii) Review and prepare bi-annual summary	Monthly	Prog. Asstt. (M. Ershadullah)
21. Bangladesh Monthly Foodgrain Forecast (WFP paper, essentially on shipments and stock projections)	i) Collect from WFP ii) Review in DFA	Monthly	Prog. Asstt. (M. Ershadullah)

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Reports/Document	Major Role/Action	Periodicity/Timing	Responsibility
D. OTHER COMMODITY REPORTS			
22. Market Price of Soy Oil & Cotton (Ref. V-20; HSc)	i) Collect from BDG (BSFIC & BTMC) ii) Review and initiate appropriate action		Prog. Asstt. (M. Ershadullah)
23. Production of Soy Oil and Cotton (forecasts/estimates) (Ref. V-20; HSc)	i) Collect from BDG (BSFIC & BTMC) ii) Review and initiate appropriate action		Prog. Asstt. (M. Ershadullah)

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Public Food Distribution System

The origins of the Public Food Distribution System (PFDS) and food policy in Bangladesh have been summarized in Annex A of the proposed Agreement PAAD. Initiated in response to famine conditions -- which necessitated rationing -- it has grown to include twelve official food distribution channels. As recently as 1974, "large farmers' were required to sell a portion of their production to the PFDS at a fraction of free market prices. This food was then distributed through a ration card system at highly subsidized rates. Measured against this base point, policy and program modifications have been extraordinary and positive while chronic food deficits remain.

The principal policy objectives of the first Title III Agreement, continued in the second, were various measures designed to phase out subsidized distribution channels over a period of time and move toward the use of Open Market Sales from PFDS stocks as the preferred mechanism to buffer market prices (and consumer income) against increases in food prices, caused by supply shortages. Simultaneously, purchases at pre-announced price levels during peak harvest seasons, were to be expanded to (a) stimulate the expansion of domestic foodgrain productions through producer incentives and (b) buffer open market farmgate prices against temporary local market supply gluts.

To summarize, the PFDS system has multiple (and on occasions) conflicting program functions:

- To reduce wide swings in (wholesale and consumer) foodgrains prices (and farmers' income) not justified by normal seasonal availability and marketing costs, by distributing commodities from foodgrain reserves when consumer prices exceed a preset trigger price.

- To support producer prices (and farm income) through purchase of wheat and rice when market prices fall below a preset price level. The trigger (floor) price is to be announced prior to the planting season.

- To set floor prices for wheat and rice purchases at a level adequate to cover all farm input costs plus a margin for profit, to encourage investment such that farmers will be able to take advantage of high yielding varieties (self-help measure No. 2 and Annex A).

- Following assessment of availability and forecasts of expected yields, to document the need for concessional food aid (including Title I and III) and/or seek BDG authority to buy foodgrains from commercial sources.

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- To continue phasing down the ration system by (a) gradually moving (ration) prices upward toward the open market price levels (b) by reducing the rice portion of rations, to be substituted by wheat, which provides equal calories at a lower price and (c) by gradually lowering the ration quota for individual card holders (SHM 4).

- To maintain adequate levels of food security reserves and to expand the average level of food security reserves to 900,000 metric tons on November 1st (just prior to the principal aman rice harvest and to 1.1 million metric tons on July 1st (just prior to the most risky supply period).

1. PFDS Marketing Channels

The PFDS acquisition of wheat and rice (and offtake) in recent years has varied from 1.5 to 2.5 million metric tons. Typically it handles somewhat less than 15 percent of all rice moved through marketing channels but approximately 50 percent of all wheat. Most of the rice consumed (over 95 percent) is produced within Bangladesh while roughly half of all wheat is imported. Because it handles such a small share of all rice, fine tuning purchases and disbursals to support farm level prices while capping price increases (taking into account four marketing seasons and local yield variabilities) is a formidable task. The BDG deserves credit for the relatively good success it has achieved in levelling out producer and consumer prices.

The PFDS, the major wholesaler of wheat and rice, has had and will continue to have a major impact on the wholesale and retail profit margins of the marketing trade. PFDS official distribution channels are the following:

A. Statutory Rationing (SR) -- Sales through licenced, privately owned ration shops to ration card-holders in six major urban centers at a controlled price set by the MOF.

B. Other Priorities (OP) -- Sales under similar to SR, a ration card system, for public employees and other categories in non-SR areas.

C. Essential Priorities (EP) -- Ration card system for personnel of police and military services. Price remains at FY 74 levels, providing a valuable "perk" to these employees.

D. Modified Rationing (MR) -- Ration-price sales in peri-urban and rural areas. Food allowances are supposed to favor persons with low incomes.

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E. Large Employees (LE) -- Wholesale sales to employers of 50 persons or more who compensate employees partly in kind.

F. Flour Mills (FM) -- wholesale sales of wheat to both large and small scale white-flour millers.

G. Market Operations (MO) -- Sales category used to dispose off surplus stocks at the SR ration price currently in effect.

H. Open Market Sales (OMS) -- Sales of grain to local wholesale and retail outlets at a price which should cover acquisition and handling costs.

I. Free Sales (FS) -- Sales of damaged stock at whatever price is warranted by stock condition.

J. Food For Work (FFW) -- Distribution of Food as a wage in kind through: World Food Program (WFP), Title II (CARE) and BDG managed programs, targeted to under-employed persons.

K. Vulnerable Group Feeding (VGF) -- Mother/child feeding.

L. Gratuitous Relief (GR) -- Distribution to destitute persons.

M. Emergency Feeding (EF) -- A special category of GR with distribution to persons temporarily without food due to natural disasters.

The Public Food Distribution System (PFDS) offtakes by Channel for the period 1978/79-1986/87 BDG/FY is shown in Appendix Table III B.1.

2. Evaluation of PFDS Performance

The 1978 and 1982 project documents looked forward to a future date when Bangladesh was projected to achieve food self-sufficiency. It assumed, without supporting analysis, that self-sufficiency would be achieved by the end of the second five year plan which corresponds with the fourth year of 1982 Agreement. At that point, the PFDS, it was argued, would need to have only three distribution channels. These were to be:

1. Open Market Sales (OMS);
2. Food For Work (FFW); and
3. Gratuitous Relief (GR).

The PFDS system is a very large and very complex system. Among other things, it maintains offices in 64 districts and roughly 460 sub districts (Upazilas), administering, buying, and wholesaling activities and ration card programs for some 10 millions families. On the operations side, it manages 4 silos at key points with good transportation network, 12 central

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PROJECTWISE DISBURSEMENT OF TITLE III FUNDS BY BDG FISCAL YEAR
[In US$ '000]

Sl.	Name of the Project	1979-80/2	1981	1982	1983	1984	1985	1986	1987	1988	1989/3	TOTAL
1	Procurement & Distribution of Chemical Fertilizer /1	67,165	-	-	-	-	-	11,575	-	-	...	78,740
2	Deep Tubewell Irrigation (Phase III)	-	7,281	8,684	15,172	13,818	7,251	662	2,896	1,445	...	57,208
3	Deep Tubewell (IDA)	-	-	-	-	2,255	1,373	-	2,873	879	...	7,380
4	STW Irrigation (all over Bangladesh)	-	7,281	1,699	7,829	6,145	1,679	681	901	32	...	26,247
5	STW Irrigation (IDA) /1	-	-	711	409	-	-	-	-	-	...	1,120
6	Karnafuli Irrigation & Flood Control /1	-	-	1,517	1,017	290	-	-	-	-	...	2,824
7	Barisal Irrigation (Phase II) /1	-	-	529	707	298	-	-	-	-	...	1,534
8	Muhuri Irrigation Project /1	-	-	782	1,957	2,181	-	-	-	-	...	4,920
9	Manu River Project /1	-	-	2,792	3,059	370	-	-	-	-	...	6,221
10	Ashugonj Shabuj Prakalpa /1	-	-	66	-	-	-	-	-	-	...	66
11	IDA Low Lift Pump /1	-	-	693	411	183	279	-	-	-	...	1,566
12	Support to Locally Developed Small Pump & other agricultural Implements/1	-	-	32	-	-	-	-	-	-	...	32
13	Intensive Agricultural Program for North-West Region of Bangladesh /1	-	-	5,753	6,605	7,902	4,801	-	2,899	-	...	27,960
14	Supply of LLP under Canal Digging Prog. thru Voluntary Mass Participation /1	-	-	13	-	-	-	-	-	-	...	13
15	Low Lift Pump Irrigation	-	-	7,843	18,469	9,366	6,579	827	3,760	799	...	47,643
16	Command Area Development /1	-	-	3	-	-	-	-	-	-	...	3
17	Establishment of Workshop Complex in Private Sector /1	-	-	3	-	-	-	-	-	-	...	3
18	Foodgrain Warehouse Construction (under IDA, ADB, CIDA, & JICA) /1	-	-	-	367	1,122	-	-	-	-	...	1,489
19	Pabna Irrigation Project	-	-	-	-	-	-	2,150	2,729	639	...	5,518
20	Teesta Barrage Project	-	-	-	-	-	-	6,849	12,931	3,675	...	23,455

PROJECTWISE DISBURSEMENT OF TITLE III FUNDS BY BDG FISCAL YEAR
[In US$ '000]

Sl.	Name of the Project	1979-80/2	1981	1982	1983	1984	1985	1986	1987	1988	1989/3	TOTAL
21	EIP Type Small Project (IDA Aided)	-	-	-	-	-	-	800	565	144	...	1,509
22	EIP Type Small Project (ADB Aided)	-	-	-	-	-	-	661	799	198	...	1,658
23	EIP Type Small Project (IFAD Aided)	-	-	-	-	-	-	433	411	112	...	956
24	Construction of Fertilizer Godown under USAID Assistance /1	-	-	-	-	-	-	165	239	-	...	404
25	Bhola Irrigation Project	-	-	-	-	-	-	-	626	559	...	1,186
26	Gumti Project (Phase 1)	-	-	-	-	-	-	-	709	799	...	1,508
27	Naogaon Polder (I)	-	-	-	-	-	-	-	547	288	...	834
28	North Rupgonj Water Conservancy Project	-	-	-	-	-	-	-	1,122	575	...	1,697
29	Modhumoti Nabaganga Project	-	-	-	-	-	-	-	562	240	...	801
30	Rehabilitation of G.K. Irrigation Proj.	-	-	-	-	-	-	-	803	256	...	1,058
31	South West Rural Dev.Proj.(BADC Comp.)	-	-	-	-	-	-	-	81	31	...	112
32	Barind Integrated Area Dev.Project	-	-	-	-	-	-	-	2,571	1,294	...	3,866
33	Agr. Research Program under BARI	-	-	-	-	-	-	-	1,854	479	...	2,333
34	Rice Research & Training Project	-	-	-	-	-	-	-	1,104	304	...	1,408
35	Second Ext. & Research Project	-	-	-	-	-	-	-	348	13	...	361
36	Jute Seed Project	-	-	-	-	-	-	-	826	-	...	826
37	Technological Research on Jute	-	-	-	-	-	-	-	259	-	...	259
38	Rural Dev.Project-3 (Infr. Old Sylhet)	-	-	-	-	-	-	-	280	-	...	280
39	Agr. Research Operational Expenses	-	-	-	-	-	-	-	3,563	-	...	3,563
40	Cons.of Bridges & Culverts under FFW	-	-	-	-	-	-	-	9,183	7,378	...	16,561
	TOTAL:	67,165	14,562	31,120	56,002	43,930	21,962	24,803	55,439	20,139	45,400	380,521 /4

/1 Projects completed.
/2 FY79 disbursement was US$ 12,153,000 and FY80 disbursement was US$ 55,012,000.
/3 Project wise break-down will be provided after receipt of fair copies of the disbursement orders.
/4 Vertically the figures will not add up to the total as projectwise break-down has not been provided for FY1989.

PL- 480 TITLE III: PROJECTS IDENTIFIED FOR FUNDING DISBURSEMENTS BY PROJECT BDG FY 87 AND PRELIMINERY TOTAL PROJECT ALLOCATIONS FY 88-90

		Certified Expenditures FY 1987 1/	Projected Total Expenitures FY 88-90 2/
CATAGORY I			
A.	MINOR IRRIGATION PROJECTS:		
1.	Barind Integrated Area Dev. Project	2.57	29.38
2.	Low Lift Pump Irrigation Phase III	3.76	16.77
3.	Deep Tubewell Irrigation Phase III	2.90	15.96
4.	Shallow Tubewell Irrigation Phase III	0.90	1.08
5.	Deep Tubewell Irrigation (IDA)	2.87	2.50
6.	Tubewell Project-North Bangladesh	-	2.56
		13.00	68.25
B.	MAJOR IRRIGATION PROJECTS:		
1.	Bhola Irrigation Project	0.63	2.92
2.	Gumti Project (Phase I)	0.71	8.67
3.	Naogaon Polder (Phase I)	0.55	3.36
4.	Modhumati Nabaganga Project	0.56	4.17
5.	North Rupganj Water Conservency Project	1.12	4.48
6.	Pabna Irrigation & Rural Dev. Project	2.73	5.76
7.	Teesta Barrage Project	12.93	54.00
8.	EIP Type Small Project (IDA Aided)	0.57	1.82
9.	EIP Type Small Prject (ADB Aided)	0.80	1.92
10.	EIP Type Small Project (IFAD Aided)	0.41	1.22
11.	Rehabilitation of G.K. Irrigation Proj.	0.80	3.84
12.	Hydralogical Survey & Investigation for Water Research Development	-	6.24
13.	Khowai River Project	-	2.88
14.	Kurigram Flood Control & Irrigation Project	-	3.36
15.	IDA Aided EIP Type Small Project (Dec. O&M Project)	-	1.60
16.	Dutch Aided EIP Phase 3, (Group 1)	-	1.92
17.	Barnai Project	-	3.84
18.	Khulna Coastal Embankment Rehab. Project	-	1.92
19.	Sameswari River Flood Control Project	-	1.92
		21.9	115.84

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C. AGRICULTURE RESEARCH:

1.	Agricultural Research Program of BARI	1.86	10.74
2.	Rice Research & Training Project	1.10	5.04
3.	Second Extension & Research Project	0.35	1.80
4.	Technological Research on Jute	0.26	1.41
		3.57	18.99

D. OTHERS:

1.	Production, Procurement & Distribution of Seed Potatoes	-	2.88
2.	Agro-Service Center Project	-	2.88
3.	Rural Development Project-7 (Infrastructure, Old Rajshahi, Pabna and Bogra)	-	5.10
4.	Strengthening of the facilities of BAU	-	0.96
5.	South-West Rural Dev. Project(BADC Component)	0.08	0.38
6.	Jute Seed Project	0.91	17.96

CATAGORY II

1.	FFW Structure Construction	9.18	54.04
2.	Agricultural Research II	3.56	29.04
3.	RE III Construction Activities	-	16.00
		12.74	99.08
	GRAND TOTAL	52.12	320.12

DF. 88

Bangladesh Agencies/Ministries Involved with PL-480 Title III Projects

1. Ministry of Irrigation, Water Development & Flood Control
2. Bangladesh Water Development Board (BWDB)
3. Ministry of Agriculture (MOA)
4. Bangladesh Agricultural Development Corporation (BADC)
5. Department of Agriculture Extension (DAE)
6. Bangladesh Rural Development Board (BRDB)
7. Bangladesh Agricultural Research Institute (BARI)
8. Bangladesh Rice Research Institute (BRRI)
9. Bangladesh Jute Research Institute (BJRI)
10. Bangladesh Agricultural Research Council (BARC)
11. Ministry of Finance (MOF)
12. External Resource Division (ERD)
13. Ministry of Food (MOF)
14. Ministry of Relief and Rehabilitation (MORR)
15. Bangladesh Agricultural University (BAU)
16. Ministry of Energy

External Donors Co-Financing PL 480 Title II Assisted Projects

1. World Bank, International Development Association (IBRD/IDA)
2. Asian Development Bank (ADB)
3. Canadian International Development Agency (CIDA)
4. United Nations Development Program (UNDP)
5. International Fund for Agricultural Development (IFAD)
6. Saudi Fund for Development (SFD)
7. European Economic Community (EEC)
8. United States Agency for International Development

SUMMARY TITLE III PROJECT MONITORING TRACKING SHEET

May 23, 1988

Sl. No.	Name of the Project	Last Visit: Site & Date	Last Visit: Office & Date	By	Last Progress Report: Date	Last Progress Report: From	Last Financial Report: Date	Last Financial Report: From	Comments
1.	Procurement & Distribution of Chemical Fertilizer				-	-		-	Project complet
2.	Bhola Irrigation Project (S Lt)	-	ADB, 3/88	NASIM	3/88	BWDB	3/88	BWDB	-
3.	Guati Project (Phase-I)	1 district 2/88	Project office 4/88	•	•	•	•	•	Field Trip Rep in the file.
4.	Naogaon Polder-1	2 districts 3/88	•	•	•	•	•	•	•
5.	Modhumati Nabaganga	2 districts 3/88	•	•	•	•	•	•	•
6.	North Rupgonj Water Conservancy	-	BWDB Office 1/88	•	•	•	•	•	-
7.	South West Rural Development	-	BADC 11/87	•	9/87	BADC	9/87	BADC	-
8.	North West Rural Development	-	BADC	•	•	•	•	•	-
9.	Barind Integrated Area Development	-	BADC 87	•	4/88	Project office	4/88	Project office	Planning to vis project site o
10.	Agri. Research Program under BARI	1 district 3/88	BARI Hqs 3/88	•	3/88	•	•	•	Monitored under Ag. Research
11.	Rice Research & Training	-	BRRI, 3/88	•	-	-	-	-	BRRI
12.	Jute Seed Project	-	BJRI, 6/87	•	-	-	-	-	BJRI
13.	Pabna Irrigation and Rural Development	3 districts 3/22-25/87	BWDB, 4/88	•	3/88	BWDB	3/88	BWDB	Field Trip Rep in the file.
14.	Teesta Barrage	4 districts 3/27-31/88	BWDB 4/88	•	•	•	•	•	•
15.	EIP Type Small Project (IDA Aided)	-	World Bank 2/88	•	•	•	•	•	-
16.	EIP Type Small Project (ADB Aided)	-	ADB, 2/88	•	•	•	•	•	-

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SUMMARY TITLE III PROJECT MONITORING TRACKING SHEET

Sl. No	Project Name	Last Visit Site Date	Last Visit Office Date	By	Last Progress Report Date	Last Progress Report From	Last Financial Report Date	Last Financial Report From	Comments
17.	EIP Type Small Project (IFAD)	3 districts 4/17-27/88	World Bank 2/88	"	"	"	"	"	Field Trip Rep[illegible] under preparati[illegible]
18.	LLP Irrigation (Phase III)	12 districts 15 days,'87	BADC	"	9/87	BADC	9/87	BADC	"
19.	Deep Tubewell (Phase-III)	8 districts 8/86	BADC 3/88	NASIM	9/87	BADC	3/88	BADC	"
20.	Shallow Tubewell Irrigation (Phase III)	13 districts 2/86	BADC	"	"	"	"	"	"
21.	Construction of fertilizer Godown under USAID	-	-	-	-	-	-	-	Monitored by PI[illegible]
22.	Deep Tubewell (IDA)	-	2/88	"	5/10/88	Project office	5/10/88	from Project office	IDA Project
23.	IAPP in N.W. region of Bangladesh	6 districts 2/84	-	-	-	-	-	-	Project complete[illegible]
24.	FFW Structure construction	-	-	-	-	-	-	-	USAID Project
25.	[illegible]rl. Research II	-	-	-	-	-	-	-	USAID Project
26.	Rehabilitation of B.K. Irrigation	-	BWDB	"	3/88	BWDB	3/88	BWDB	-
27.	Second Extension and Training	-	-	-	-	-	2/88	-	-
28.	Technological Research on Jute	-	BJRI,3/88	"	3/88	BJRI	2/88	BJRI	-
29.	Rural Dev. Project-3	-	Project Office 1987	"	-	-	-	-	USAID Project, dropped

*The remaining projects starting from no. 30 to no. 43 have recently been included under the 13th amendment of the PL-480 Title III Program.Project Proforma of the above 13 projects have been procured

File:PL480*

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PRODUCTION OF FOODGRAINS IN BANGLADESH, FY1961--FY1989
['000 metric tons]

FY\Grns	Season of Rice: Aus	Aman	Boro	All Rice	Wheat	All Grains	Total Population [Millions]	Per capita grain prod. [In kg]
1961	2,537	6,680	455	9,672	33	9,704	56.2	172.7
1962	2,365	6,759	493	9,617	40	9,657	-	-
1963	2,237	6,143	490	8,870	45	8,915	-	-
1964	2,700	7,407	517	10,624	35	10,659	-	-
1965	2,541	7,379	580	10,500	35	10,535	-	-
1966	2,965	6,908	628	10,501	36	10,537	-	-
1967	2,717	6,014	844	9,575	59	9,634	-	-
1968	3,118	6,921	1,132	11,172	59	11,231	-	-
1969	2,726	6,980	1,638	11,344	94	11,438	-	-
1970	3,011	7,062	1,934	12,006	105	12,111	-	-
1971	2,909	6,007	2,227	11,143	112	11,255	-	-
1972	2,379	5,787	1,766	9,931	115	10,046	-	-
1973	2,310	5,677	2,103	10,089	91	10,181	-	-
1974	2,847	6,807	2,256	11,909	111	12,020	76.4	157.3
1975	2,905	6,096	2,286	11,287	117	11,404	78.5	145.3
1976	3,282	7,158	2,323	12,763	219	12,981	79.9	162.5
1977	3,059	7,017	1,677	11,753	259	12,012	81.8	146.8
1978	3,153	7,541	2,275	12,969	355	13,324	83.7	159.2
1979	3,341	7,548	1,960	12,849	494	13,343	85.6	155.9
1980	2,854	7,420	2,466	12,740	823	13,563	87.7	154.7
1981	3,289	7,963	2,431	13,832	1,092	14,975	89.9	166.6
1982	3,270	7,209	3,152	13,630	967	14,598	92.2	158.3
1983	3,067	7,603	3,546	14,216	1,095	15,311	94.4	162.2
1984	3,222	7,936	3,350	14,508	1,211	15,719	96.7	162.6
1985	2,783	7,931	3,909	14,623	1,464	16,087	99.1	162.3
1986	2,827	8,540	3,670	15,037	1,042	16,079	101.6	158.3
1987	3,129	8,367	4,010	15,406	1,091	16,497	103.9	158.8
1988	2,993	7,689	4,731	15,413	1,048	16,461	106.4	154.7
1989p	2,850	7,000	5,000	14,850	1,300	16,150	108.5	148.8
Annual trend growth rate [%]: /*								
1961-88	0.83	0.82	8.64	1.85	17.40	2.19	2.39	-0.20
1974-88	-0.11	1.51	6.19	2.16	19.26	2.71	2.40	0.19
1978-88	-0.81	0.89	8.10	2.07	9.62	2.42	2.45	-0.14
1982-88	-1.26	1.56	5.71	2.04	0.29	1.92	2.43	-0.41
1982-89	-1.37	0.06	6.32	1.45	1.43	1.46	2.38	-0.75

/* Trend growth rates are computed using the semi-logarithmic trend equation fitted to the time series data based on the least squares method.
/p Projections as of November 1988. /- Data not available.
Data source: BDG Food Directorate; World Bank; BBS Bulletin; USAID, Dhaka.

Ibrahim/OFA/USAID,Dhaka (11/15/88)

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PL 480 Title I/III Repayment Obligations of Bangladesh Government for U.S. Fiscal Year 1988

PL-480 Title I

For Deliveries In	Date of Agreement	Original Balance	Installment Due Date	Amount Due Principal	Amount Due Interest	Amount Due Total
CY 1973	08/06/73	$14,948,508.87	11/10/87	$482,209.96	$390,590.07	$872,800.03
1974	08/06/73	$18,085,919.64	07/20/88	$583,416.76	$472,567.58	$1,055,984.34
1974	10/04/74	$24,782,093.87	12/23/87	$799,422.38	$671,514.80	$1,470,937.18
1975	10/04/74	$200,763,757.02	11/28/87	$6,476,250.23	$5,634,337.70	$12,110,587.93
1975	09/11/75	$83,507,593.07	12/23/87	$2,693,793.32	$2,343,600.19	$5,037,393.51
1976	09/11/75	$51,960,099.33	08/05/88	$1,676,132.24	$1,458,235.05	$3,134,367.29
1977	04/11/77	$59,485,096.54	11/22/87	$1,918,874.08	$1,189,701.93	$3,108,576.01
1978	01/13/78	$51,071,451.05	09/13/88	$1,647,466.16	$1,021,429.02	$2,658,895.18
1979	04/25/79	$6,057,980.56	09/23/88	$0.00	$121,159.61	$121,159.61
1980	09/05/80	$2,271,172.28	12/26/87	$0.00	$54,423.45	$54,423.45
1981	09/05/80	$3,661,254.28	01/12/88	$0.00	$73,225.09	$73,225.09
Sub-total (Title I):		$516,594,926.51		$16,277,565.13	$13,430,784.49	$29,708,349.62

PL-480 Title III

For Deliveries In	Date of Agreement	Original Balance	Installment Due Date	Amount Due Principal	Amount Due Interest	Amount Due Total
CY 1978	08/02/78	$25,068,001.19	10/08/87	$0.00	$501,360.02	$501,360.02
1979	08/02/78	$55,106,564.86	09/16/88	$0.00	$1,102,131.30	$1,102,131.30
1980	08/02/78	$67,910,069.36	10/05/87	$0.00	$1,358,201.39	$1,358,201.39
1981	08/02/78	$43,258,245.38	09/03/88	$0.00	$865,164.91	$865,164.91
1982	03/08/82	$85,277,077.88	12/07/87	$0.00	$1,705,541.56	$1,705,541.56
1983	03/08/82	$47,251,568.53	12/26/87	$0.00	$945,031.37	$945,031.37
1984	03/08/82	$88,520,721.48	12/31/87	$0.00	$1,770,414.43	$1,770,414.43
1985	03/08/82	$59,351,050.66	10/10/87	$0.00	$1,187,021.01	$1,187,021.01
1986	03/08/82	$81,486,436.35	12/23/87	$0.00	$2,243,425.44	$2,243,425.44
1987	04/17/87	$67,000,000.00	N/A	$0.00	$0.00	$0.00
Sub-total (Title III):		$620,229,735.69		$0.00	$11,678,291.43	$11,678,291.43
Grand Total (Title I + Title III):		$1,136,824,662.20		$16,277,565.13	$25,109,075.92	$41,386,641.05

Source: Repayment Schedules of the Commodity Credit Corporation, U.S. Department of Agriculture

Annex L

116

Table: 2.42 FOODGRAIN REQUIREMENT AND GRAINS AVAILABILITY 1981-90, BANGLADESH (Based on nutritional requirement)

Item\Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1985-90 (Gr.rate)/a
ESTIMATED POPULATION (million Nos.)	90.82	93.17	95.58	98.06	100.60	103.11	105.63	108.33	111.04	113.82	2.50%
GROSS FOODGRAINS REQUIRED (m.m'ton):**											
FAO standard @ .211 M'ton/person/annum	21.079	21.625	22.184	22.760	23.349	23.932	24.531	25.143	25.772	26.418	2.50%
IBRD standard @ .184 M'ton/person/annum	18.382	18.858	19.345	19.847	20.361	20.869	21.392	21.926	22.474	23.037	2.50%
INFS standard @ .207 M'tons/person/annum	20.680	21.215	21.764	22.328	22.907	23.478	24.066	24.667	25.284	25.917	2.50%
ACTUAL/ESTIMATED SITUATION (1988-90)*											
Gross foodgrain production (mmt)	14.975	14.598	15.311	15.719	16.087	16.079	16.4[illegible]	17.944	18.661	19.4[illegible]	4.29%
Net domestic foodgrain supply (mmt)	13.384	13.020	13.684	14.583	14.707	14.929	15.64[illegible]	16.135	16.749	17.4[illegible]	3.54%
Total foodgrain imports (mmt)	1.077	1.254	1.844	2.058	2.588	1.201	1.769	1.377	1.938	1.3[illegible]	0.49%
Commercial imports (mmt)	0.260	0.099	0.767	0.568	1.282	0.114	0.343	0.477	0.438	0.5[illegible]	0.80%
Concessional imports (mmt)	0.817	1.155	1.077	1.490	1.306	1.087	1.426	1.500	1.500	1.4[illegible]	3.97%
Foodgrain available for consumption(mmt)	13.950	14.815	15.414	15.892	16.673	16.237	17.195	17.821	18.434	19.1[illegible]	3.29%
RATIO ANALYSIS : #											
Gross production/Reqd. gross production	72.41%	68.81%	70.35%	70.40%	70.23%	68.48%	66.56%	72.75%	73.21%	74.3[illegible]%	-
Avbl.for cons./Reqd.gross production	67.46%	69.83%	70.82%	71.17%	72.79%	69.16%	71.20%	72.25%	73.15%	74.0[illegible]%	-

* IBRD estimates. # Compared to INFS standard. ** Consumption requirement + 10% for seed, feed & waste.
/a The annual compound growth rates are computed using the semi logarithmic trend equation fitted to the time series data based on the least squares method.

Nutrition requirement per avg.person/day	Calories	Foodgrain(oz) =86% of calories required
FAO:	2310	20.31 oz
IBRD:	2020	17.76 oz
INFS:	2273	19.99 oz

Data source: World Bank report-6049,March'86, P.49; USDA report-BG 6001; WFP; Institute of Nutrition and Food Science,DU.

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PUBLIC FOODGRAIN DISTRIBUTION SYSTEM, BANGLADESH, FY1978-FY1989
('000 metric tons)

Source & channel\ FY	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989/p
Opening Stock	282	678	212	791	1,249	616	611	800	1,017	976	751	1,417
Domestic Procmnt.	559	359	355	1,033	302	192	270	344	350	190	376	335
Rice	548	304	230	854	289	168	149	174	220	137	289	215
Wheat	11	54	125	179	13	24	122	210	130	53	87	120
Yearly Imports	1,795	1,165	2,771	1,076	1,256	1,843	2,629	2,570	1,202	1,767	2,920	2,380
TOTAL AVAILABLE:	2,646	2,201	3,338	2,900	2,807	2,651	2,909	3,734	2,569	2,933	4,047	4,132
Offtakes:												
Statutory Rationing	459	424	499	348	312	308	293	276	160	210	188	166
Modified Rationing	338	317	391	182	491	368	353	364	193	257	314	302
Essential Priorities	104	96	85	90	103	98	102	112	117	118	127	121
Other Priorities	332	398	547	363	382	343	344	382	219	389	400	362
Large Employer	91	77	108	31	57	77	60	62	36	38	38	39
Flour Mills	219	166	181	127	125	129	129	143	104	123	110	118
Market Operation	5	9	10	*	110	*	51	5	90	40	0	0
Open Market Sale	-	54	113	*	47	118	107	201	57	217	207	302
F F W & canal digging	259	219	448	355	372	411	441	573	468	506	569	581
Relief/1	71	45	58	51	73	84	120	340	205	221	542	712
TOTAL DISTRIBUTED:	1,877	1,825	2,440	1,547	2,072	1,936	2,031	2,877	1,549	2,119	2,495	2,703
Losses	91	164	107	104	99	104	55	144	53	63	135	139
Export & Re-payments	-	-	-	-	20	-	-	-	-	-	-	-
CLOSING STOCK:	678	212	791	1,249	616	611	800	1,017	976	751	1,417	1,290

/* Less than 1000 metric tons.
/p WFP projections as of October 02, 1988.
/1 Includes Test Relief, Gratuitous Relief, & Vulnerable Group Development.
Source: WFP; USAID/Dhaka.

Ibrahim/OFA/USAID,Dhaka (11/15/88)

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PFDS OFFTAKE OF FOODGRAINS BY CHANNELS, BANGLADESH, FY1978--FY1989 ['000 metric tons of rice & wheat]

Channels \ FY	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989/p
TOTAL GRAINS OFFTAKE:	1,376.80	1,825.76	2,340.18	1,546.89	2,071.12	1,935.36	2,050.86	2,572.61	1,539.72	2,120.51	2,495.00	2,703.00
Channels:												
Statutory Rationing	355.23	423.85	499.30	348.42	312.45	307.62	293.22	275.81	160.50	210.03	188.00	166.00
Modified Rationing	335.40	316.59	390.74	182.02	490.67	367.53	399.24	464.37	103.16	256.78	314.00	302.00
Essential Priorities	123.73	96.48	85.42	89.60	102.53	98.27	107.82	112.33	116.92	118.41	127.00	121.00
Other Priorities	332.52	398.98	547.39	362.93	381.74	343.27	344.37	388.35	209.67	388.53	400.00	362.00
Large Employers	90.50	76.62	107.70	31.26	56.79	77.16	60.33	67.37	35.68	38.52	38.00	39.00
Flour Mills	218.38	165.87	181.23	126.86	125.36	128.50	128.16	147.72	104.46	122.92	110.00	118.00
Marketing Operation	5.62	9.08	10.23	0.02	109.69	0.23	51.11	7.75	79.68	37.34	0.00	0.00
Open Market Sales	0.00	53.66	112.66	0.13	47.13	117.90	106.54	201.19	57.10	217.30	207.00	302.00
Food for Works	258.76	219.36	447.50	354.91	371.69	411.12	440.54	571.99	467.91	479.97	569.00	581.00
Relief/1	30.64	45.27	58.01	50.74	73.07	83.77	119.53	339.73	204.64	250.67	542.00	712.00
CH.SHARE(% of Total):												
Statutory Rationing	24.4%	23.2%	20.5%	22.5%	15.1%	15.9%	14.3%	10.7%	10.4%	9.9%	7.5%	6.1%
Modified Rationing	19.1%	17.3%	16.0%	11.8%	23.7%	19.0%	19.5%	18.1%	6.7%	12.1%	12.6%	11.2%
Essential Priorities	6.6%	5.3%	3.5%	5.8%	5.0%	5.1%	5.3%	4.4%	7.6%	5.6%	5.1%	4.5%
Other Priorities	17.7%	21.9%	22.4%	23.5%	18.4%	17.7%	16.8%	15.1%	13.6%	18.3%	16.0%	13.4%
Large Employers	4.8%	4.2%	4.4%	2.0%	2.7%	4.0%	2.9%	2.5%	2.3%	1.8%	1.5%	1.4%
Flour Mills	11.6%	10.2%	7.4%	8.2%	6.1%	6.6%	6.2%	5.7%	6.8%	5.8%	4.4%	4.4%
Marketing Operation	0.3%	0.5%	0.4%	0.0%	5.3%	0.0%	2.5%	0.3%	5.2%	1.8%	0.0%	0.0%
Open Market Sales	0.0%	2.9%	4.6%	0.0%	2.3%	6.1%	5.2%	7.8%	3.7%	10.2%	8.3%	11.2%
Food for Works	13.8%	12.0%	18.3%	22.9%	17.9%	21.2%	21.5%	22.2%	30.4%	22.6%	22.8%	21.5%
Relief/1	1.6%	2.5%	2.4%	3.3%	3.5%	4.3%	5.8%	13.2%	13.3%	11.8%	21.7%	26.3%

/1 Includes Test Relief, Gratuitous Relief, & Vulnerable Group Development

/p WFP projections as of October 02, 1988.

Data source: WFP& FFMU; USAID, Dhaka.

Ibrahim/OFA/USAID,Dhaka (11/15/88)

Annex M
Table 4

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19

BANGLADESH FOODGRAIN IMPORTS (COMMERCIAL & CONCESSIONAL) BY SOURCE, FY1981-89 ['000 M.Tons]

Sources\F.Year	1981	1982	1983	1984	1985	1986	1987	1988	1989p
IMPORTS (RICE)	84	144	317	180	690	37	261	591	161
Concessional (R)	84	45	232	165	125	27	108	191	40
US pl-480 (t-iii)	0	0	90	56	87	0	63	115	0
Other Concess.	84	45	142	109	38	27	45	76	40
Commercial (R)	0	99	85	15	565	10	153	400	121
IMPORTS (WHEAT)	993	1,110	1,527	1,878	1,898	1,164	1,508	2,328	2,220
Concessional (Wh)	733	1,110	845	1,325	1,181	1,060	1,318	1,595	1,690
U S pl-480	273	452	315	462	373	264	466	459	521
Title-ii	162	63	87	241	0	140	84	112	100
Title-iii	111	389	228	221	373	124	382	347	421
Other Concess.	460	658	530	863	808	796	852	1,136	1,169
Commercial (Wh)	260	0	682	553	717	104	190	733	530
TOTAL IMPORTS (R+W)	1,077	1,254	1,844	2,058	2,588	1,201	1,769	2,919	2,381
Concessional (R+W)	817	1,155	1,077	1,490	1,306	1,087	1,426	1,786	1,730
US pl-480	273	452	405	518	460	264	529	574	521
Title-ii	162	63	87	241	0	140	84	112	100
Title-iii	111	389	318	277	460	124	445	462	421
Other Concess.	544	703	672	972	846	823	897	1,212	1,209
Commercial (R+W)	260	99	767	568	1,282	114	343	1,133	651

/p = WFP projections as of October 02, 1988.
Data source: Dhaka Agricultural Attache, Grain and Feed Annual, Jan'86.
WFP/Dhaka; USAID/Dhaka.

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Annex M
Table 6

RICE IMPORTS: COMMERCIAL AND CONCESSIONAL BY COUNTRY OF ORIGIN, FY1981-89 ('000 Metric Tons)

Country\FY*	1981	1982	1983	1984	1985	1986	1987	1988	1989p
CONCESSIONAL	84	45	232	165	125	27	102	191	40
Japan	84	17	142	92	33	24	45	25	20
Burma	-	15	-	-	-	-	-	-	-
WFP	-	13	-	-	-	-	-	5	-
US PL-480 (III)	-	-	90	56	87	-	53	115	-
Australia	-	-	-	17	-	-	-	-	-
China	-	-	-	-	5	-	-	-	-
Pakistan	-	-	-	-	-	2	-	-	-
Thailand	-	-	-	-	-	1	-	-	-
Others /1	-	-	-	-	-	-	-	46	20
COMMERCIAL	0	99	85	15	565	10	153	400	121
Burma	-	-	45	15	60	10	-	-	-
Bulgaria(barter)	-	-	-	-	-	-	-	10	-
Thailand	-	-	40	-	440	-	50	257	-
Pakistan	-	99	-	-	-	-	103	133	21
China/others /2	-	-	-	-	65	-	-	-	100
TOTAL RICE IMPORT	84	144	317	180	690	37	241	591	161

Table 7

Table: 2.321b
WHEAT IMPORTS: COMMERCIAL AND CONCESSIONAL BY COUNTRY OF ORIGIN, FY1981-89 ('000 Metric Tons)

Country\FY*	1981	1982	1983	1984	1985	1986	1987	1988	1989p
CONCESSIONAL	733	1,110	845	1,325	1,181	1,060	1,318	1,595	1,690
US PL-480	273	452	315	462	373	264	466	459	521
Title-II	162	63	87	241	-	140	84	112	100
Title-III	111	389	228	221	373	124	382	347	421
WFP	40	278	36	225	328	222	320	333	320
Canada	142	100	251	435	144	426	315	160	375
EEC	105	130	150	140	130	70	70	304	273
Belgium	5	-	-	-	-	-	-	-	-
Sweden	-	-	-	-	-	15	-	51	-
U K	39	-	5	3	26	-	37	50	50
France	12	13	14	-	28	-	15	17	38
FRG	25	25	25	-	20	20	20	20	13
Australia	78	112	49	60	55	-	100	63	55
Netherlands	24	-	-	-	27	-	-	-	-
Saudi Arabia	-	-	-	-	50	30	10	-	-
Japan	-	-	-	-	-	-	54	136	40
NGOs/Others	-	-	-	-	-	3	-	2	5
COMMERCIAL	260	0	682	553	717	104	190	733	530
U S A	260	-	383	141	513	104	!	294	200
Australia	-	-	-	412	204	-	!	129	-
Bulgaria(barter)	-	-	-	-	-	-	!	206	130
Canada	-	-	-	-	-	-	!	104	-
EEC	-	-	196	-	-	-	!	-	-
India/others /3	-	-	103	-	-	-	!	-	200
TOTAL WHEAT IMPORT	993	1,110	1,527	1,878	1,898	1,164	1,508	2,328	2,220

/* Period ended on June 30th. /p = WFP projection as of October 02, 1988.
/1 Includes: Denmark, Italy, Netherlands, Norway, & Kuwait.
/2 China for FY85 and Others for FY89. /3 = India for FY83 and Others for FY86.
/! Break-downs not available.

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FOOD SECURITY RESERVE LEVELS, FY15, BANGLADESH, FY72-FY87
[closing stock: '000 metric tons of foodgrains]

Month end	Rice	Wheat	Total
July72	-	-	441
Dec	-	-	135
June73	-	-	302
Dec	-	-	271
June74	-	-	217
Dec	-	-	179
June75	-	-	761
Dec	-	-	941
June76	-	-	863
Dec	-	-	471
June77	-	-	382
Dec	-	-	828
June78	-	-	678
Dec	-	-	925
June79	-	-	212
Dec	-	-	826
June80	-	-	791
Dec	-	-	1,322
June81	-	-	1,249
Dec	-	-	1,001
June82	338	277	615
Dec	379	435	814
June83	290	321	611
Dec	211	258	469
June84	90	710	800
Dec	282	552	834
June85	475	542	1,017
Dec	382	503	885
June86	353	623	976
Dec	171	581	752
June87	242	509	751
Dec	444	752	1,196
June88	612	805	1,417
July	672	741	1,413
August	677	620	1,297
September*	574	477	1,051
October*	467	420	887
November*	364	634	998
December*	266	823	1,089
[1975-88]:Mean	-	-	806
--Max.	-	-	1,417
--Min.	-	-	179
[1980-88]:Mean	-	-	907
--Max.	-	-	1,417
--Min.	-	-	469

/* WFP projections as of October 02 1988.
Data source:WFP; USAID; IBRD #6047-BD, pg. 47.

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BANGLADESH, FOODGRAIN SUPPLY MANAGEMENT SYSTEM, FY1981-89 (Million metric tons)

Item \ FY	1981	1982	1983	1984	1985	1986	1987	Average 1981-87	1988e	1989p
1. Domestic prod. (gross)	14.975	14.598	15.311	15.719	16.086	16.079	16.497	15.609	16.461	[illegible]
1.i. Domestic supply (Net)/1	13.478	13.138	13.780	14.147	14.477	14.471	14.847	14.049	14.815	[illegible]
2. Govt. procurement	1.033	0.302	0.192	0.270	0.344	0.350	0.182	0.392	0.375	[illegible]
3. Total Imports	1.077	1.254	1.844	2.058	2.588	1.201	1.769	1.684	2.919	[illegible]
3.i. Commercial imports	0.260	0.099	0.767	0.568	1.282	0.114	0.343	0.490	1.133	[illegible]
3.ii. Concessional imports	0.817	1.155	1.077	1.490	1.306	1.087	1.426	1.194	1.786	[illegible]
3.ii.a.PL-480 Title:iii	0.111	0.389	0.318	0.277	0.460	0.124	0.445	[illegible]	0.462	[illegible]
3.ii.b.Other concessionals	0.706	0.766	0.759	1.213	0.846	0.963	0.981	[illegible]	1.324	[illegible]
3.iii Rice imports	0.084	0.144	0.317	0.180	0.690	0.037	0.281	[illegible]	0.591	[illegible]
4. Total Supply (1+3)	16.052	15.852	17.155	17.777	18.674	17.280	18.266	17.234	19.380	[illegible]
5. Grains avlb.for consump./#	14.447	14.267	15.440	15.999	16.807	15.552	16.439	15.564	17.442	[illegible]
6. Total PFDS Offtakes	1.547	2.071	1.935	2.051	2.573	1.540	2.121	1.977	2.435	[illegible]
RATIO ANALYSIS:										
Imports/Gross Production	7.19%	8.59%	12.04%	13.09%	16.09%	7.47%	10.72%	10.79%	17.73%	[illegible]
Concessional imports/Gross prod.	5.46%	7.91%	7.03%	9.48%	8.12%	6.76%	8.64%	7.65%	10.85%	[illegible]
Concss.imp/Avbl.for Consumption	5.66%	8.10%	6.98%	9.31%	7.77%	6.99%	8.67%	7.67%	10.24%	[illegible]
PL480(iii)/Avlb.for consumption	0.77%	2.73%	2.06%	1.73%	2.74%	0.80%	2.71%	1.95%	2.65%	[illegible]
Govt.Procurement/Gross Production	6.90%	2.07%	1.25%	1.72%	2.14%	2.18%	1.10%	2.45%	2.28%	[illegible]
Rice imports/Total imports	7.80%	11.48%	17.19%	8.75%	26.66%	3.08%	14.75%	14.53%	20.25%	[illegible]
Procurement/PFDS offtakes	66.77%	14.58%	9.92%	13.16%	13.37%	22.73%	8.58%	19.32%	15.03%	[illegible]
Imports/PFDS offtakes	69.62%	60.55%	95.30%	100.34%	100.58%	77.99%	83.40%	85.21%	116.99%	[illegible]
-Range(FY81-FY88): 60.55% -- 116.99%										

/e, /p = Estimates and projection as of August, 1988.
/1 Net = (gross production - 10% for seed,feed & waste).
/# Availabity = Net domestic supply + (Imports - 3%).
Data sources: IBRD,Food & Nutrition Report; USDA Report-BG6001; USAID,Dhaka; WFP,Dhaka.

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RATION AND DOMESTIC MARKET PRICES OF FOODGRAINS, BANGLADESH
[taka per maund]

	RICE PRICE			WHEAT PRICE		
FY	Ration Price/*	Domestic Market Retail Price/@	Ration Price as % of Mkt Price	Ration Price/*	Domestic Market Retail Price/@	Ration Price as % of Mkt Price
1973	30	85	35%	-	-	-
1974	42	112	38%	-	-	-
1975	60	231	26%	-	-	-
1976	73	136	54%	59	90	66%
1977	90	124	73%	70	78	90%
1978	95	157	61%	75	95	79%
1979	102	171	60%	81	97	84%
1980	123	226	54%	93	132	70%
1981	143	192	74%	111	124	90%
1982	166	211	79%	120	132	91%
1983	205	233	88%	140	153	92%
1984	225	250	90%	150	156	96%
1985	251	280	90%	159	165	96%
1986	272	271	100%	177	176	101%
1987	289	319	91%	192	197	97%
1988p	306	342	89%	200	204	98%

/* Weighted average of Modified Ration prices.
/@ Average minimum price of the year.
/p USAID projection.
Source: USAID/Dhaka, Food and Agriculture Office, May 1988.

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Annex M
Table 11

MONTHLY MARKET, PROCUREMENT, RATION & OMS PRICES FOR COARSE RICE
July'84--October'88 (Taka per Maund)

Month	Procurement'	Ration#	Market*	Initial OMS @
July 84	225	235(229)	274	257.5
August	248	235	273	257.5
September	248	235	283	257.5
October	248	235	287	285.5(270.5)
November	248	235	278	285.5
December	248	235	282	285.5
January'85	248	268(262)	291	285.5
February	248	268	288	285.5
March	248	268	290	285.5
April	248	268	295	285.5
May	248	268	268	285.5
June	248	268	250	285.5
July'85	248	268	257	285.5
August	248	268	256	285.5
September	248	268	263	285.5
October	248	268	264	285.5
November	255	268	269	285.5
December	255	275(269)	260	293.3(278.4)
January'86	255	275	261	293.3
February	255	275	266	293.3
March	255	275	276	293.3
April	255	275	296	293.3
May	265	275	297	293.3
June	265	289(283)	282	304.9(289.6)
July'86	265	289	295	304.9
August	265	289	299	304.9
September	265	289	301	304.9
October	265	289	320	304.9
November	265	289	321	304.9
December	265	289	290	304.9
January'87	265	289	304	304.9
February	265	289	324	304.9
March	265	289	352	304.9
April	308	289	364	304.9
May	308	289	331	304.9
June	308	289	322	304.9
July'87	308	289	332	304.9
August	308	295(289)	349	309.8(295.5)
September	308	295	363	309.8
October	308	295	351	309.8
November	308	295	336	309.8
December	308	295	328	309.8
Jan'88	308	319(313)	338	334.0(319)
February	308	319	355	334.0
March	308	319	371	334.0
April	308	319	356	334.0
May	308	319	319	334.0
June	308	325	315	334.0
July'88	308	325	330	334.0
August	308	325	332	334.0
September	308	325	350	334.0
October	308	325	342	334.0
Nov.(9th day)	308	325	341	334.0

' Purchase cost + Tk.5 for transport bonus. * Avg. minimum price.
Retail price, Ex-godown in parentheses. @ Atap rice in parentheses.
Data source: WFP ; Directorate of Food through USAID,Dhaka.

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Annex M
Table 12

MONTHLY MARKET, PROCUREMENT, RATION & OMS PRICES FOR WHEAT
July 84--October'88 (Taka per Maund)

Month	Procurement!	Ration#	Market*	Initial OMS @
July 84	144	173(167)	159	154.9
August	144	173	161	154.9
September	144	173	165	154.9
October	144	173	174	154.9
November	144	173	173	154.9
December	144	173	172	166
January'85	144	181(175)	175	166
February	144	181	174	166
March	162	181	163	166
April	162	181	158	186.6
May	162	181	154	186.6
June	162	181	151	186.6
July'85	162	181	157	186.6
August	162	181	171	186.6
September	162	181	178	186.6
October	162	181	185	186.6
November	162	181	186	186.6
December	162	181	183	196
January 86	162	181	182	196
February	162	181	179	196
March	162	181	174	196
April	180	181	172	196
May	180	181	175	196
June	180	186(180)	175	207
July'86	180	186	185	207
August	180	186	191	207
September	180	186	196	207
October	180	186	207	207
November	180	186	207	207
December	180	186	195	207
January'87	180	186	196	207
February	180	186	199	207
March	190	186	197	207
April	200	186	196	207
May	200	186	198	207
June	200	186	199	207
July'87	200	186	201	207
August	200	198(192)	207	213
September	200	198	213	213
October	200	198	211	213
November	200	198	206	213
December	200	198	202	213
Jan'88	200	204(198)	202	219
February	200	204	207	219
March	200	204	208	219
April	200	204	199	219
May	200	204	195	219
June	200	211	196	219
July'88	200	211	204	219
August	200	211	207	219
September	200	211	216	219
October	200	211	218	219
Nov.(9th day)	200	211	218	219

! Purchase cost + Tk.5 for transport bonus. * Avg. minimum price.
Retail price. Ex-godown in parentheses.
Data source: NFP: Directorate of Food through USAID,Dhaka.

Ibrahim/OFA/USAID,Dhaka (11/15/88)

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126

RELATIVE WHOLESALE PRICE OF MAJOR AGRICULTURAL PRODUCTS IN BANGLADESH, 1973-88/a

[taka per maund]

FY\Prod	Wholesale price index (All prod.)	Rice /b		Wheat		Jute		Potatoes		Tea	
		Current price	Relative price	Current price	Relative price	Current price	Relative price	Current price	Relative price	Current price	Relative price
1973	179	76	42.46	-	-	53	29.61	49	27.37	-	-
1974	250	100	40.00	79	31.60	53	21.20	90	36.00	136	54.40
1975	399	210	52.63	141	35.34	86	21.55	93	23.31	177	44.36
1976	359	125	34.82	77	21.45	90	25.07	92	25.63	330	91.92
1977	362	113	31.22	79	21.82	100	27.62	67	18.51	430	118.78
1978	408	138	33.82	91	22.30	140	34.31	73	17.89	708	173.53
1979	446	152	34.08	91	20.40	141	31.61	79	17.71	873	195.74
1980	502	201	40.04	116	23.11	114	22.71	93	18.53	852	169.72
1981	539	168	31.17	110	20.41	102	18.92	112	20.78	797	147.87
1982	609	220	36.12	135	22.17	137	22.50	103	16.91	740	121.51
1983	643	239	37.17	162	25.19	152	23.64	79	12.29	1234	191.91
1984	747	261	34.94	167	22.36	253	33.87	122	16.33	1646	220.35
1985	875	308	35.20	173	19.77	530	60.57	127	14.51	1975	225.71
1986	914	297	32.49	181	19.80	196	21.44	151	16.52	916	100.22
1987	989	344	34.78	196	19.82	171	17.29	136	13.75	1355	137.01
1988c	1029	351	34.11	-	-	292	28.38	88	8.55	1739	169.00
Annual Compound Growth Rate[%]: /d											
1973-80	12.89	9.39	-3.10	1.60	-6.89	15.11	1.96	3.38	-8.43	40.19	28.48
1981-87	11.08	11.32	0.22	8.89	-1.97	13.38	2.07	6.72	-3.92	9.30	-1.60
1973-88	10.78	9.30	-1.33	7.07	-2.66	11.26	0.44	4.20	-5.94	17.16	6.66

/a Deflated by wholesale price indices for all products in Bangladesh [1970 = 100, values taken from Table: 1.16.]. This table indicates that agricultural prices (except tea) have increased at a slower rate than the index of wholesale prices.

/b Based on coarse rice price only.

/c Monthly data for January, 1988 only.

/d Trend growth rates are computed using the semi logarithmic trend equation fitted to the time series data based on the least squares method.

Note: Annual average grower's price (primary mkt price) of jute is taken as wholesale price of jute, but for other products annual weighted average wholesale price is used.

Data source: World Bank report #5403(iv), pp. 119-123; Dept. of Agricultural Marketing; FPS Bulletin, March, 1989; BBS, Yearbook, 1986.

Annex M
Table 13

127

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POSITION OF AGRICULTURE IN THE ANNUAL DEVELOPMENT PROGRAMME, BANGLADESH [Million Taka]

Item\FY	Revised 1982	Revised 1983	Revised 1984	Revised 1985	Actual 1985	Rev.Budt 1986	Rev.Budt 1987	Budget 1988
TOTAL VALUE OF THE ADP:	27,153	31,262	34,840	35,084	32,440	40,955	45,134	50,460
AGRICULTURE, RURAL DEVELOPMENT, FLOOD CONTROL & UPAZILA	8,870	9,565	13,797	13,648	12,099	17,089	11,730	14,654
Agriculture	3,698	4,721	4,843	3,158	2,919	1,930	2,520	3,545
--Agr.(excluding subsidies)	-	-	3,449	3,158	2,011	-	-	-
--Agricultural subsidies	-	-	1,394	0	908	-	-	-
Rural development	1,127	1,160	1,045	1,068	949	1,137	1,439	1,914
Water resources & Flood control	3,995	3,684	4,564	5,157	4,023	4,772	5,421	5,595
Upazila	-	-	3,345	4,245	4,217	4,250	3,350	3,700
OTHER SECTORS IN THE ADP	18,333	21,697	21,043	21,436	20,341	28,866	33,405	35,806
Ratio Analysis:								
Total Ag, RD, FC & Uz/ADP	32.48%	30.60%	39.60%	38.90%	37.30%	29.52%	25.99%	29.04%
Total Agriculture/ADP	13.62%	15.10%	13.90%	9.00%	9.00%	4.71%	5.58%	7.03%
Agr (excluding subsidies)/ADP	-	-	9.90%	9.00%	6.20%	-	-	-

/- Data appropriations not available.
Data source: World Bank reports #6049-BD(i),March'86, P.74, #5409-BD(ii),P.41; BDG Annual budget documents.

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PRODUCTION OF MAIN CROPS, 1970/75-1986/87
(thousand metric tons except as noted)

	FIVE-YEAR AVERAGES		ANNUAL DATA						
	70/75	75/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Foodgrains	11055	13101	15026	14648	15321	15759	16120	16084	16501
- Rice	10872	12615	13882	13630	14216	14508	14622	15037	15406
(Aus)	2670	3138	3289	3270	3066	3222	2783	2827	3129
(Aman)	6075	7337	7963	7209	7603	7936	7930	8539	8267
(Boro)	2128	2140	2631	3152	3546	3350	3909	3671	4010
- Wheat	109	429	1092	967	1095	1211	1464	1042	1091
- Barley	19	14	11	10	9	6	5	5	4
Pulses	250	229	216	212	204	192	191	176	170
- Gram	48	41	38	37	42	42	39	36	38
- Khesari	68	68	64	66	72	59	62	56	53
- Mashkalai	42	38	34	29	29	26	24	21	20
- Masur	49	49	50	49	45	49	50	48	44
- Matar	15	10	9	7	7	7	7	6	6
- Mung	10	10	7	8	9	9	9	9	9
Oil seeds	243	252	251	256	258	267	273	268	253
- Rape and mustard	115	123	122	123	124	133	144	135	121
- Til	27	28	19	23	23	22	17	21	19
- Groundnut	34	27	24	23	23	22	21	22	22
- Linseed	7	7	7	8	8	8	7	7	8
- Coconut	58	66	77	77	80	84	84	83	83
Fibres									
- Jute ('000 bales)	5371	5302	4943	4646	4881	5216	5111	8660	6753
- Cotton ('000 bales)	7	5	10	54	58	46	29	29	22
Drugs & narcotics									
- Tea	25	35	40	39	41	42	38	43	38
- Tobacco	39	48	48	51	51	49	50	46	40
- Betelnuts	22	25	25	24	24	24	23	23	22
- Betel leaves	54	55	60	61	72	62	63	61	62
Spices	336	303	241	293	251	251	256	246	240
- Rabi chillies	50	46	37	43	43	43	43	40	39
- Onion	158	142	96	132	140	138	143	137	130
- Garlic	46	40	38	42	43	44	41	38	36
- Turmeric	22	23	25	25	25	26	29	31	35
Tubers	1522	1648	1703	1776	1893	1909	1872	1715	1617
- Potato	797	866	999	1084	1167	1185	1178	1103	1069
- Sweet Potato	725	782	704	692	725	724	694	612	548
Sugar plants									
- Sugarcane /a	6417	6575	6599	7136	7477	7285	6990	6640	6895
- Date palm (juice)	472	376	378	379	343	350	317	312	
Fruits	1426	1376	1405	1431	1280	1201	1226	1207	1318
- Banana	588	594	652	684	710	686	701	691	795
- Mango	343	243	203	184	199	162	166	159	155
- Pineapple	104	141	153	155	159	139	134	128	133
- Jackfruit	196	200	204	207	212	214	225	229	235
Vegetables									
- Brinjal	205	179	178	185	187	185	174	166	162

/a Based on total area and mill farm yield estimates; probably substantially overestimated.

Source: Bangladesh Bureau of Statistics.

FOODGRAIN PRODUCTION BY DISTRICT, 1970/75-1986/87
('000 metric tons)

Division/District	FIVE-YEAR AVERAGES 70/75	75/80	ANNUAL DATA 1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Rajshahi	3083	3559	4277	4248	4355	4755	4817	4970	4713
Dinajpur	564	671	866	772	769	881	883	857	856
Rangpur	1073	1170	1437	1399	1484	1467	1540	1609	1626
Bogra	440	512	661	637	661	763	816	862	799
Rajshahi	704	783	857	892	878	1042	1018	1058	970
Pabna	302	423	456	548	562	602	560	584	462
Khulna	1920	2554	2820	2561	2664	2829	3016	3073	2870
Kushtia	191	273	342	309	307	357	413	405	379
Jessore	478	615	620	620	607	638	715	708	720
Khulna	380	575	646	573	610	634	739	725	576
Barisal	587	705	783	661	720	733	719	759	722
Patuakhali	284	386	428	394	421	467	430	476	473
Dhaka	2878	3401	3807	4016	4323	4121	4270	4122	3838
Jamalpur /a			480	477	539	519	576	556	552
Mymensingh /b	1563	1687	1571	1598	1646	1582	1746	1646	1655
Tangail	277	418	491	541	620	563	512	533	498
Dhaka	627	745	838	864	912	865	832	773	682
Faridpur	413	464	428	537	607	592	606	614	451
Chittagong	3120	3529	4071	3771	3969	4014	3982	3914	3734
Sylhet	1071	1002	1295	1177	1169	1191	1133	1133	1008
Comilla	795	961	1103	1113	1186	1173	1152	1135	972
Noakhali	523	720	720	600	687	702	759	706	771
Chittagong	640	743	838	778	826	842	831	826	874
Chittagong Hill Tracts	90	103	114	103	101	107	107	114	109
Total	10982	13043	14975	14598	15311	15719	16086	16079	15155

/a Jamalpur was a subdivision of Mymensingh until December 26, 1978.
/b Including Jamalpur from 1969/70 through 1978/79.

Source: Bangladesh Bureau of Statistics.

AVERAGE CROP YIELDS, 1970/75-1986/87
(metric tons per hectare)

	---FIVE-YEAR AVERAGES---			----------ANNUAL DATA----------						
	70/75	75/80	80/85	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Foodgrains										
- Rice	1.10	1.22	0.78	1.32	1.29	1.32	1.34	1.35	1.45	1.45
(Aus)	0.84	0.95	0.99	1.04	1.02	0.95	1.00	0.93	0.99	1.07
(Aman)	1.06	1.23	1.27	1.29	1.17	1.24	1.29	1.36	1.42	1.37
(Boro)	2.05	1.96	2.35	2.22	2.36	2.42	2.34	2.43	2.4	2.40
- Wheat	0.86	1.71	2.00	1.80	1.77	2.07	2.26	2.25	1.93	1.87
- Barley	0.65	0.64	0.66	0.62	0.68	0.69	0.66	0.64	0.67	0.66
Pulses										
- Gram	0.74	0.72	0.72	0.63	0.68	0.74	0.78	0.75	0.77	0.80
- Khesari	0.77	0.70	0.73	0.68	0.69	0.75	0.75	0.78	0.76	0.76
- Mashkalai	0.79	0.72	0.69	0.69	0.68	0.70	0.69	0.69	0.67	0.68
- Masur	0.70	0.62	0.63	0.58	0.63	0.60	0.65	0.68	0.71	0.69
- Matar	0.72	0.65	0.63	0.61	0.63	0.60	0.62	0.66	0.66	0.67
- Mung	0.65	0.58	0.55	0.50	0.53	0.56	0.58	0.59	0.58	0.63
Oilseeds										
- Rape and mustard	0.55	0.60	0.65	0.60	0.62	0.64	0.69	0.70	0.71	0.69
- Til	0.58	0.54	0.53	0.51	0.54	0.55	0.55	0.49	0.58	0.52
- Groundnut	1.31	1.17	1.06	1.00	1.03	1.06	1.06	1.16	1.19	1.20
- Linseed	0.49	0.49	0.53	0.48	0.51	0.54	0.54	0.56	0.55	0.56
- Coconut	2.25	2.42	2.59	2.57	2.53	2.56	2.63	2.64	2.66	2.62
Fibres										
- Jute	1.23	1.38	1.48	1.38	1.44	1.54	1.64	1.36	1.53	1.59
- Cotton	0.87	0.75	0.53	0.46	0.85	0.48	0.45	0.40	0.32	0.31
Drugs & narcotics										
- Tea	0.56	0.80	0.71	0.88	0.85	0.90	0.93	0.83	0.97	0.82
- Tobacco	0.80	0.88	0.92	0.90	0.91	0.95	0.90	0.93	0.87	0.86
- Betelnuts	0.57	0.65	0.65	0.68	0.67	0.65	0.68	0.64	0.68	0.64
- Betel leaves	4.87	4.80	4.90	4.87	4.70	5.37	4.69	4.84	4.93	4.97
Spices										
- Rabi chillies	0.67	0.60	0.46	0.53	0.57	0.61	0.60	0.61	0.64	0.65
- Onion	4.90	4.31	2.99	3.09	3.84	4.12	3.98	4.04	4.04	3.84
- Garlic	3.44	3.19	3.12	2.95	3.16	3.20	3.20	3.07	3.07.	2.90
- Turmeric	1.64	1.69	1.77	1.72	1.71	1.73	1.78	1.91	2.03	2.15
Tubers										
- Potato	9.37	9.28	10.07	9.57	10.01	10.21	10.35	10.19	10.17	10.06
- Sweet Potato	10.71	10.66	10.49	10.14	10.21	10.56	10.68	10.86	10.95	10.64
Sugar plants										
- Sugarcane /a	42.65	43.61	42.67	43.39	43.35	43.42	42.09	41.11	41.43	41.90
- Date palm (juice)	43.61	34.70	31.97	34.35	34.40	30.72	31.33	29.08	29.72	27.16
Fruits										
- Banana	15.21	15.26	16.01	15.86	15.79	15.97	15.75	16.67	17.03	19.40
- Mango	8.12	5.51	3.94	4.55	3.96	4.19	3.46	3.52	3.45	3.34
- Pineapple	9.16	9.49	10.11	10.39	10.41	10.36	9.71	9.68	9.82	10.17
- Jackfruit	10.81	10.27	9.70	9.88	9.74	9.60	9.59	9.70	9.86	9.93
Vegetables										
- Brinjal	7.24	6.54	6.41	6.46	6.52	6.42	6.39	6.27	6.31	6.20

/a Mill farm yields; average for others is probably 60-65% of these figures.

Source: Bangladesh Bureau of Statistics.

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AUS AND AMAN PRODUCTION BY DISTRICT, 1970/75-1987/88
('000 metric tons rice equivalent)

	FIVE-YEAR AVERAGES		ANNUAL DATA							
	70/75	75/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
AUS										
Rajshahi	768.8	904.7	868.2	939.6	822.7	895.9	827.9	803.2	748.1	611.6
Dinajpur	143.3	184.8	190.7	163.8	163.4	196.0	196.5	169.9	145.7	145.9
Rangpur	301.1	327.9	295.9	330.3	320.9	279.5	261.1	290.3	245.3	247.7
Bogra	84.1	108.4	136.1	120.8	118.1	112.7	85.7	84.3	90.9	39.4
Rajshahi	152.6	167.8	115.8	184.8	119.6	200.0	178.9	154.8	168.8	103.4
Pabna	87.9	115.8	129.8	140.0	100.8	107.7	105.8	103.9	97.4	75.2
Khulna	562.4	662.8	758.0	591.8	572.3	636.8	516.5	601.8	859.4	859.6
Kushtia	113.6	128.6	143.8	127.7	96.9	136.5	159.3	170.3	297.8	209.6
Jessore	219.9	258.4	227.9	208.7	175.7	168.0	141.7	156.7	240.4	227.0
Khulna	37.9	48.0	81.7	46.9	58.4	58.0	30.2	32.2	37.4	50.8
Barisal /a	157.3	182.6	229.5	148.4	173.0	192.1	139.3	172.0	195.6	263.9
Patuakhali /b	33.4	45.2	75.0	60.0	69.2	82.2	46.0	70.6	88.2	118.3
Dhaka	701.8	850.1	897.6	930.6	945.9	958.0	878.7	812.8	873.9	852.4
Jamalpur /c			137.1	120.2	140.1	130.0	114.5	119.8	107.5	87.0
Mymensingh /d	337.2	435.0	356.2	378.4	361.6	378.0	430.8	343.5	331.7	366.6
Tangail /e	76.0	113.1	115.3	107.0	111.3	93.8	71.8	76.0	79.1	64.9
Dhaka	140.8	158.2	165.3	182.0	184.4	195.8	154.6	123.7	143.9	109.0
Faridpur	147.9	143.7	123.7	143.0	148.5	160.3	107.0	149.8	211.7	224.9
Chittagong	637.0	720.4	764.7	807.7	725.1	730.9	638.1	609.1	748.0	659.5
Sylhet	145.7	167.8	209.4	254.5	203.0	178.4	147.5	163.1	230.2	177.4
Comilla	179.1	213.1	220.7	232.9	237.2	239.8	197.4	160.5	202.3	208.8
Noakhali	147.0	176.1	180.4	145.5	142.1	164.2	146.5	149.8	204.5	157.9
Chittagong	125.5	127.4	120.2	138.4	116.6	118.1	116.3	103.6	80.5	87.9
Chittagong H. Tracts						30.4	11.5	21.6	17.2	14.2
Sandarban /f							8.9	10.5	13.3	13.3
Total	2670.0	3138.0	3288.6	3269.6	3066.0	3221.5	2782.5	2826.9	3129.4	2993.1
AMAN										
Rajshahi	2046.1	2221.1	2491.8	2394.3	2437.7	2594.9	2566.1	2691.2	2536.7	2245.2
Dinajpur	405.3	437.7	505.6	450.0	461.0	506.2	529.1	545.8	525.1	504.8
Rangpur	727.9	737.9	865.6	834.7	866.4	885.9	928.1	930.0	887.8	868.4
Bogra	319.0	329.6	395.4	356.8	362.0	395.6	425.7	445.6	410.1	351.5
Rajshahi	445.8	482.9	524.1	521.9	516.4	560.5	525.4	557.3	510.1	421.2
Pabna	148.2	233.0	201.2	230.9	231.9	246.7	157.7	212.5	203.6	99.3
Khulna	1087.5	1611.0	1696.3	1544.4	1629.5	1778.0	1897.1	2068.5	1917.5	1942.6
Kushtia	56.7	76.6	76.6	69.7	68.2	81.6	107.1	120.6	114.1	129.1
Jessore	227.7	303.1	297.8	271.9	295.8	333.0	322.4	412.2	380.7	360.3
Khulna	305.2	489.6	516.8	472.8	501.1	528.8	622.7	607.9	497.0	524.6
Barisal /a	302.1	428.0	462.7	411.8	430.8	463.2	481.0	531.5	546.5	518.6
Patuakhali /b	195.8	313.7	342.3	318.1	333.5	371.3	363.9	396.3	379.2	410.0
Dhaka	1380.4	1686.8	1754.6	1582.5	1692.2	1639.0	1587.0	1763.5	1760.4	1550.3
Jamalpur		249.0	271.4	231.8	249.9	240.5	242.5	263.5	263.1	227.1
Mymensingh /d		646.7	742.4	629.2	687.6	634.8	698.5	756.7	709.5	692.9
Tangail /e	142.5	195.9	201.0	187.6	204.2	205.1	158.9	177.9	193.5	160.5
Dhaka	285.0	347.3	343.0	523.4	319.9	317.1	301.3	309.7	335.5	258.1
Faridpur	188.6	241.9	196.8	213.7	230.7	241.5	185.9	255.7	258.8	211.7
Chittagong	1560.6	1818.0	2020.0	1687.2	1844.1	1925.0	1880.6	2016.2	2052.2	1951.2
Sylhet	523.4	490.2	577.6	517.2	534.2	573.5	505.6	582.7	552.6	578.8
Comilla	416.1	484.0	513.6	449.0	502.8	501.7	482.5	531.4	524.3	496.5
Noakhali	269.0	398.5	422.8	320.1	350.6	385.1	423.1	418.6	418.9	316.7
Chittagong	319.5	398.6	446.5	358.0	410.2	415.1	422.8	429.3	509.5	514.4
Chittagong H. Tracts	30.6	46.7	59.4	42.9	46.3	38.6	46.6	54.2	46.9	44.8
Total	6074.6	7336.9	7962.7	7208.4	7603.5	7936.9	7930.8	8539.4	8266.8	7689.3

/a From 1967/68 to 1969/70, including Patuakhali.
/b From 1967/68 to 1969/70, included in Barisal.
/c From 1967/68 to 1978/79, included in Mymensingh.
/d From 1967/68 to 1969/70, including Jamalpur and Tangail; from 1970/71 to 1975/76, including Jamalpur.
/e From 1967/68 to 1969/70, included in Mymensingh.
/f Bandarban was a subdivision of Chittagong Hill Tracts until 1982.

Source: Bangladesh Bureau of Statistics.

PRODUCTION OF BORO AND WHEAT BY DISTRICT, 1970/75-1986/87
('000 metric tons, rice equivalent)

	FIVE-YEAR AVERAGES		ANNUAL DATA						
	70/75	75/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
BORO									
Rajshahi	193.1	235.5	307.8	461.2	550.7	666.4	738.4	1022.4	1113.9
Dinajpur	9.6	13.6	21.0	26.0	31.7	35.2	38.4	52.6	71.3
Rangpur	34.4	42.4	76.6	107.5	126.9	128.2	154.5	280.7	340.9
Bogra	30.7	43.5	71.1	110.1	129.6	193.0	225.1	270.5	249.7
Rajshahi	83.3	94.8	97.6	115.2	132.2	169.8	159.1	237.9	289.2
Pabna	35.0	41.2	41.5	102.4	130.3	140.3	161.3	180.7	162.8
Khulna	237.8	180.1	169.0	225.7	264.0	215.9	355.4	233.1	246.6
Kushtia	4.0	3.9	4.1	7.3	9.0	6.9	10.2	19.4	21.1
Jessore	23.6	24.5	26.4	63.3	79.5	78.1	151.2	81.0	115.3
Khulna	36.4	29.7	39.8	41.2	44.9	42.4	80.0	74.9	59.6
Barisal	120.4	95.2	88.1	97.9	112.5	75.1	94.5	49.0	45.3
Patuakhali	53.3	27.0	10.6	16.0	18.2	13.4	19.5	8.8	5.3
Dhaka	739.9	777.5	1001.0	1321.3	1456.3	1262.6	1525.3	1279.9	1472.2
Jamalpur	0.0	9.1	62.8	115.1	131.5	117.9	172.4	140.6	169.5
Mymensingh	269.4	65.5	450.9	569.4	565.2	528.7	647.4	503.0	603.0
Tangail	49.9	87.1	132.8	209.7	266.4	223.9	235.1	229.5	229.8
Dhaka	189.6	214.0	298.1	320.9	360.4	301.2	298.5	264.0	309.9
Faridpur	53.2	55.9	56.4	106.1	132.8	90.8	171.8	142.8	160.0
Chittagong	886.4	910.7	1152.5	1143.9	1275.1	1204.6	1290.0	1135.4	1177.5
Sylhet	415.5	341.0	500.2	396.0	418.2	430.0	464.0	378.2	386.9
Comilla	175.2	203.5	245.3	308.7	336.2	287.5	317.7	302.1	304.0
Noakhali	87.5	143.3	115.2	132.4	193.4	151.4	186.5	135.7	170.8
Chittagong	187.1	203.2	271.1	283.4	299.1	308.4	292.2	292.5	284.4
Chittagong H. Tracts	21.2	19.7	20.6	23.4	28.3	27.2	29.5	26.9	31.4
Total:	2057.2	2103.9	2630.2	3152.0	3546.2	3349.5	3909.1	3670.8	4010.4
WHEAT									
Rajshahi	49.0	117.6	609.5	453.8	543.5	598.1	684.3	453.0	535.2
Dinajpur	2.9	19.2	148.6	130.9	113.0	143.1	119.2	88.6	114.8
Rangpur	5.8	21.2	198.9	127.4	169.9	173.6	196.2	108.4	165.3
Bpgra	3.3	19.4	59.5	48.3	52.2	61.7	79.8	61.1	49.3
Rajshahi	14.4	28.5	118.9	72.3	109.3	112.3	154.4	108.4	109.8
Pabna	22.6	30.3	83.6	75.0	99.1	107.4	134.7	86.5	96.0
Khulna	19.2	74.9	196.7	199.7	198.2	197.8	246.7	170.2	157.8
Kushtia	14.4	51.1	117.7	108.4	132.1	131.9	136.1	94.3	73.2
Jessore	4.5	19.3	67.8	75.2	56.3	59.3	100.5	58.6	70.8
Khulna	0.2	4.2	8.3	13.3	5.1	4.7	5.6	10.4	9.7
Barisal	0.1	0.3	2.8	2.9	4.5	1.8	4.4	6.7	4.0
Patuakhali	0.0	0.0	0.1	0.0	0.2	0.0	0.1	0.2	0.1
Dhaka	27.3	47.4	153.4	183.8	228.9	261.6	359.1	265.8	242.5
Jamalpur	1.0	2.9	8.5	10.5	17.3	30.6	46.5	31.9	39.7
Mymensingh	1.1	6.0	20.8	22.0	32.1	40.2	47.8	43.2	41.2
Tangail	2.4	11.6	41.5	36.7	38.2	39.8	46.6	49.5	47.1
Dhaka	5.1	9.3	31.8	38.2	47.2	50.5	78.0	75.5	51.6
Faridpur	17.7	17.7	50.7	76.4	94.1	100.5	140.3	65.7	62.9
Chittagong	11.3	47.2	133.0	130.0	124.8	154.0	173.8	152.9	155.6
Sylhet	0.2	1.7	7.9	8.3	13.8	8.8	15.8	9.3	11.5
Comilla	10.9	44.4	122.9	120.6	109.3	143.7	154.7	140.9	141.7
Noakhali	0.2	1.0	1.5	0.8	1.4	1.3	3.0	2.4	2.1
Chittagong	0.0	0.1	0.4	0.3	0.2	0.2	0.2	0.2	0.3
Chittagong H. Tracts	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0
Bandarban /a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total:	106.7	287.2	1092.5	967.4	1095.4	1211.5	1463.9	1041.9	1091.0

/a From 1967/68 to 1982/83, included in Chittagong Hill Tracts.

Source: Bangladesh Bureau of Statistics.

PUBLIC FOODGRAIN DISTRIBUTION SYSTEM OPERATIONS
('000 metric tons)

	---FIVE-YEAR AVERAGES--			ANNUAL DATA						
	70/75	75/80	80/85	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Opening Stocks	256	550	809	791	1240	616	611	800	1017	976
Domestic Procurement	100	396	425	1033	102	192	270	344	349	190
Imports	1981	1564	1757	1076	1256	1843	2028	2590	1202	1767
Total Availability	2336	2510	2991	2900	2807	2651	2909	3734	2568	2933
Statutory rationing	386	419	303	349	312	308	293	282	160	210
Priority categories /a	312	710	651	611	665	648	641	712	467	668
Modified rationing	919	367	379	182	491	368	399	465	103	257
Relief	215	55	133	55	75	156	120	452	205	248
Food-for-Work & Canal Digging	0	239	427	349	370	338	441	458	468	480
Marketing Operations /b	1	19	47	0	110	0	51	8	8	40
Open Market Sales /c	0	31	81	0	46	118	107	201	129	217
Total Distribution	1832	1839	2021	1546	2069	1936	2052	2578	1540	2120
Losses	122	117	107	105	102	104	57	139	52	62
Exports & repayments in kind	0	0	5	0	20	0	0	0	0	-
Closing Stocks	472	556	855	1249	616	611	800	1017	976	751

/a Includes: essential priorities; other priorities; large employers; and direct sales to flour mills.
/b Marketing operations involve direct sale of grains to dealers at subsidized prices.
/c OMS in paddy and rice were initiated during 1981/82; wheat OMS began in 1978/79.

Sources: Ministry of Food; Bangladesh Bureau of Statistics; and World Food Programme, Dhaka.

Annex M
Table 20

124

SEASONALITY OF PUBLIC FOODGRAIN DISTRIBUTION SYSTEM OFFTAKE, 1972/75-1986/87
('000 metric tons)

Month	MULTI-YEAR AVERAGES 72/75	75/80	80/85	ANNUAL DATA 1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
July	188	153	124	107	90	116	87	218	84	92
August	213	157	136	107	89	131	99	254	93	109
September	221	177	190	134	163	196	171	286	125	151
October	210	200	235	145	249	281	214	286	164	240
November	168	154	185	125	190	171	175	262	132	196
December	134	118	148	90	163	123	129	236	115	121
January	140	145	171	110	156	178	162	251	148	197
February	137	160	197	142	214	191	218	222	155	220
March	152	163	198	161	214	187	232	196	159	246
April	160	156	182	160	232	140	227	152	161	243
May	171	140	156	144	182	128	202	122	139	171
June	171	141	110	121	126	93	135	77	65	135
Total	2066	1866	2034	1554	2068	1935	2051	2562	1540	2121
(Monthly Average)	172	156	170	130	172	161	171	214	128	177

Source: Ministry of Food and World Food Programme, Dhaka.

PUBLIC FOODGRAIN PROCUREMENT BY DISTRICT, 1975/80-1986/87
('000 metric tons, rice equivalent)

Division/District	5-YEAR AVERAGES 75/80	80/85	ANNUAL DATA 1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Rajshahi	196.6	253.1	482.0	174.1	121.3	227.3	260.7	280.4	159.9
Dinajpur	74.2	102.7	190.5	87.1	54.8	99.5	81.8	96.7	42.2
Rangpur	36.8	53.1	82.3	24.6	26.3	67.0	65.3	61.1	34.0
Bogra	24.5	34.4	50.5	13.6	20.5	35.8	51.8	57.3	51.9
Rajshahi	53.0	46.0	122.8	41.8	14.4	14.2	36.8	44.9	22.7
Pabna	8.1	16.8	36.0	7.0	5.4	10.8	25.0	20.4	9.1
Khulna	65.7	34.9	108.0	7.6	12.0	13.9	32.9	25.5	4.3
Kushtia	5.3	4.2	10.3	1.1	0.3	1.4	8.0	6.4	1.2
Jessore	8.0	7.5	8.1	0.1	2.7	5.1	21.5	6.9	2.5
Khulna	11.3	6.5	25.9	2.0	1.0	1.0	2.6	1.7	0.1
Barisal	15.4	6.6	27.0	0.6	2.0	2.4	0.8	4.1	0.5
Patuakhali	25.7	10.1	36.7	3.9	6.0	3.9	0.1	6.4	0.0
Dhaka	62.8	68.6	201.1	64.3	31.4	16.4	29.6	20.4	8.9
Jamalpur /a	2.5	11.5	35.1	7.7	5.5	5.1	4.3	0.8	0.1
Mymensingh	50.4	32.9	99.6	29.1	17.9	8.4	9.7	3.7	7.8
Tangail	2.2	8.3	22.9	5.6	2.2	1.4	9.4	7.7	0.1
Dhaka	6.0	13.7	38.2	21.6	5.3	1.3	1.8	2.2	0.4
Faridpur	1.7	3.2	5.4	5.4	0.5	0.2	4.4	6.0	0.5
Chittagong	71.4	68.0	225.6	52.4	27.3	9.1	25.8	15.2	15.4
Sylhet	30.0	28.3	92.3	27.2	12.2	3.1	6.5	2.2	9.3
Comilla	16.1	16.5	41.7	13.4	8.2	3.0	15.9	8.9	4.5
Noakhali	11.1	10.6	45.8	1.1	3.4	1.6	0.9	1.1	0.1
Chittagong	11.7	7.0	29.6	3.3	1.6	0.3	0.1	1.4	0.7
Chittagong Hill Tracts	2.6	5.8	16.1	7.3	1.9	1.2	2.4	1.6	0.8
Total	396.5	424.6	1016.7	298.2	192.1	266.7	349.0	350.0	188.5

-- = not available.

/a Jamalpur was a subdivision of Mymensingh until December 26, 1978.

Note: 1.0 ton rice equivalent = 1.0 ton wheat = 1.5 ton paddy.

Source: Ministry of Food.

PERCENTAGE DISTRIBUTION OF FOODGRAIN PRODUCTION AND PROCUREMENT BY DISTRICT, 1975/80-1986/87
(percent of country total)

	75/80	80/85	ANNUAL DATA 1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
PRODUCTION									
Rajshahi	27.3	29.3	28.6	29.1	28.4	30.3	30.3	30.9	30.7
Dinajpur	5.1	5.5	5.8	5.3	5.0	5.6	5.6	5.3	5.2
Rangpur	9.0	9.5	9.6	9.6	9.7	9.3	9.3	10.0	10.1
Bogra	3.9	4.6	4.4	4.4	4.3	4.9	4.9	5.4	5.5
Rajshahi	6.0	6.2	5.7	6.1	5.7	6.6	6.6	6.6	6.5
Pabna	3.2	3.6	3.0	3.8	3.7	3.8	3.8	3.6	3.4
Khulna	19.6	18.0	18.8	17.5	17.4	18.0	18.0	19.1	18.8
Kushtia	2.1	2.2	2.3	2.1	2.0	2.3	2.3	2.5	2.4
Jessore	4.7	4.1	4.1	4.2	4.0	4.1	4.1	4.4	4.3
Khulna	4.4	4.1	4.3	3.9	4.0	4.0	4.0	4.5	4.4
Barisal	5.4	4.8	5.2	4.5	4.7	4.7	4.7	4.7	4.6
Patuakhali	3.0	2.9	2.9	2.7	2.7	3.0	3.0	3.0	3.1
Dhaka	26.1	26.7	25.4	27.5	28.2	26.2	26.2	25.6	25.8
Jamalpur /a	3.2	3.3	3.2	3.3	3.5	3.3	3.3	3.5	3.4
Mymensingh	13.0	10.5	10.5	10.9	10.8	10.1	10.1	10.2	10.1
Tangail	3.2	3.6	3.3	3.7	4.0	3.6	3.6	3.3	3.5
Dhaka	5.7	5.7	5.6	5.9	6.0	5.5	5.5	4.8	4.9
Faridpur	3.6	3.6	2.9	3.7	4.0	3.8	3.8	3.8	3.9
Chittagong	27.0	26.0	27.2	25.8	25.9	25.5	25.5	24.4	24.7
Sylhet	7.7	7.9	8.7	8.1	7.6	7.6	7.6	7.1	7.2
Comilla	7.4	7.5	7.4	7.6	7.7	7.5	7.5	7.1	7.4
Noakhali	5.5	4.5	4.8	4.1	4.5	4.5	4.5	4.4	4.2
Chittagong	5.7	5.4	5.6	5.3	5.4	5.4	5.4	5.1	5.1
Chittagong Hill Tracts	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PROCUREMENT									
Rajshahi	50.6	65.8	47.4	58.4	63.2	85.2	74.7	82.1	84.8
Dinajpur	19.1	27.4	18.7	29.2	28.5	37.3	23.4	28.3	22.4
Rangpur	9.3	14.8	8.1	8.3	13.7	25.1	18.7	17.9	18.0
Bogra	6.4	9.7	5.0	4.6	10.7	13.4	14.8	16.8	27.5
Rajshahi	13.6	9.9	12.1	14.0	7.5	5.3	10.5	13.1	12.1
Pabna	2.2	4.0	3.5	2.4	2.8	4.0	7.2	6.0	4.8
Khulna	15.9	6.8	10.6	2.6	6.3	5.2	9.4	7.5	2.3
Kushtia	1.4	0.9	1.0	0.4	0.2	0.5	2.3	1.9	0.6
Jessore	2.0	2.1	0.8	0.0	1.4	1.9	6.2	2.0	1.3
Khulna	2.8	1.0	2.5	0.7	0.5	0.4	0.7	0.5	0.1
Barisal	3.7	1.0	2.7	0.2	1.0	0.9	0.2	1.2	0.3
Patuakhali	6.0	1.9	3.6	1.3	3.1	1.5	0.0	1.9	0.0
Dhaka	15.7	14.5	19.8	21.5	16.3	6.1	8.5	6.0	4.7
Jamalpur /a	0.7	2.4	3.4	2.6	2.8	1.9	1.2	0.2	0.1
Mymensingh	12.4	7.0	9.8	9.7	9.3	3.1	2.8	1.1	4.1
Tangail	0.6	1.7	2.2	1.9	1.1	0.5	2.7	2.2	0.1
Dhaka	1.6	3.0	3.8	7.2	2.7	0.5	0.5	0.6	0.2
Faridpur	0.5	0.8	0.5	1.8	0.3	0.1	1.3	1.8	0.2
Chittagong	17.8	13.0	22.2	17.6	14.2	3.4	7.4	4.4	8.2
Sylhet	7.6	5.5	9.1	9.1	6.3	1.2	1.9	0.6	4.9
Comilla	4.1	3.7	4.1	4.5	4.3	1.1	4.6	2.6	2.4
Noakhali	2.6	1.5	4.5	0.4	1.8	0.6	0.3	0.3	0.1
Chittagong	2.8	1.0	2.9	1.1	0.9	0.1	0.0	0.4	0.4
Chittagong Hill Tracts	0.6	1.2	1.6	2.5	1.0	0.4	0.7	0.5	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

/a Jamalpur was a subdivision of Mymensingh until December 26, 1978.

Note: Data include rice and wheat only.

Source: Bangladesh Bureau of Statistics, Ministry of Food, and World Food Programme, Dhaka.

PUBLIC PROCUREMENT OF AUS AND AMAN RICE AND PADDY BY DISTRICT, 1975/80-1986/87
(metric tons, rice equivalent)

	5-YEAR AVERAGES		ANNUAL DATA						
	75/80	80/85	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
AUS									
Rajshahi	5769	8365	19708	12137	912	8926	144	0	0
Dinajpur	3350	7023	16613	11147	886	6375	94	0	0
Rangpur	429	535	1304	312	1	1056	0	0	0
Bogra	931	136	41	90	8	541	0	0	0
Rajshahi	861	499	1741	581	17	105	50	0	0
Pabna	198	173	9	7	0	849	0	0	0
Khulna	2025	3497	16799	422	6	260	0	0	0
Kushtia	574	915	4316	257	0	0	0	0	0
Jessore	1225	548	2381	100	0	260	0	0	0
Khulna	110	604	2957	65	0	0	0	0	0
Barisal	56	998	4983	0	6	0	0	0	0
Patuakhali	60	432	2162	0	0	0	0	0	0
Dhaka	281	4179	16666	2496	68	1665	0	0	0
Jamalpur /a	27	524	2416	33	0	169	0	0	0
Mymensingh	238	2258	8987	816	66	1419	0	0	0
Tangail	9	37	116	4	0	66	0	0	0
Dhaka	1	1094	3852	1603	2	11	0	0	0
Faridpur	7	267	1295	40	0	0	0	0	0
Chittagong	5014	7913	33680	4348	3	105	1430	0	0
Sylhet	3875	3192	13504	1364	0	95	998	0	0
Comilla	22	480	1785	616	0	1	0	0	0
Noakhali	140	2938	14050	627	3	9	0	0	0
Chittagong	713	497	2146	341	0	0	0	0	0
Chittagong Hill Tracts	264	805	2195	1400	0	0	432	0	0
Total	13089	23955	86853	19403	989	10956	1574	0	0
AMAN									
Rajshahi	163001	114620	262658	107091	60308	71393	71651	122341	21179
Dinajpur	65914	61747	122766	61160	36537	43668	44602	62419	12614
Rangpur	32799	20354	44341	20869	15847	11275	9436	27105	7777
Bogra	16773	7517	16391	3129	4422	8219	5424	17105	374
Rajshahi	43972	23369	72266	21499	3398	7512	12170	14277	357
Pabna	3543	1634	6894	434	104	719	19	1435	57
Khulna	57178	19865	77248	5945	8361	7374	397	10896	55
Kushtia	2089	229	1006	5	53	58	25	111	1
Jessore	3791	761	3639	15	65	40	46	532	0
Khulna	10906	4675	20684	1447	258	950	35	91	1
Barisal	14745	4580	17666	612	1966	2414	240	3811	34
Patuakhali	25648	9620	34253	3866	6019	3912	51	6351	19
Dhaka	41529	16478	66785	1414	11162	1646	1385	1822	23
Jamalpur /a	1336	3425	14194	863	1502	522	44	556	0
Mymensingh	28260	10565	41480	492	9022	773	1057	616	6
Tangail	952	651	3102	4	61	27	63	21	1
Dhaka	1829	1575	7309	21	249	170	124	0	4
Faridpur	1152	263	700	34	328	154	97	629	12
Chittagong	43965	23197	94606	2021	13549	3367	2440	3496	1262
Sylhet	14993	7105	29535	346	5365	246	33	284	2
Comilla	7278	2251	8585	18	2092	359	200	42	19
Noakhali	10604	6929	29069	8	3405	1562	601	1074	11
Chittagong	9261	3708	17065	66	1222	130	57	656	720
Chittagong Hill Tracts	1829	3204	10352	1583	1465	1070	1549	1440	510
Total	305673	174160	501297	116471	93380	83780	75873	138555	22519

/a Jamalpur was a subdivision of Mymenshingh until December 26, 1978.

Note: 1.0 ton rice equivalent = 1.0 ton wheat = 1.5 ton paddy.

Source: Ministry of Food.

PUBLIC PROCUREMENT OF BORO AND IRRI RICE AND PADDY AND WHEAT, 1975/80-1986/87
(metric tons, rice equivalent)

	5-YEAR AVERAGES		ANNUAL DATA						
	75/80	80/85	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
BORO AND IRRI									
Rajshahi	5782	47997	69766	47081	44704	37185	41249	70850	94584
Dinajpur	411	12512	12875	12817	11070	13998	11800	19813	17089
Rangpur	278	5841	8800	899	5185	10084	4235	11372	11828
Bogra	603	11733	8760	9882	13664	7603	18755	22785	44178
Rajshahi	3982	12912	30147	17372	10729	2203	4110	13446	17828
Pabna	508	4985	9184	6048	4047	3297	2349	3434	3661
Khulna	789	2160	8428	809	636	7	921	20	929
Kushtia	83	429	1670	335	55	0	85	0	247
Jessore	98	23	88	0	0	0	26	6	311
Khulna	40	770	2090	474	575	7	705	0	110
Barisal	564	887	4322	0	6	0	105	20	248
Patuakhali	4	52	258	0	0	0	..	0	13
Dhaka	16505	37244	91700	57681	17950	9744	9144	4850	8407
Jamalpur /a	520	4775	10535	6197	5228	1831	82	45	69
Mymensingh	13722	18829	47533	26379	7832	6170	6233	2755	7810
Tangail	570	4318	12255	5479	1110	725	2020	1426	84
Dhaka	1660	8965	19778	19578	3779	1018	672	449	287
Faridpur	33	357	1599	48	1	0	137	175	157
Chittagong	15845	29066	82883	43809	9829	3740	5069	3691	10588
Sylhet	10997	17151	47566	25419	6486	2434	3848	1886	8035
Comilla	2387	6810	18884	11161	2499	1066	440	930	2180
Noakhali	299	588	2616	0	18	3	302	0	113
Chittagong	1680	2743	10258	2889	418	125	25	711	0
Chittagong Hill Tracts	482	1774	3556	4340	408	112	454	164	260
Total	38922	116654	252777	149317	74119	50676	56383	79411	114508
WHEAT									
Rajshahi	22037	82113	129877	7871	15418	109756	147642	87182	44135
Dinajpur	4508	21445	38201	2002	6269	35468	25287	14464	12506
Rangpur	3248	26373	27870	2529	5252	44547	51668	22629	14369
Bogra	6234	14604	25287	475	240	19440	27579	17363	7331
Rajshahi	4161	9211	18639	2328	272	4387	20427	17176	4565
Pabna	3887	10047	19880	537	1221	5914	22681	15550	5364
Khulna	5710	9378	5560	465	3015	6270	31582	14463	3339
Kushtia	2540	2656	3287	465	232	1370	7928	6313	968
Jessore	2904	6179	2022	0	2598	4848	21427	6313	2169
Khulna	257	445	183	0	181	52	1811	1578	0
Barisal	9	98	68	0	4	0	416	257	202
Patuakhali	0	0	0	0	0	0	..	2	0
Dhaka	4494	10456	25984	2666	1203	3323	19105	13597	427
Jamalpur /a	576	3199	7931	557	730	2582	4193	160	55
Mymensingh	180	1075	1590	1380	14	15	2374	299	1
Tangail	708	3101	7396	157	29	567	7357	6263	50
Dhaka	2480	1802	7296	409	248	18	1040	1708	45
Faridpur	551	1280	1771	163	182	141	4141	5167	276
Chittagong	6604	7871	14385	2227	3956	1931	16858	8017	3537
Sylhet	158	810	1715	105	313	324	1595	71	1198
Comilla	6419	6918	12468	1615	3643	1603	15263	7937	2339
Noakhali	21	123	109	507	0	0	0	9	0
Chittagong	0	19	92	0	0	4	0	0	0
Chittagong Hill Tracts	4	0	1	0	0	0	0	0	0
Total	38845	109819	175806	13229	23592	121280	215187	123259	51438

/a Jamalpur was a subdivision of Mymensingh until December 26, 1978.

Note: 1.0 ton rice equivalent = 1.0 ton wheat = 1.5 ton paddy.

Source: Ministry of Food.

JUTE AND COTTON MILLING STATISTICS, 1980/81-1986/87

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
BJMC JUTE MILL STATISTICS							
Number of mills	77	77	40	36	34	33	33
Labor force, permanent and "badlis"	194106	200704	135148	125916	124395	144093	142703
Number of looms (annual average)							
Installed	25791	25791	18289	16303	16295	15808	15808
Operating	23759	23441	16648	15343	15507	13337	14917
Hessian production							
('000 meters)	711061	681543	598527	569418	497584	356827	479020
(metric tons)	205413	197466	166198	160362	140363	102009	137876
Sacking production							
('000 meters)	669848	744768	368916	257929	307276	278712	306342
(metric tons)	309681	329277	157833	103042	127503	128085	137270
Carpet backing (CBC) production	71278	56274	69054	66342	53314	43697	54289
Other production	3751	3788	6330	8184	6123	1291	2123
Total production (metric tons)	590123	586805	399415	337930	327303	275082	331558
Raw jute consumption							
Thousands of bales	3.35	3.29	2.29	1.88	1.85	1.5	1.9
Bales per ton of production	5.67	5.60	5.74	5.58	5.66	5.59	5.73
COTTON MANUFACTURING CAPACITY AND PRODUCTION /a							
Number of mills	56	56	31	32	35	35	36
Installed capacity							
Spindles	1057460	1032238	606331	623060	661108	712552	724568
Looms	7592	6848	3187	3108	3111	3118	3106
Capacity in operation							
Spindles	863112	786119	521474	512640	520760	474183	535123
Looms	5203	4531	2272	2319	2400	2209	2234
Yarn Production							
Metric tons	46245	43223	29002	29424	29028	25206	27453
32-count equivalent	55228	49849	35994	36120	35513	31435	35692
Cloth Production							
'000 meters	78613	66291	35593	34520	37274	33887	34575
'54-pick equivalent	81239	71705	39839	37887	39809	35591	37720
Raw Cotton Consumption (metric tons)	46409	44521	30811	29288	28752	25500	28500

/a Data shown for 1982/83 and beyond are not directly comparable with those for earlier years, as BTMC disinvested itself of a number of its mills during 1982/83 and 1983/84.

Notes: - Capacity data are annual averages.

- At the end of June 1982, BTMC had 66 enterprises under its control: 31 spinning mills, 22 composite spinning & weaving mills, 4 specialized mills, 1 engineering unit, and 8 enterprises without any physical assets.

- At the end of June 1987, BTMC had 44 enterprises under its control: 24 spinning mills, 12 composite spinning & weaving mills, 4 specialized mills, 1 engineering unit, and 3 enterprises without any physical assets.

Source: Bangladesh Textile Mills Corporation, Bangladesh Jute Mills Corporation.

PRODUCTION OF SELECTED INDUSTRIAL PRODUCTS BY PUBLIC SECTOR CORPORATIONS /a
(units as shown)

		MULTI-YEAR AVERAGES		ANNUAL DATA					
		72/75	75/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86
Jute Textiles	'000 metric tons	510.4	499.6	590.0	586.8	569.9	600.9	521.4	456.7
Hessian		188.0	167.8	205.4	197.4	228.2	238.9	208.4	162.5
Sacking		242.8	238.4	309.6	329.3	241.6	256.8	223.5	224.4
Carpet Backing		51.7	67.7	71.3	56.3	94.0	96.4	81.3	67.0
Others		27.9	25.7	3.7	3.8	6.1	8.8	8.2	4.8
Cotton Textiles									
Cloth	mill. yds	65.6	79.0	86.0	72.5	65.5	66.2	68.4	64.6
Yarn	mill. lbs	92.5	89.6	102.0	95.3	99.7	102.0	106.1	94.7
Paper and Board									
Newsprint	'000 metric tons	30.0	24.9	30.9	39.3	26.7	28.7	46.0	48.4
Paper		25.7	27.8	33.2	32.1	26.1	27.7	38.1	42.1
Rayon Yarn		2.2	1.5	1.5	0.9	1.6	1.2	1.5	0.8
Hardboard	mill. sq.ft.	12.3	17.0	19.9	11.1	16.4	14.4	17.2	17.4
Particle Board	'000 tons	3.0	2.0	1.2	2.5	0.5	2.4	2.3	2.4
Steel Ingots	'000 metric tons	64.3	103.6	139.3	108.6	47.4	72.2	101.4	95.5
Engineering Products		0.0	0.0						
Diesel Engines	'000	1.3	1.4	8.5	1.8	4.7	4.7	7.9	4.5
Pumps		1.1	4.0	16.1	19.2	25.7	21.2	15.2	6.8
Commercial and Heavy Vehicles		1.3	1.2	2.4	1.6	0.4	1.9	1.0	1.0
Radios		13.8	102.2	198.0	185.8	112.0	102.8	213.9	162.4
Television sets		0.5	4.9	26.7	27.8	33.6	50.0	57.0	69.8
Petroleum products	'000 tons	650.7	947.4	1207.7	1135.0	919.0	1004.2	978.3	949.4
Fertilizers	'000 metric tons								
Urea		191.9	224.7	341.7	345.4	371.0	727.9	729.8	835.0
TSP		0.0	44.5	71.2	58.9	70.9	81.2	56.7	100.8
Ammonium Sulphate		6.6	6.8	9.2	11.6	12.3	11.0	9.5	10.0
Glass Sheets	mill. feet	6.7	6.6	6.7	9.4	13.1	12.8	12.9	7.9
Matches	mill. gross boxes	8.4	7.6	10.1	11.8	11.8	12.1	13.1	13.6
Food and Allied Product									
Soyabean Oil	'000 metric tons	5.2	10.7	15.5	18.4	21.3	16.9	9.0	8.2
Fish Processing	mill. lbs	3.0	5.8	2.5	2.5	2.4	1.1	0.9	7.1
Soft Beverages	'000 cases	294.0	297.2	386.0	401.0	568.0	731.0	995.0	1345.0
Cigarettes	million	13627.7	11897.4	14906.0	13778.0	15778.0	14843.0	14393.0	14365.0
Biscuits and Bread	'000 metric tons	4.9	4.9	8.4	9.2	8.7	..	2.0	3.0
Sugar		66.8	126.2	145.2	202.2	177.6	157.2	88.5	82.5
Molasses		35.5	56.8	66.4	91.3	79.2	69.7	41.5	38.3
Salt	'000 metric tons	417.7	695.4	269.0	570.0	241.0	654.6	643.6	...
Cement	'000 metric tons	45.4	250.5	344.8	326.2	306.7	268.3	240.2	292.1
Limestone	'000 metric tons	87.0	53.1	38.5	44.6	32.1	33.8	40.9	22.1
Sulphuric Acid	'000 metric tons	6.2	5.9	3.8	2.1	3.1	4.3	4.4	6.0
Caustic Soda		3.7	4.9	6.0	6.1	5.7	6.1	6.8	6.9
Hydrochloric Acid		1.0	1.7	2.5	1.1	1.4	1.5	1.4	1.6
Chlorine		2.6	3.4	4.1	4.2	4.0	4.2	4.6	4.6
Natural Gas	mill. cubic feet	9041.3	30250.4	49936.0	64781.0	72104.0	83090.0	94580.0	106652.0
Electricity	mill. kWh	1139.4	1686.3	2661.8	3034.6	3432.9	3966.2	4592.0	4776.0

/a Includes private sector production of tea, cigarettes, and matches, jute and cotton textile, plastic board, radio and TV, fish processing, soft beverage and bread and biscuit.

Sources: Ministry of Industry, corporations, Planning Commission, and Bangladesh Bureau of Statistics.

QUANTITY AND VALUE OF MAJOR IMPORT COMMODITIES, 1980/81-1986/87

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Rice /a							
Value (mill. US$)	40.4	46.0	97.0	56.0	176.0	8.0	49.5
Quantity (long tons)	82.8	144.0	345.0	179.0	690.0	39.0	261.0
Unit Price /a (US$)	487.7	319.4	281.2	313.0	255.1	205.1	187.7
Wheat /a							
Value (mill. US$)	210.0	239.0	289.0	342.0	322.0	212.0	223.0
Quantity (long tons)	976.6	1111.0	1527.0	1877.0	1899.0	1164.0	1508.0
Unit Price /a (US$/long ton)	215.0	215.1	189.3	182.0	169.6	182.1	147.9
Edible Oil /a							
Value (mill. US$)	92.0	71.0	83.0	87.0	103.0	135.5	115.0
Quantity ('000 tons)	141.0	109.0	129.0	100.0	136.0	272.0	283.0
Unit Price (US$/ton)	652.5	651.4	643.4	870.0	757.4	498.0	406.4
Oilseeds							
Value (mill. US$)	11.0	5.0	5.0	2.0	6.0	0.1	25.0
Quantity (metric tons)	29.7	13.0	17.0	5.4	20.0	0.4	116.0
Unit Price (US$/metric ton)	370.0	384.6	294.1	370.0	300.0	368.0	215.5
Crude Petroleum /b							
Value (mill. US$)	343.6	334.0	373.0	233.0	226.0	177.0	126.0
Quantity ('000 tons)	1304.7	1177.9	1443.0	1004.0	985.0	1008.0	1000.0
Unit Price (US$/ton)	263.3	283.2	258.5	232.0	229.4	175.6	126.0
Petroleum Products /c							
Value (mill. US$)	159.8	213.0	83.0	122.0	133.0	165.0	104.0
Quantity ('000 tons)	523.9	583.0	219.0	464.0	570.0	805.0	732.0
Unit Price (US$/ton)	305.1	365.4	379.0	263.0	233.3	205.0	142.1
Fertilizer /d							
Value (mill. US$)	104.0	104.4	66.0	75.0	137.0	108.0	25.0
Quantity (long tons)	350.3	457.2	330.0	356.0	666.0	640.0	145.0
Unit Price (US$/long ton)	296.9	228.3	200.0	211.0	205.7	168.8	172.4
Cement							
Value (mill. US$)	32.8	31.0	44.0	37.0	26.0	57.0	64.0
Quantity (metric tons)	446.0	435.0	759.0	748.0	588.0	1333.0	1601.0
Unit Price (US$/ton)	73.5	71.3	58.0	49.0	44.2	42.8	40.0
Raw Cotton							
Value (mill. US$)	108.0	79.0	56.0	125.0	106.0	51.6	45.0
Quantity ('000 bales)	256.0	187.0	194.0	388.0	305.0	181.0	205.0
Unit Price (US$/bale)	421.9	422.5	288.7	322.0	347.5	285.0	219.5
Staple Fibres							
Value (mill. US$)	13.0	5.0	4.0	9.0	3.0	1.0	7.0
Quantity ('000 bales)	42.0	16.0	13.0	27.0	10.0	3.0	29.0
Unit Price (US$/bale)	309.5	312.5	307.7	333.3	300.0	342.0	241.4
Yarn							
Value (mill. US$)	20.1	22.0	30.0	39.0	31.0	50.0	42.0
Quantity (million .lbs)	14.0	18.0	20.0	37.0	26.0	56.0	39.0
Unit Price (US cents/.lb)	142.9	122.2	150.0	105.4	119.2	89.3	107.7

/a As a large portion of food imports is financed on a grant basis, unit prices are often available for accounting purposes only.
/b Does not include crude oil shipped to and refined in Singapore for the account of BPC during FY80-FY83.
/c Includes petroleum products imported by BPC from its refining operations in Singapore as well as imports of non-fuel petroleum products.
/d As some fertilizer imports are financed on a grant basis, unit prices are often available for accounting purposes only.

Note: 1 bale of raw cotton = 500 lbs; 1 bale of polyester = 618 lbs; 1 bale of viscose = 441 lbs; 1 bale of yarn = 400 lbs.

Sources: Ministry of Finance and Planning, External Resources Division; Planning Commission; Bangladesh Bank; Bangladesh Bureau of Statistics; Ministry of Food; Bangladesh Petroleum Corporation; Bangladesh Agricultural Development Corporation; Bangladesh Chemical Industries Corporation; Ministry of Industries and Commerce, Coal Controller; Bangladesh Railways; Trading Corporation of Bangladesh; Bangladesh Textile Mills Corporation; World Food Programme, Dhaka; and mission estimates.

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IMPORTS AND EXPORTS VOLUME AND PRICE INDICES AND TERMS OF TRADE, 1981/82-1986/87
(1980/81=100)

	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
IMPORTS						
Rice						
Value Index	113.86	240.10	138.61	435.64	19.80	122.52
Volume index	173.91	416.67	216.18	845.41	47.10	315.22
Unit Price Index	65.47	57.62	64.12	51.53	42.04	38.87
Wheat						
Value Index	113.81	137.62	162.86	153.33	100.95	106.19
Volume index	113.76	156.36	192.20	194.45	118.88	154.21
Unit Price Index	100.04	88.01	84.73	78.85	84.92	68.86
Edible Oils						
Value Index	77.17	90.22	94.57	111.96	147.28	125.00
Volume index	77.30	91.49	70.92	96.45	192.91	200.71
Unit Price Index	99.83	98.61	133.34	116.07	76.35	62.28
Oilseeds						
Value Index	45.45	45.45	18.18	54.55	0.91	227.27
Volume index	43.77	57.24	18.18	67.34	1.35	390.57
Unit Price Index	103.85	79.41	100.00	81.00	67.50	58.19
Crude Petroleum						
Value Index	97.21	108.56	67.81	65.77	51.51	36.67
Volume index	90.28	110.60	76.95	75.49	77.26	76.64
Unit Price Index	107.67	98.15	88.12	87.12	66.68	47.85
Petroleum Products						
Value Index	133.28	51.94	76.34	83.22	103.25	65.01
Volume index	111.29	41.81	88.57	108.81	153.67	139.73
Unit Price Index	119.76	124.23	86.19	76.48	67.19	46.53
Fertilizer						
Value Index	100.38	63.46	72.12	131.73	103.85	24.23
Volume index	130.54	94.22	101.64	190.15	182.44	41.40
Unit Price Index	76.90	67.36	70.95	69.28	56.92	58.53
Cement						
Value Index	94.51	134.15	112.80	79.27	173.78	195.12
Volume index	97.53	170.18	167.71	131.84	298.88	358.97
Unit Price Index	96.90	78.83	67.26	60.13	58.14	54.36
Raw Cotton						
Value Index	73.15	51.85	115.74	98.15	47.78	41.67
Volume index	73.05	75.78	151.56	119.14	70.70	80.08
Unit Price Index	100.14	68.42	76.37	82.38	67.58	52.03
Total /a						
Current Price Index	98.86	88.67	92.89	104.50	93.33	103.43
Constant Price Index	99.17	96.55	102.72	123.01	106.38	116.47
Unit Price Index	99.68	91.84	90.44	84.95	87.73	88.81

COMMERCIAL FERTILIZER DISTRIBUTION, 1970/75-1986/87
('000 metric tons)

	---FIVE-YEAR AVERAGES---			----------ANNUAL DATA----------						
	70/75	75/80	80/85	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87
Rajshahi	66.8	174.1	328.3	268.7	252.1	304.3	390.8	404.1	390.0	454.4
Dinajpur	12.6	32.3	58.1	45.9	40.8	52.1	68.7	79.2	57.4	65.3
Rangpur	14.5	35.1	69.0	57.0	50.6	63.4	85.5	84.1	83.3	98.8
Bogra	16.0	42.0	79.4	70.8	71.1	74.2	91.4	84.3	93.1	113.3
Rajshahi	14.3	38.6	73.7	59.6	56.2	65.9	87.2	94.9	80.4	96.2
Pabna	9.4	26.1	48.0	35.3	33.4	48.7	58.0	61.6	75.8	80.8
Khulna	47.1	95.9	146.2	132.3	116.6	127.2	156.3	188.9	166.6	200.3
Kushtia	8.5	28.2	46.4	43.3	37.1	36.3	51.7	60.5	55.4	60.3
Jessore	8.8	29.2	49.4	41.3	39.6	41.2	55.2	66.6	52.9	68.8
Khulna	6.6	9.9	19.7	16.9	15.0	17.5	19.8	27.8	28.1	29.4
Barisal	17.8	21.9	24.7	24.6	20.0	25.2	24.6	27.7	25.3	33.5
Patuakhali	5.4	6.8	6.0	6.3	4.9	7.0	5.1	6.2	4.9	8.3
Dhaka	85.8	178.4	288.0	241.2	236.5	274.5	313.5	355.3	352.8	360.6
Jamalpur /a			34.3		24.8	29.9	38.3	42.1	43.0	47.5
Mymensingh /a	38.1	81.0	96.9	108.8	70.7	87.2	93.7	118.3	100.4	122.2
Tangail	7.5	22.3	44.3	35.8	37.7	46.2	48.5	50.5	41.2	51.9
Dhaka	34.1	63.0	97.8	82.0	87.6	91.3	108.1	113.9	139.0	107.9
Faridpur	5.9	12.1	21.4	14.7	15.7	20.0	24.9	30.5	29.2	31.1
Chittagong	123.7	215.9	266.2	247.0	224.1	262.4	268.5	311.9	247.0	305.6
Sylhet	15.3	21.0	33.8	26.9	25.8	29.7	37.9	46.6	35.3	43.3
Comilla	41.7	96.1	123.0	121.7	111.2	125.0	121.5	127.7	105.4	134.6
Noakhali	17.1	31.1	31.7	33.2	29.0	28.5	26.7	39.4	34.7	44.9
Chittagong	47.3	64.8	70.8	60.7	53.1	75.5	74.7	85.2	58.0	71.8
Chittagong HT	2.3	2.9	6.9	4.5	5.0	3.8	7.7	13.1	13.6	11
Total	323.4	664.3	1028.7	889.2	829.3	968.4	1129.1	1260.2	1156.4	1320.9

IRRIGATED AREA DETAILS, 1985/86
('000 hectares)

Table 31

		------Irrigated area------			
	Cultivable Area	Pumps and Tubewells	Other Methods	Total	As % of Cultivable Area
RAJSHAHI	2701	494	118	612	22.7
Dinajpur	540	70	8	78	14.4
Rangpur	740	126	66	192	26.0
Bogra	299	108	13	121	40.5
Rajshahi	733	117	25	142	19.4
Pabna	389	73	6	79	20.3
KHULNA	2073	193	124	317	15.3
Kushtia	287	63	48	111	38.7
Jessore	516	76	18	94	18.2
Khulna	443	25	21	46	10.4
Barisal	503	21	36	57	11.3
Patuakhali	324	8	1	9	2.8
DHAKA	2358	531	91	622	26.4
Jamalpur	280	84	6	90	32.1
Mymensingh	762	201	55	256	33.6
Tangail	259	84	4	88	34.0
Dhaka	546	126	19	145	26.6
Faridpur	511	36	7	43	8.4
CHITTAGONG	2285	342	179	521	22.8
Sylhet	860	81	101	182	21.2
Comilla	553	128	31	159	28.8
Noakhali	398	27	15	42	10.6
Chittagong	349	101	25	126	36.1
Chittagong HT	125	5	7	12	9.6
Total	9417	1560	512	2072	22.0

/a Jamalpur included in Mymensingh through 1980/81.

Source: Bangladesh Agricultural Development Corporation, Bangladesh Bureau of Statistics.

NOMINAL WAGES, RETAIL PRICES OF RICE AND PER CAPITA AVAILABILITY OF FOOD GRAINS

YEAR	UNSKILLED LABOUR (WITHOUT FOOD) NOMINAL WAGES	WEIGHTED NATIONAL AVERAGE OF RETAIL PRICE OF COARSE RICE	SEERS OF RICE PURCHASED WITH NOMINAL WAGES	PER CAPITA AVAILABILITY OF GRAIN
	(TALIAS)	(PER SEER)		(IN POUNDS)
1969-70	2.96	1.05	2.82	382.0
1972-3	4.72	2.15	2.20	348.6
1973-4	6.69	2.87	2.31	359.7
1974-5	9.05	6.03	1.50	335.9
1975-6	8.82	3.59	2.46	356.6
1976-7	8.93	3.25	2.75	323.7
1977-8	9.44	3.97	2.38	349.3
1978-9	10.88	4.37	2.49	344.0
1979-80	12.46	5.79	2.15	348.0
1980-1	13.97	4.82	2.90	349.4
1981-2	15.49	5.92	2.61	385.2
1982-3	17.05	6.92	2.46	376.1
1983-4	19.58	7.52	2.60	370.9
1984-5	24.45	8.45	2.89	374.0
1985-6	29.50	8.05	3.66	342.5
1986-7	32.62	9.75	3.35	358.4
1987-8	33.63	10.13	3.31	353.1
MEAN	16.08	5.85	2.63	
S.D.	9.33	2.45	.53	
COEEFICIENT OF VARIANCE	57.99	41.96	19.99	
GROWTH RATE*	12.77	9.12	3.36	

* Obtained by fitting semi-logarithmic trend function

Source: BBS, DEPT. OF AGRICULTURAL MARKETING

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AVAILABILITY OF GRAINS

Year	Net domestic Production* ('000 tons)	Imports of Grain ('000 tons)	Opening Stocks ('000 tons)	Losses from Government stocks ('000 tons)	Year end stock ('000 tons)	Gross availability (2+3+4)	Net availability 7-(5+6)	Per capita availability (in lbs)(1)
1972-73	9180.00	2801.00	274.00	184.00	297.00	12255.00	11774.00	348.60
1973-74	10839.00	1668.00	297.00	93.00	214.00	12804.00	23497.00	359.90
1974-75	10284.00	2290.00	214.00	129.00	749.00	12788.00	11910.00	335.90
1975-76	11705.00	1450.00	749.00	165.00	823.00	13904.00	12916.00	355.60
1976-77	10832.00	809.00	823.00	66.00	376.00	12464.00	12022.00	323.70
1977-78	12008.00	1636.00	376.00	141.00	591.00	14020.00	13288.00	349.30
1978-79	11937.00	1155.00	591.00	87.00	212.00	13683.00	13384.00	344.00
1979-80	12230.00	2772.00	212.00	115.00	791.00	15224.00	13871.00	348.00
1980-81	13761.00	1078.00	791.00	104.00	1249.00	15630.00	14277.00	349.40
1981-82	13422.00	1254.00	1249.00	104.00	616.00	15925.00	15205.00	365.20
1982-83	14073.00	2034.00	616.00	103.00	611.00	16723.00	16003.00	376.10
1983-84	14430.00	1979.00	611.00	88.00	800.00	17020.00	16132.00	370.90
1984-85	14469.00	2588.00	800.00	137.00	1017.00	17857.00	16703.00	374.00
1985-86	14472.00	1200.00	1017.00	52.00	976.00	16689.00	15661.00	342.50
1986-87	14850.00	1767.00	976.00	62.00	751.00	17593.00	16780.00	358.40
1987-88	14817.00	.00	751.00	126.00	1417.00	18478.00	16935.00	353.10
Mean	12728.70	1836.90	646.70	109.80	718.10	15209.80	14334.88	353.41
SD	1831.30	675.80	307.80	36.40	345.80	2111.30	1807.49	13.55
Co-efficient of variance	14.39	36.79	47.60	33.15	48.20	13.90	12.61	3.83
Growth rate obtained by fitting semi-logarithm trend function	2.99	.88	7.99	-3.27	8.24	2.86	2.73	.34

*Net Comestic production = NDomestic production minus seed, feed and wastage

(1) Population figures obtained from Nuimuddin Chowdhury - Public Foodgr Distribution System in Bangladesh in Post Liberation Period: A Historic Profile. (FAO & FMU, Food Ministry). Population data for 1985-88 were obtained by assuming a growth rate of 2.5 per cent per year.
Source: BBS, WFP

Annex M
Table 35

Annex M
Table 33

Food Aid and Grain Imports into Bangladesh

Year	Commercial imports of grain ('000 tons)	Aid imports of grain ('000 tons)	Total imports of grain ('000 tons)	Aid imports as % total imports	Value of food aid US$ m	Value of food US $ m	Value of food aid as % value of food
1972-73	1207.00	1594.00	2801.00	56.90	182.60	320.80	56.90
1973-74	894.00	774.00	1668.00	46.40	228.70	332.90	68.70
1974-75	703.00	1587.00	2290.00	69.30	382.30	544.10	70.30
1975-76	146.00	1304.00	1450.00	89.90	313.50	366.20	85.60
1976-77	146.00	663.00	809.00	82.00	121.60	146.80	82.80
1977-78	297.00	1339.00	1636.00	81.80	177.80	235.60	75.50
1978-79	48.00	1107.00	1155.00	95.80	[illegible]	197.00	90.90
1979-80	1422.00	1350.00	2772.00	48.70	374.70	623.00	60.10
1980-81	260.00	818.00	1078.00	75.90	194.10	250.40	77.50
1981-82	114.00	1140.00	1254.00	91.00	230.50	285.00	80.90
1982-83	865.00	1170.00	2034.00	57.00	255.50	386.00	66.20
1983-84	614.00	1365.00	1979.00	69.00	276.40	398.00	69.40
1984-85	1283.00	1306.00	2588.00	50.00	244.50	498.00	49.10
1985-86	113.00	1087.00	1200.00	91.00	202.70	220.00	92.10
1986-87	343.00	1425.00	1767.00	81.00	225.00	273.00	82.40
1987-88	1134.00	1776.00	2910.00	61.00	312.00	620.00	50.30
Mean	599.32	1237.80	1836.90		243.80	356.50	
SD	477.98	305.20	678.80		72.70	147.10	
Co-Efficient of Variance	79.75	24.66	36.79		29.80	41.30	
Growth rate is obtained by fitting semi-logarithm trend function	.37	1.38	.88		.94	1.43	

Source - WFP, ERD, Ministry of Planning, B.B.S.

Table 34

PUBLIC FOOD DISTRIBUTION AND FOOD AID

Year	Total Offtake	Public Distribution of Grain in Urban Areas	Public Distribution of Grain in Rural Areas	Public Distribution of Grain in Rural Areas as % of aid imports	Food for Work Allocation	Food for Work Allocation as % of rural distribution	FFW and VGD ('000 tons)	Allocation for rural development as % of rural allocation	Allocation for rural development as % of total offtake
1972-73	2618.40	1272.00 48.80	1345.40 51.40	89.80	-	-	-	-	-
1973-74	1727.60	1096.90 63.50	630.70 36.80	81.60	-	-	-	-	-
1974-75	1757.10	1079.90 61.80	877.20 38.60	42.70	86.00	8.30	56.00	8.30	3.19
1975-76	1668.80	958.90 57.50	709.80 42.50	84.40	110.80	16.30	143.10	20.16	8.58
1976-77	1473.00	825.40 62.80	647.60 37.20	82.80	166.30	23.40	173.90	31.76	11.81
1977-78	1847.10	1140.90 61.80	706.20 38.20	92.70	254.70	36.10	265.60	37.61	14.38
1978-79	1796.80	1111.70 61.90	685.10 38.10	61.80	219.30	32.00	240.10	35.05	13.36
1979-80	2440.00	1482.00 60.70	958.00 39.30	71.00	444.30	46.40	465.80	48.62	19.09
1980-81	1546.00	843.00 54.50	703.00 45.50	85.90	355.00	50.50	368.10	52.36	23.81
1981-82	2067.00	1060.00 51.30	1007.00 48.70	88.30	371.70	36.90	411.00	40.81	19.88
1982-83	1937.00	983.00 50.70	954.00 49.30	81.50	411.10	43.10	477.80	50.08	24.67
1983-84	2052.00	1001.00 48.80	1051.00 51.20	77.00	440.80	41.90	532.70	50.69	25.96
1984-85	2580.00	1099.80 42.60	1480.20 57.40	113.30	672.00	38.60	803.20	54.26	31.13
1985-86	1541.00	864.80 43.10	876.20 56.90	80.50	499.70	57.00	853.70	74.61	42.42
1986-87	2119.00	954.00 45.00	1165.00 55.00	81.80	834.30	46.90	711.00	61.03	33.55
1987-88	2485.00	915.70 36.70	1579.30 63.30	88.90	732.30	46.40	1043.10	66.05	41.81
Mean	1979.10	1036.80	942.30		369.10		453.20		
SD	391.10	182.80	314.70		190.60		268.00		
Co-Efficient of variance	19.25	17.80	33.99		51.80		59.10		
Growth rate is obtained by fitting semi-logarithm trend function	.99	-1.74	4.03		16.50		19.16		

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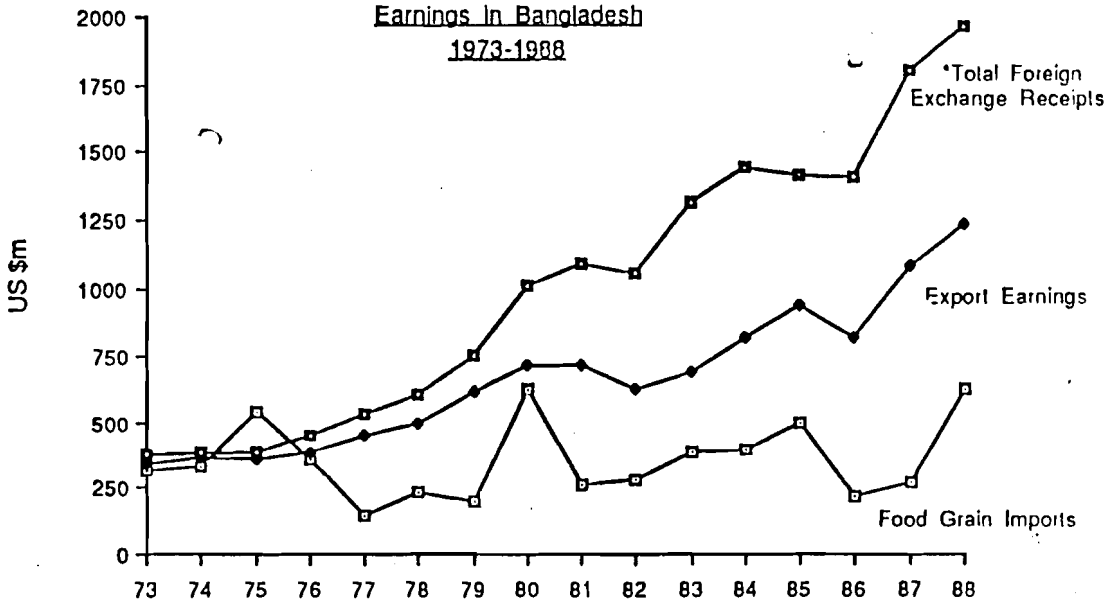
Fig 3
Value of Food Grain Imports and Export Earnings in Bangladesh
1973-1988



* Total Foreign Exchange Receipts = Export Earnings plus private remittances

Fig 4
Value of Food Grain Imports as a Percentage of Total Foreign Exchange Receipts
1973-1988

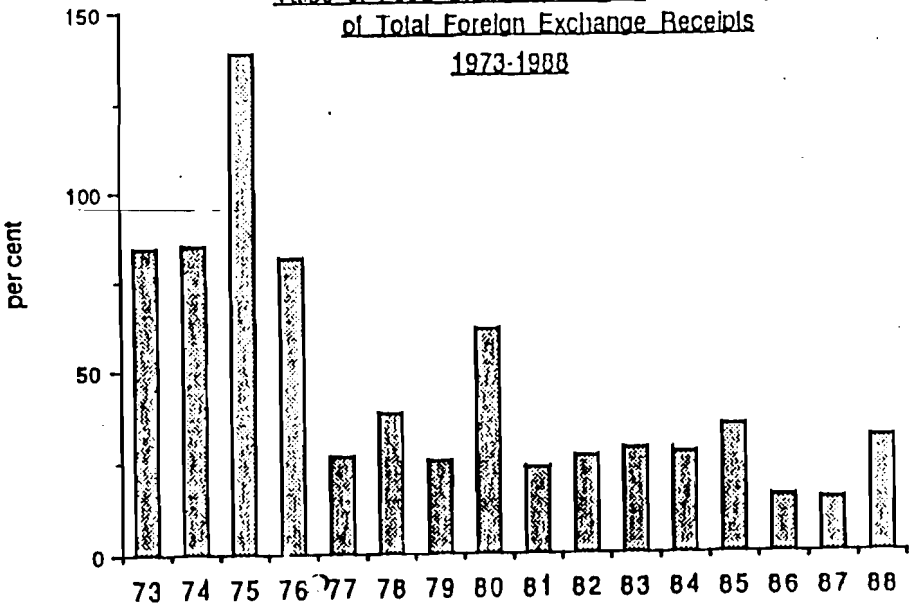
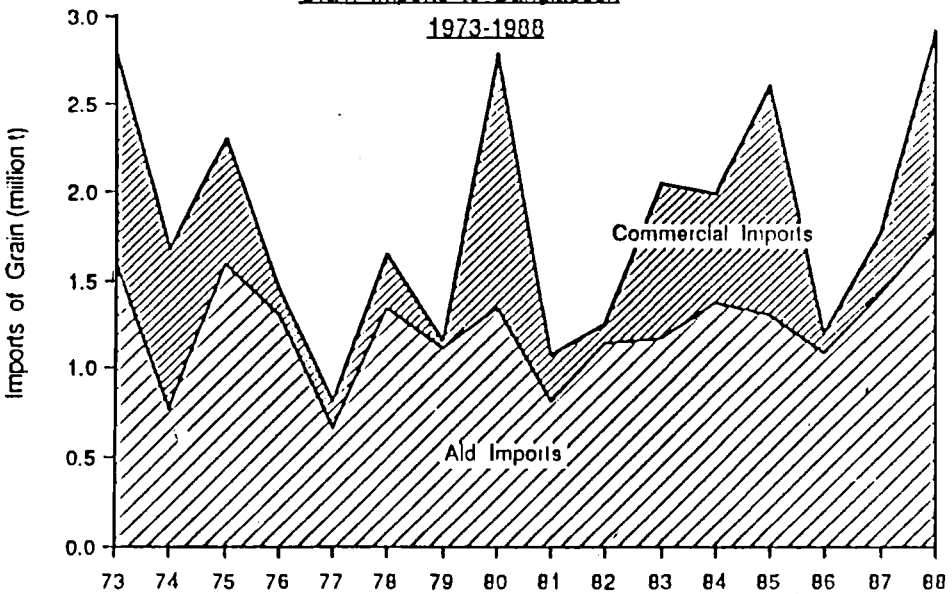
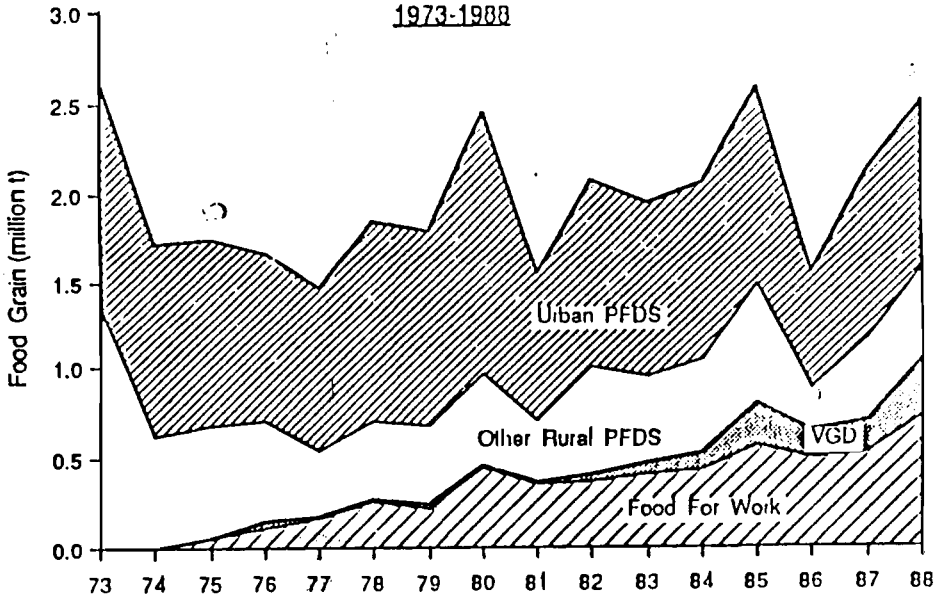


Figure 1
Grain Imports to Bangladesh
1973-1988



* Financial Years used in all figures except Fig.5
Financial Year 1973 = July 1972 to June 1973

Figure 2
Public Food Distribution
1973-1988



Annex N
Figure 6A

Fig 6

A. Availability of Food Grains

1973-1988

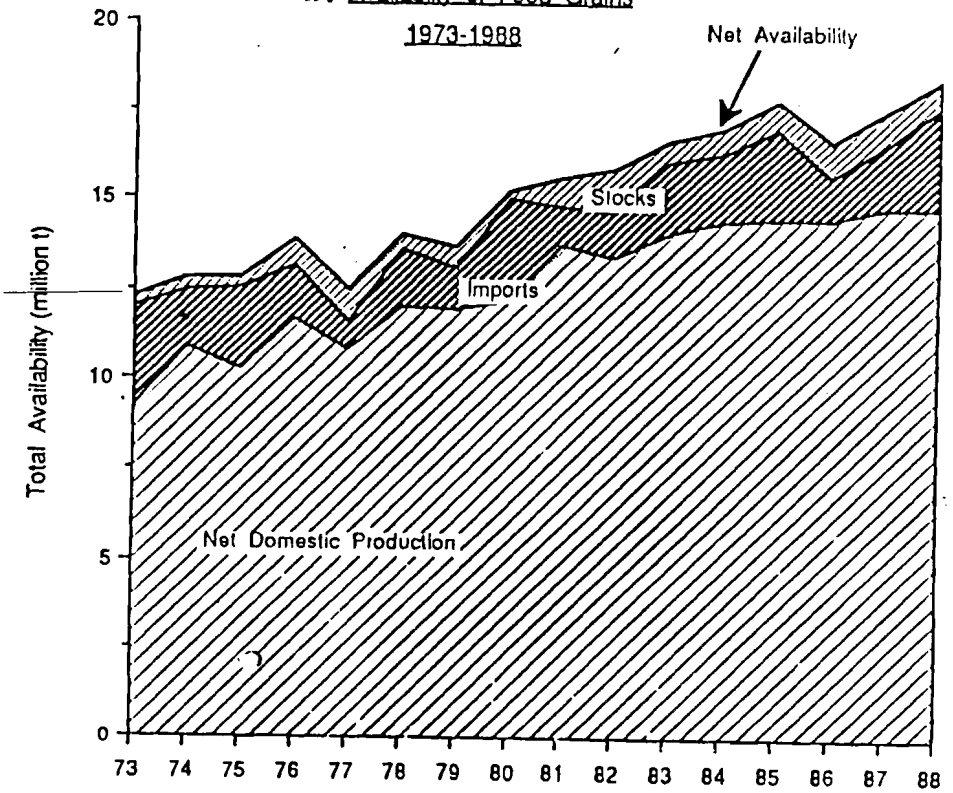
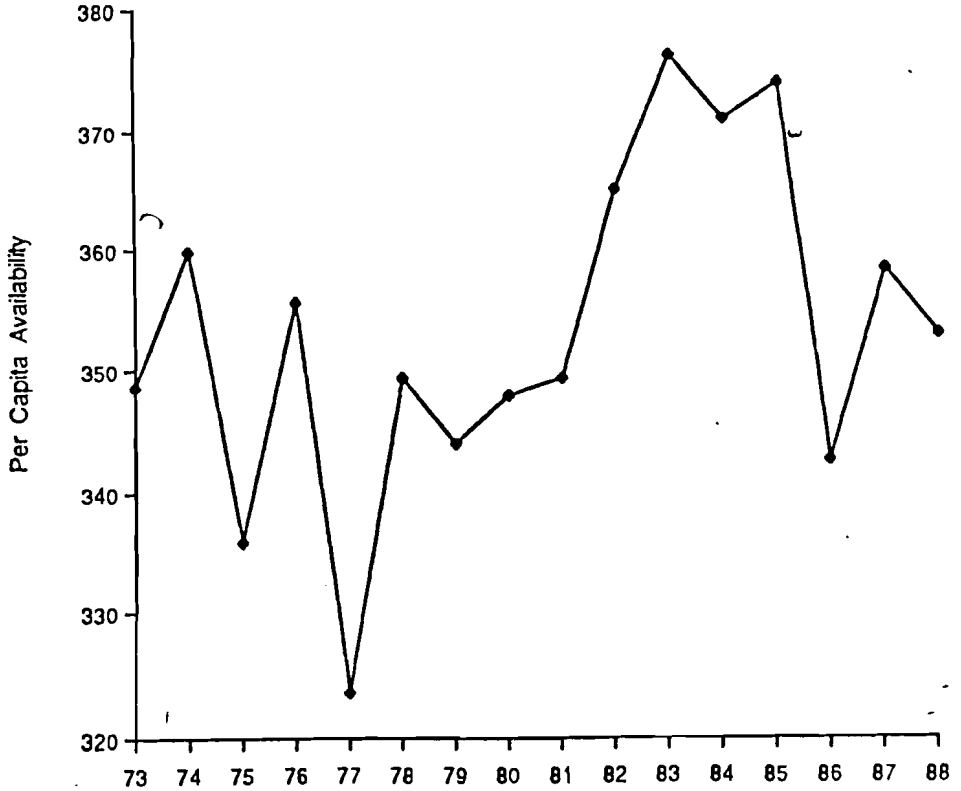


Figure 6B

B. Availability Per Capita (lbs)

1973-1988

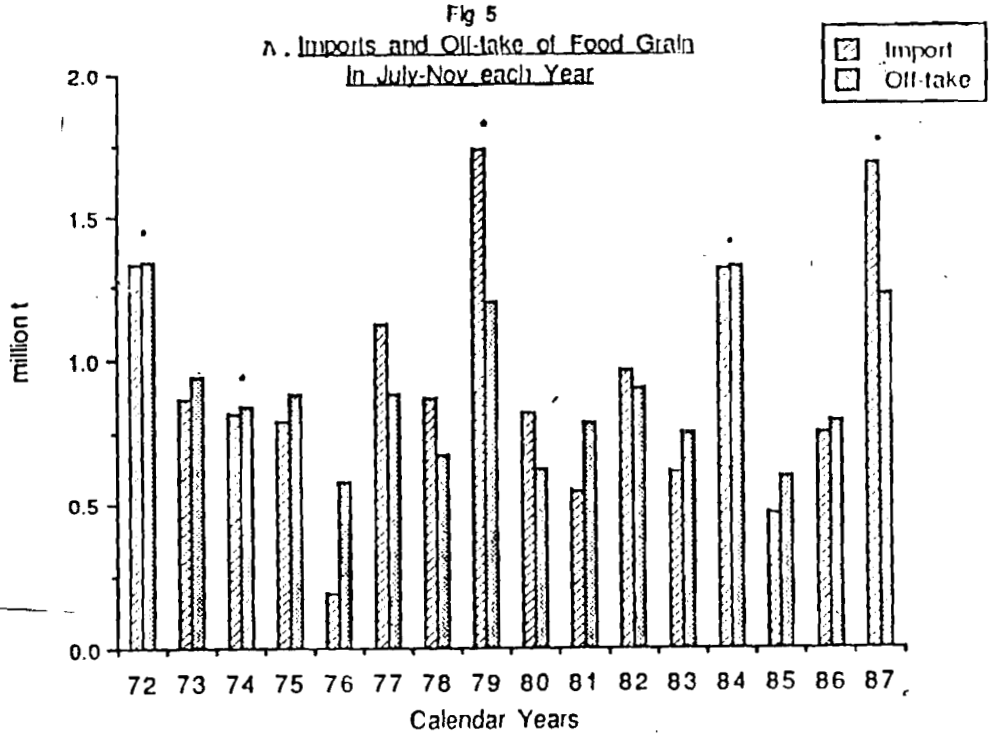


150

Annex N
Figure 5A

Fig 5

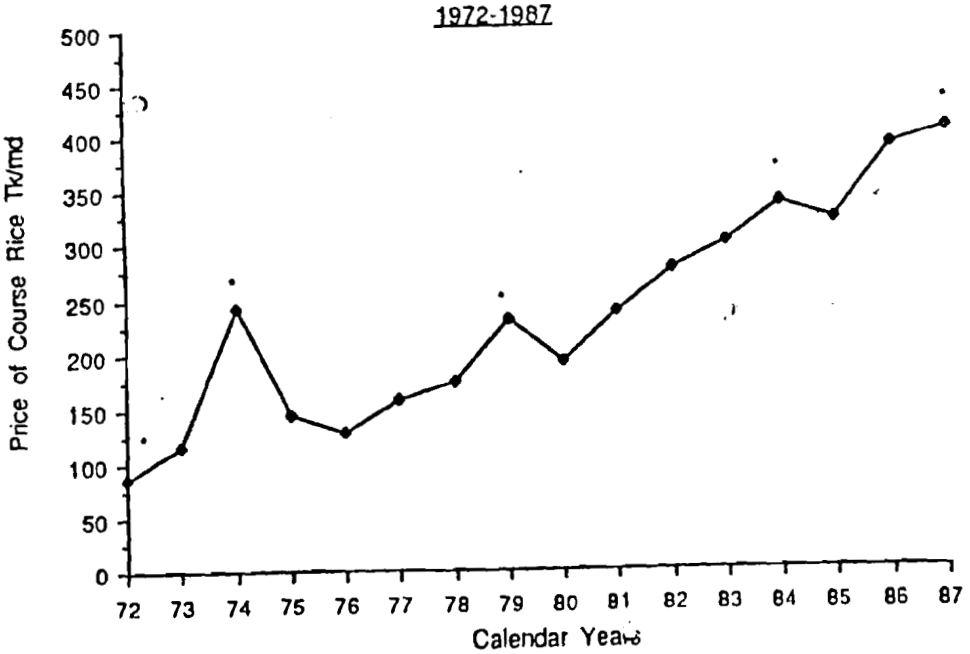
A. Imports and Off-take of Food Grain In July-Nov each Year



*Years in which aman harvest was expected to be less than normal

Figure 5B

B. Price of Course Rice (tk/md) 1972-1987



Annex N
Figure 7

MONTHLY COARSE RICE PRICE TREND

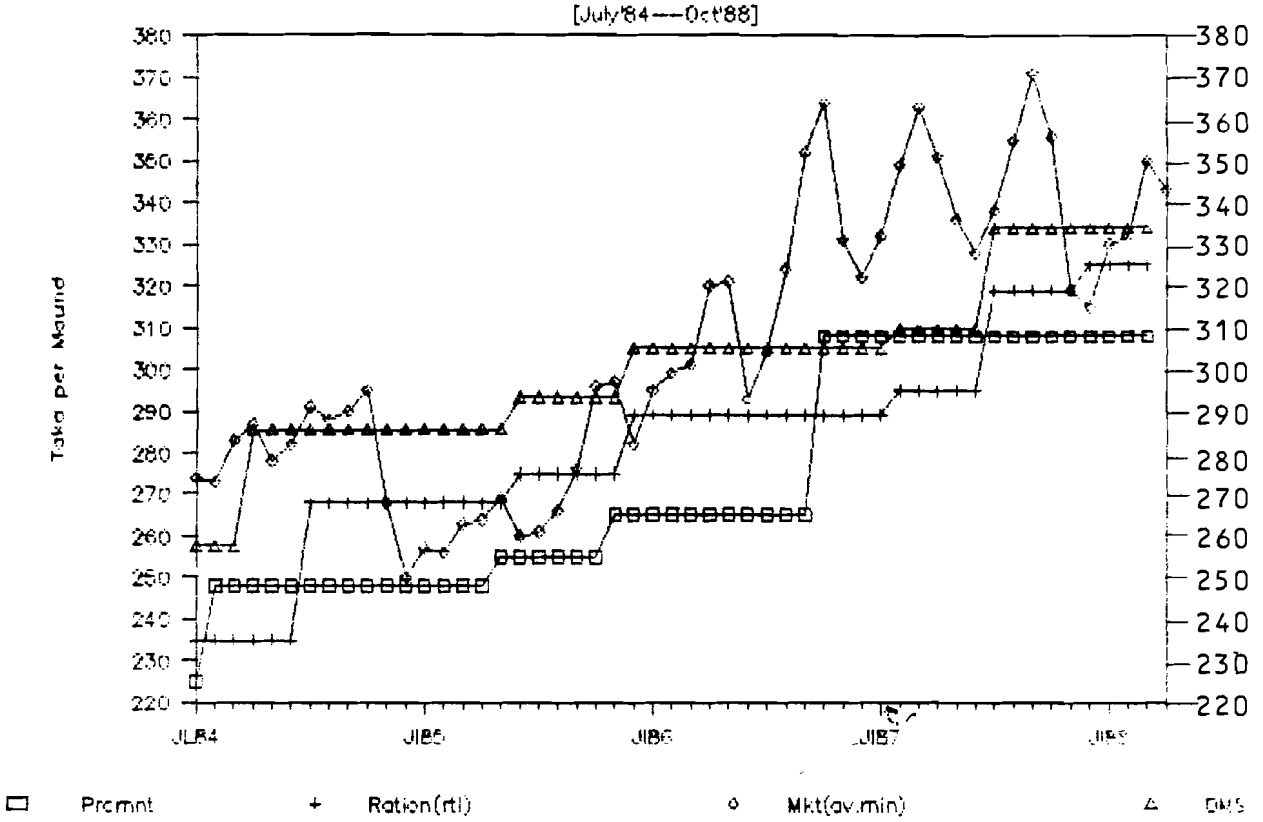
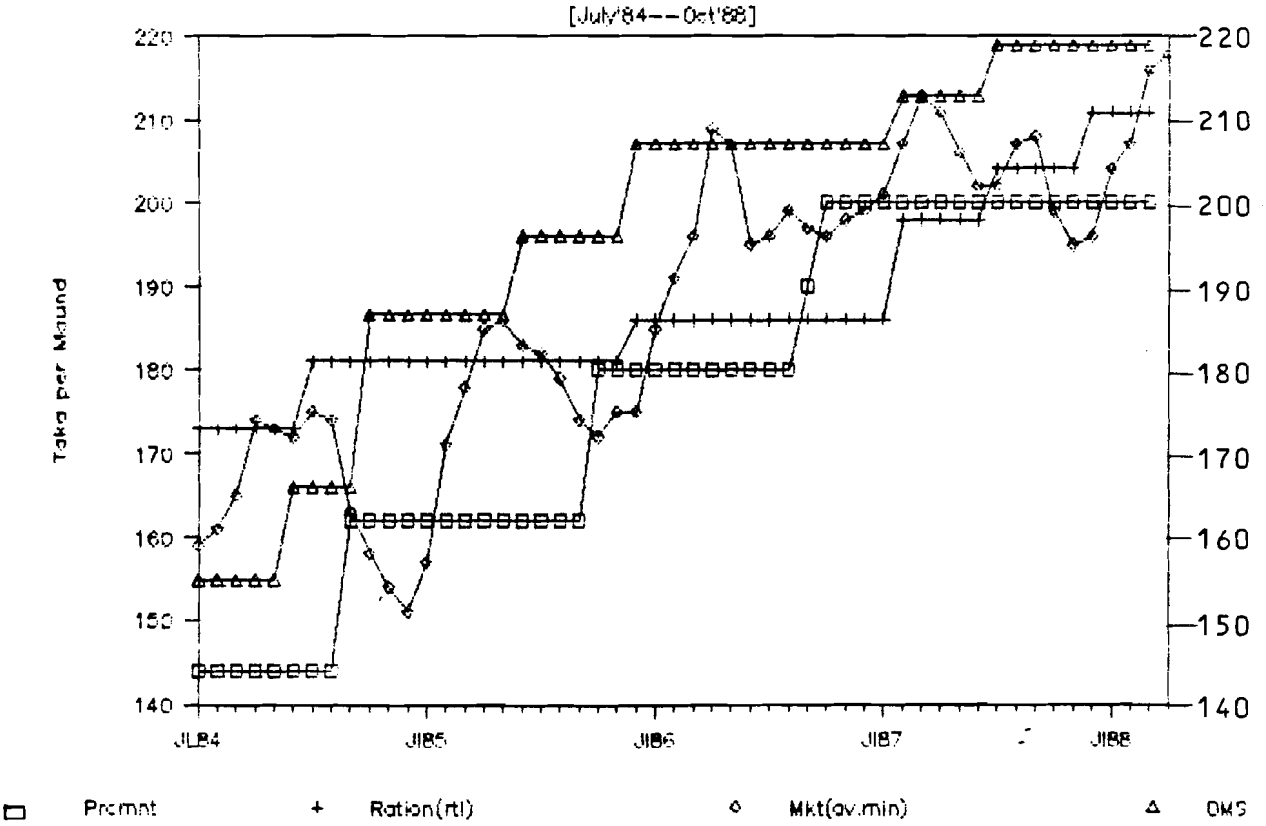


Figure 8A

MONTHLY WHEAT PRICE TREND



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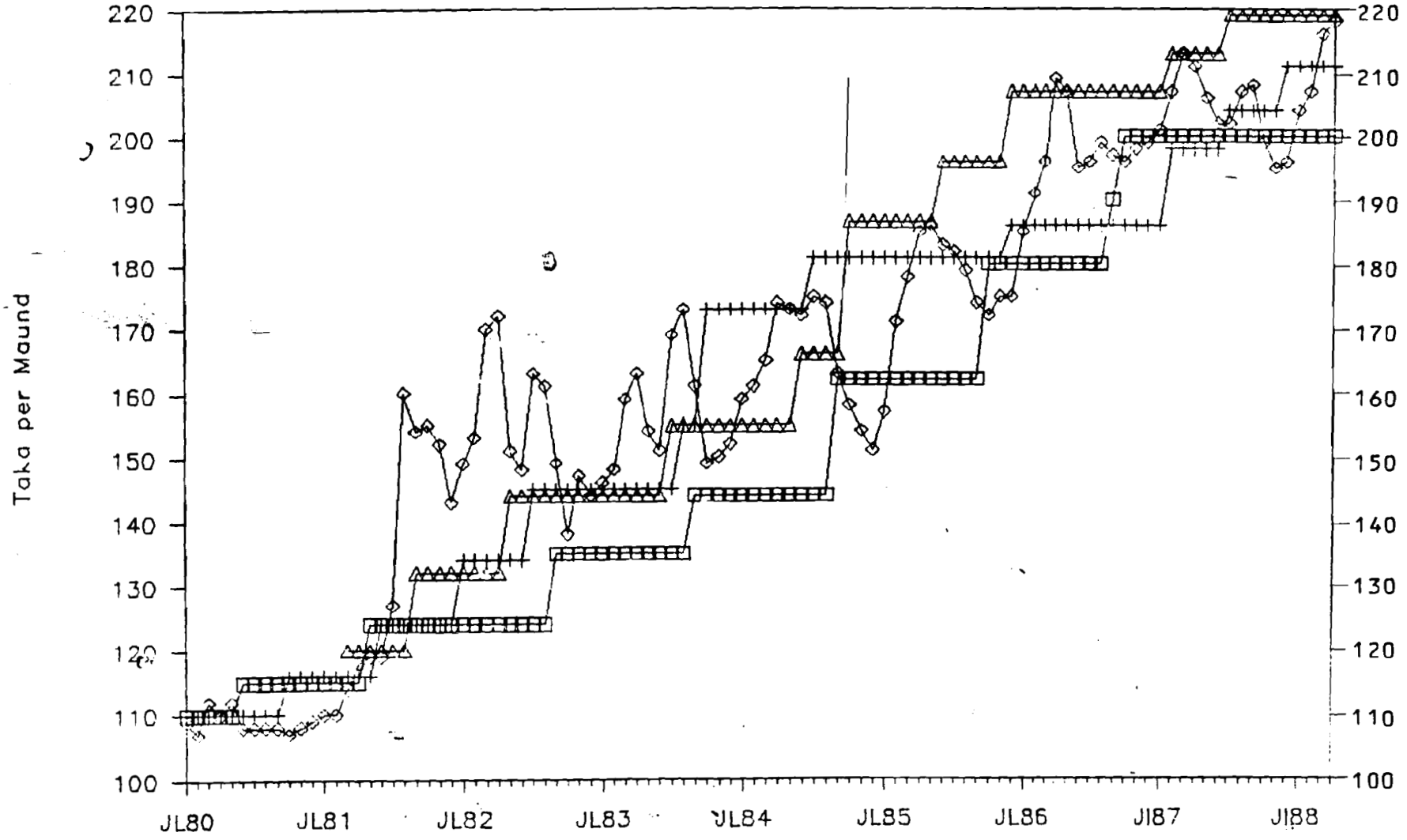
MONTHLY WHEAT PRICE TREND

[July'80--October'88]



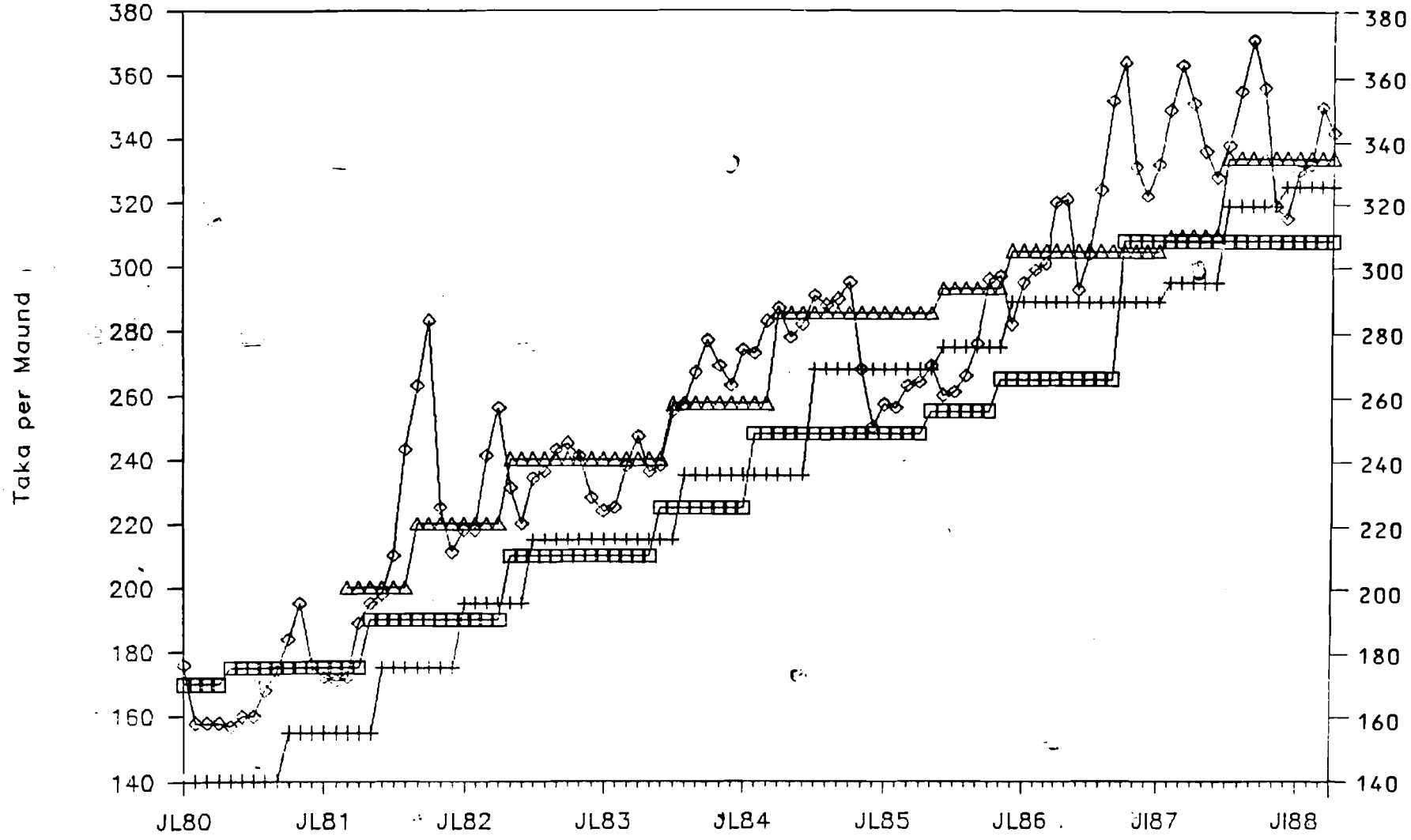
□ Prcmnt + Ration(rtl) ◇ Mkt(av.min) △ OMS

Ibrahim/OFA/USAID,Dhaka (11/15/88)

Annex N
Figure 8B

MONTHLY COARSE RICE PRICE TREND

[July'80--October'88]



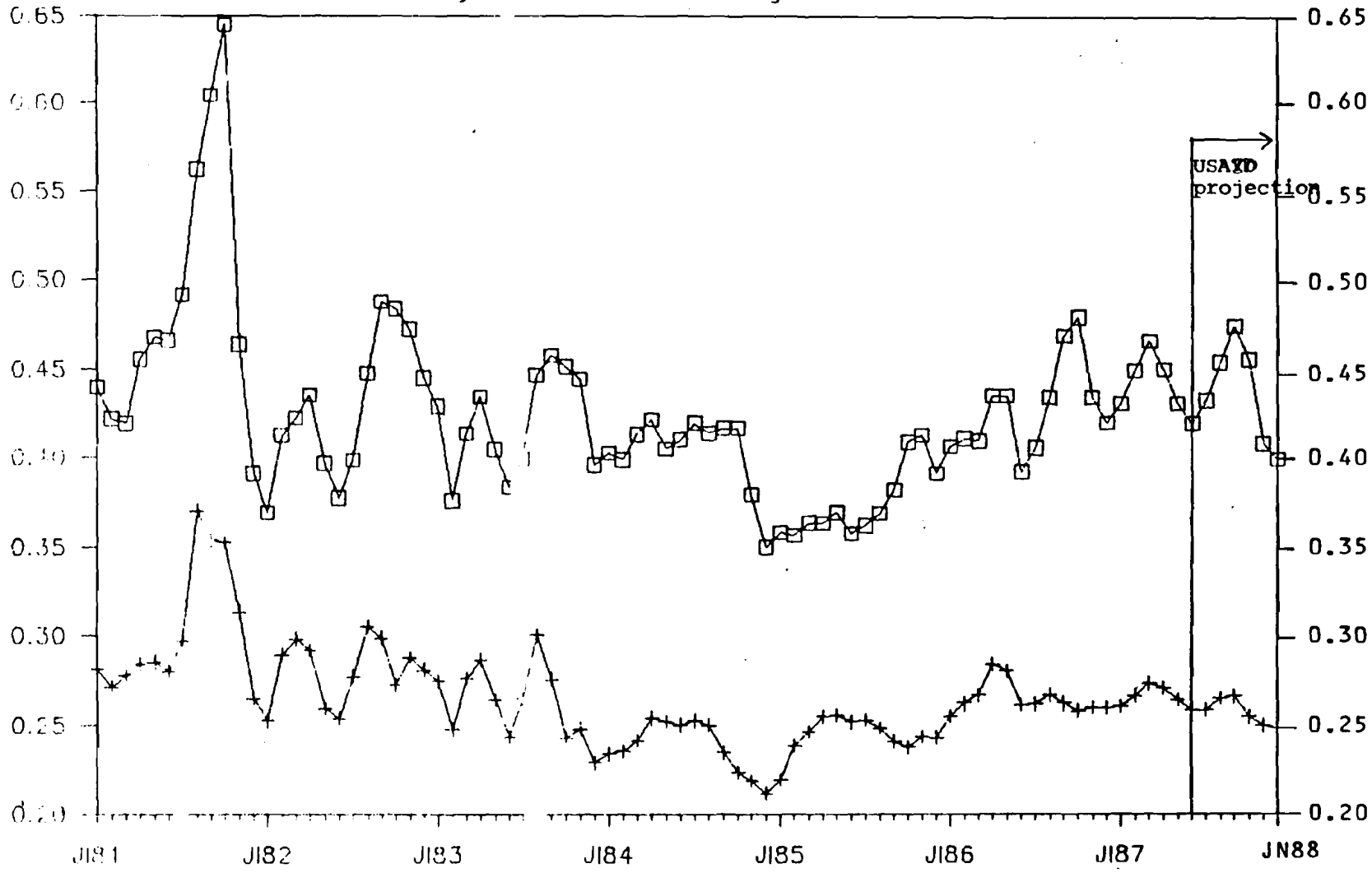
□ Prcmnt + Ration(rtl) ◇ Mkt(av.min) △ OMS

Ibrahim/OFA/USAID,Dhaka (11/15/88)

Annex N
Figure 9

DEFLATED RETAIL WHEAT & RICE PRICES

Defl.by BBS Rural Dhk Clothing Pr.Index



□ Rice Price index

+ Wheat Price Index

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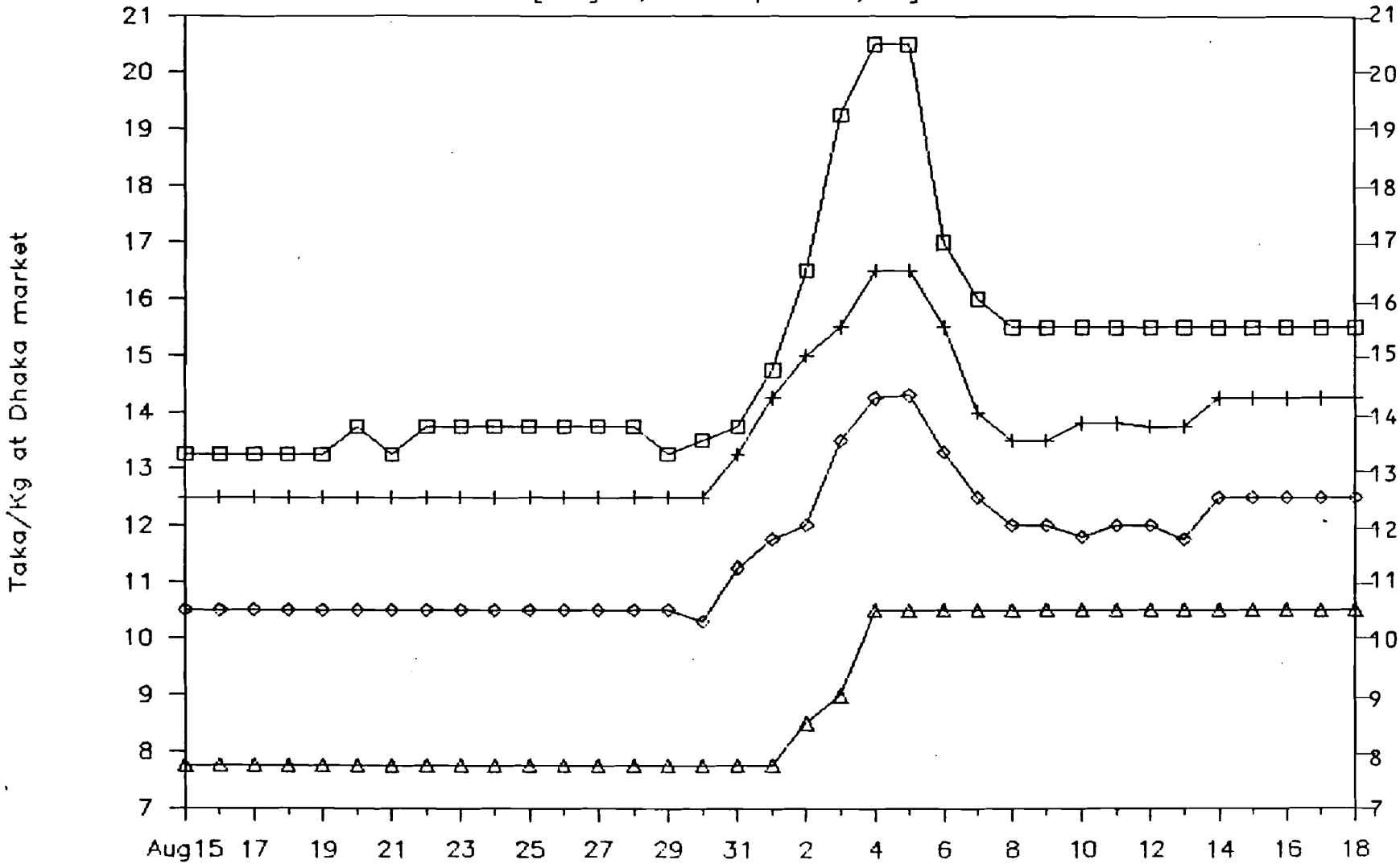
Annex N
Figure 10

DAILY FOODGRAIN PRICES TREND, FLOOD'88

[August,15 — September,18]



□ Fine Rice + Med.Rice ◇ Coarse Rice △ Wheat Atta

Note: Atta prices since 9/9/88 has been revised to make those comperable.
Our earlier version contains whole wheat prices for those days instead of atta (flour).

Data source: Department of Agricultural Marketing, MOA, Dhaka.

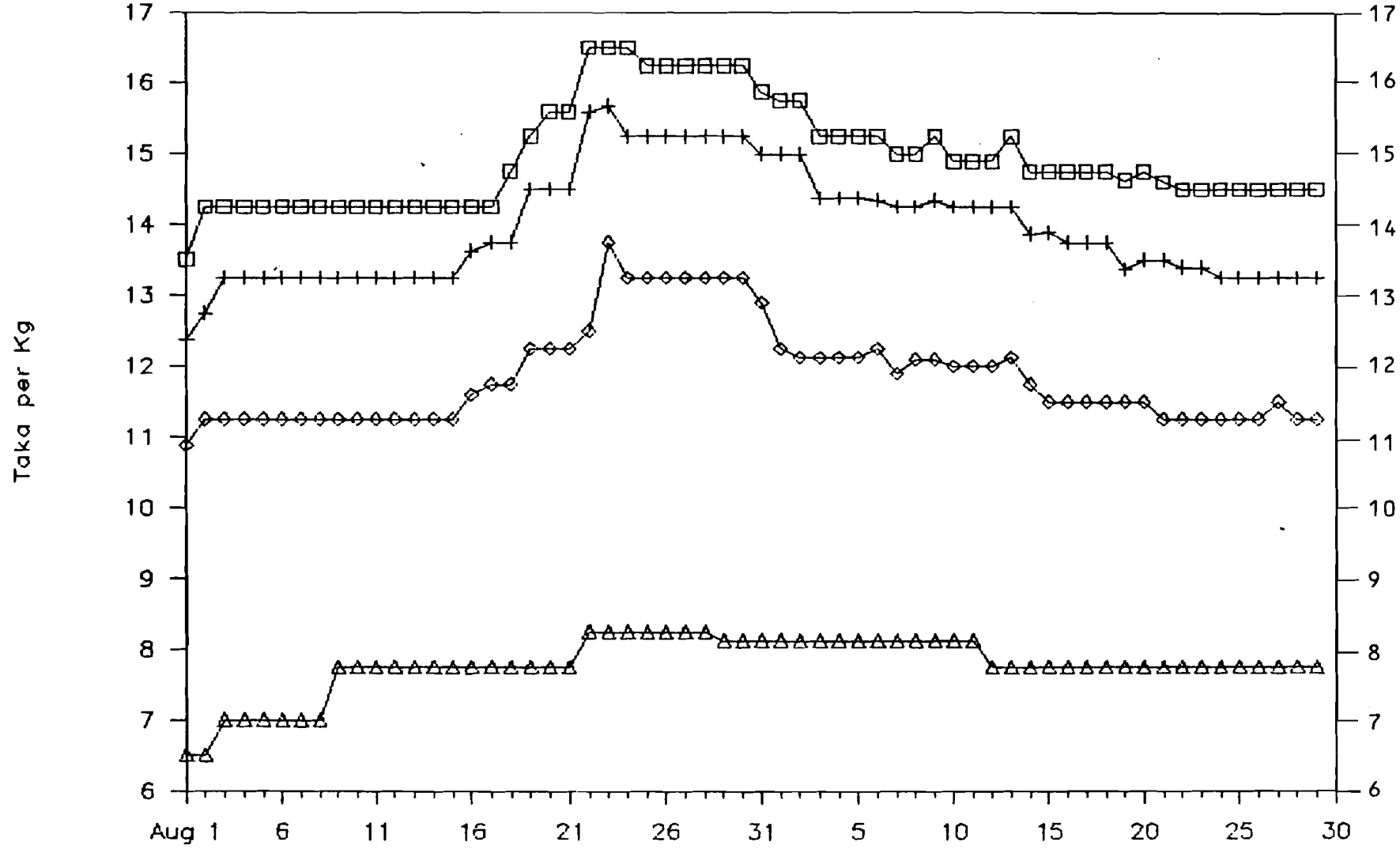
Ibrahim/OFA/USAID (9/19/88)

Annex N
Figure 11

96

DAILY FOODGRAIN PRICES TREND, FLOOD'87

[8/1/87 -- 9/30/87]



□ Fine Rice + Med.Rice ◇ Cors.Rice Δ Wheat Atta

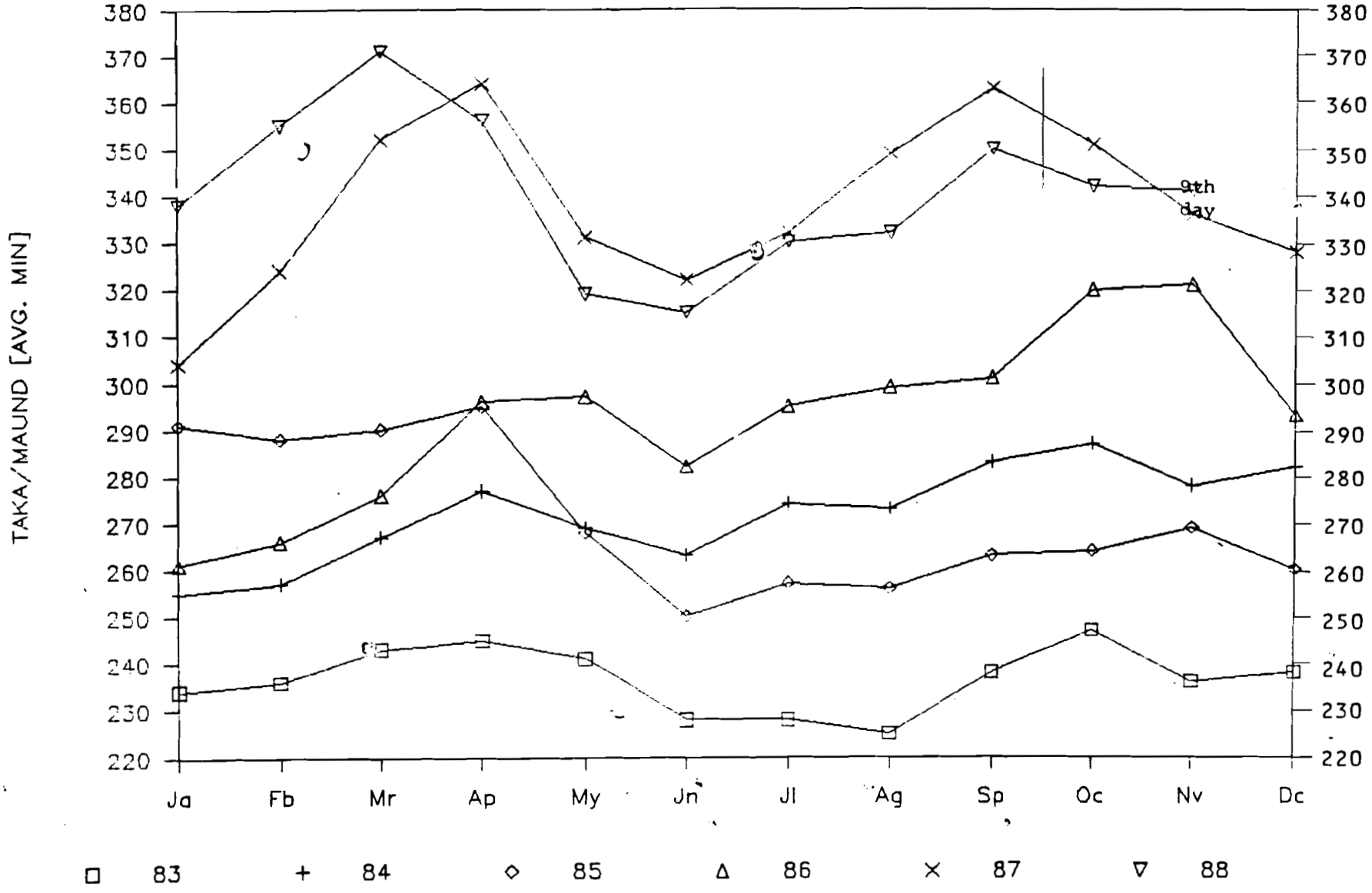
Data source: Department of Agricultural Marketing, Dhaka.

Ibrahim/OFA/USAID (9/15/88)

Annex N
Figure 12

MONTHLY COARSE RICE RETAIL PRICE

[CY1983--CY1988]



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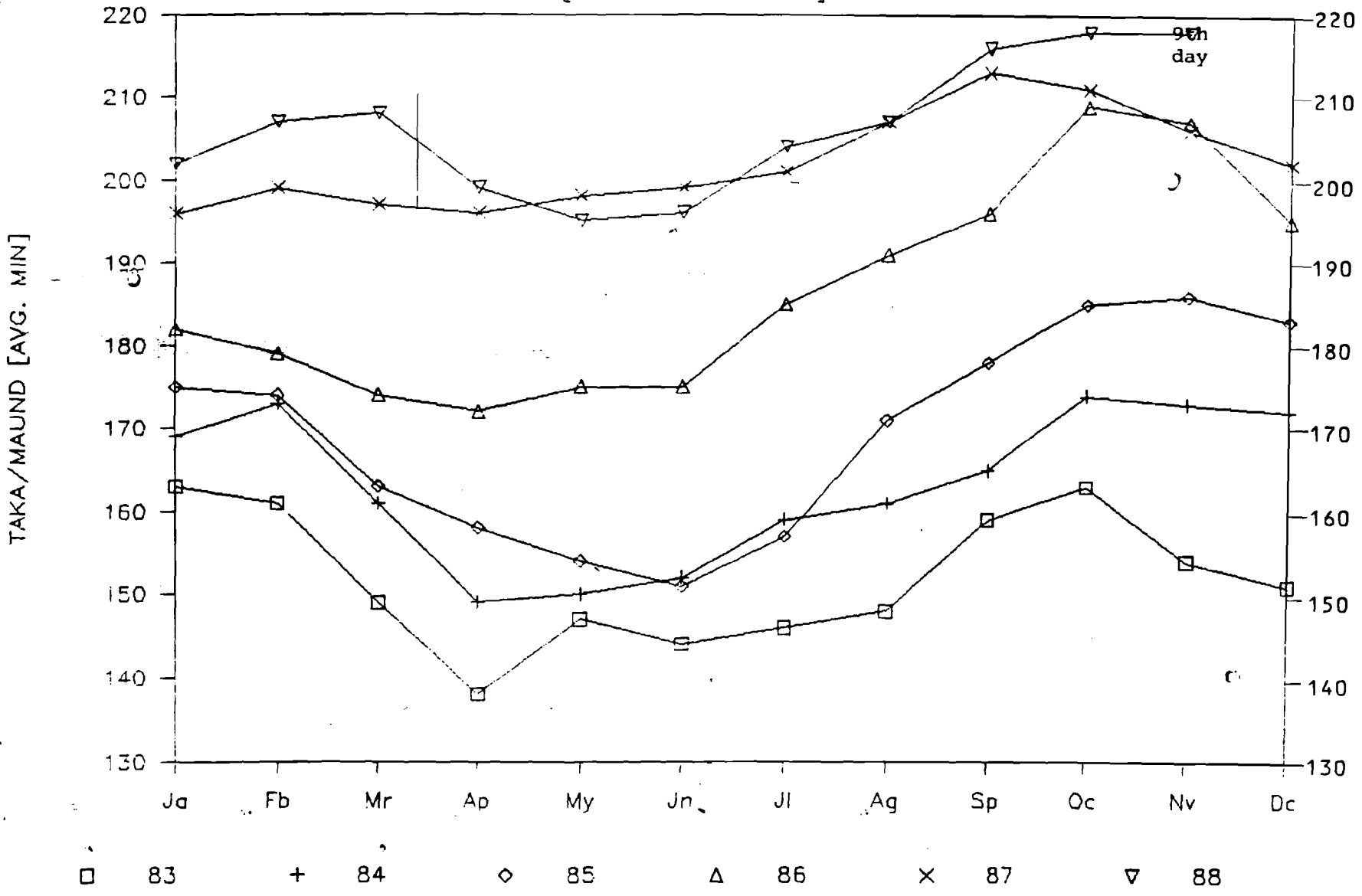
Annex N
Figure 13

158

MONTHLY WHEAT RETAIL PRICE

[CY1983--CY1988]



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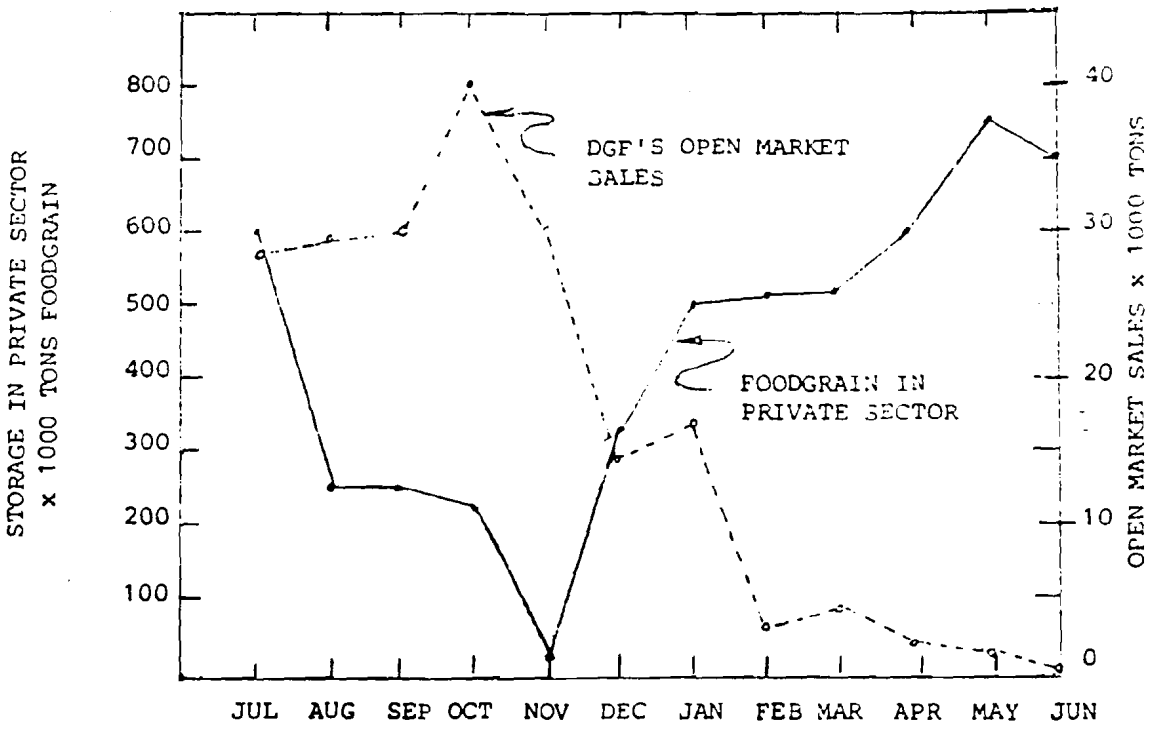
Annex N
Figure 14

MONTHLY BALANCE IN PRIVATE SECTOR
STORAGE AND MONTHLY OPEN MARKET
SALES BY DGF. 1984/85 - FOODGRAIN



21.7% of Open Market Sales are rice

78.3% of Open Market Sales are wheat.

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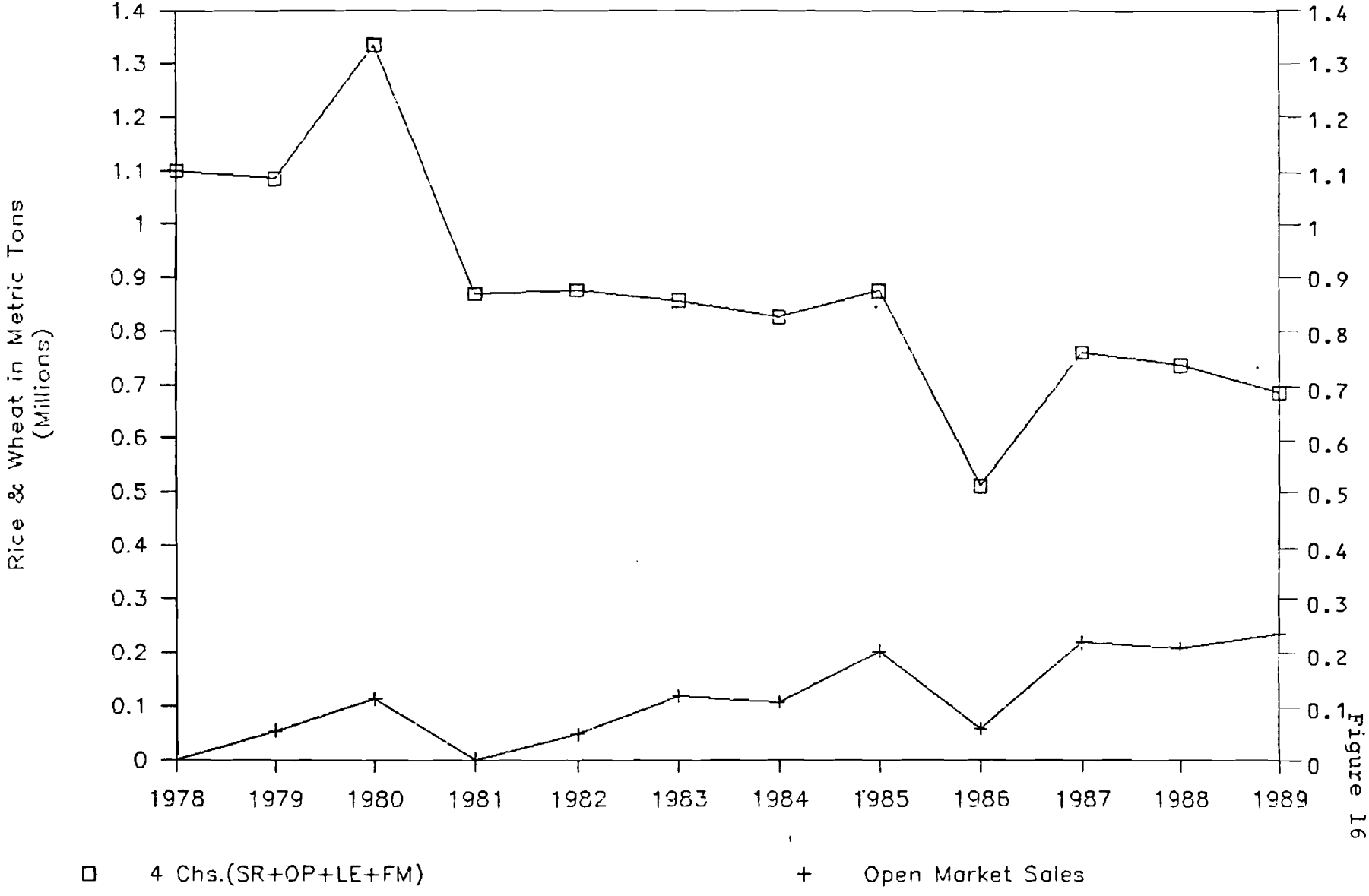
PFDS OFFTAKES BY SPECIFIC CHANNELS

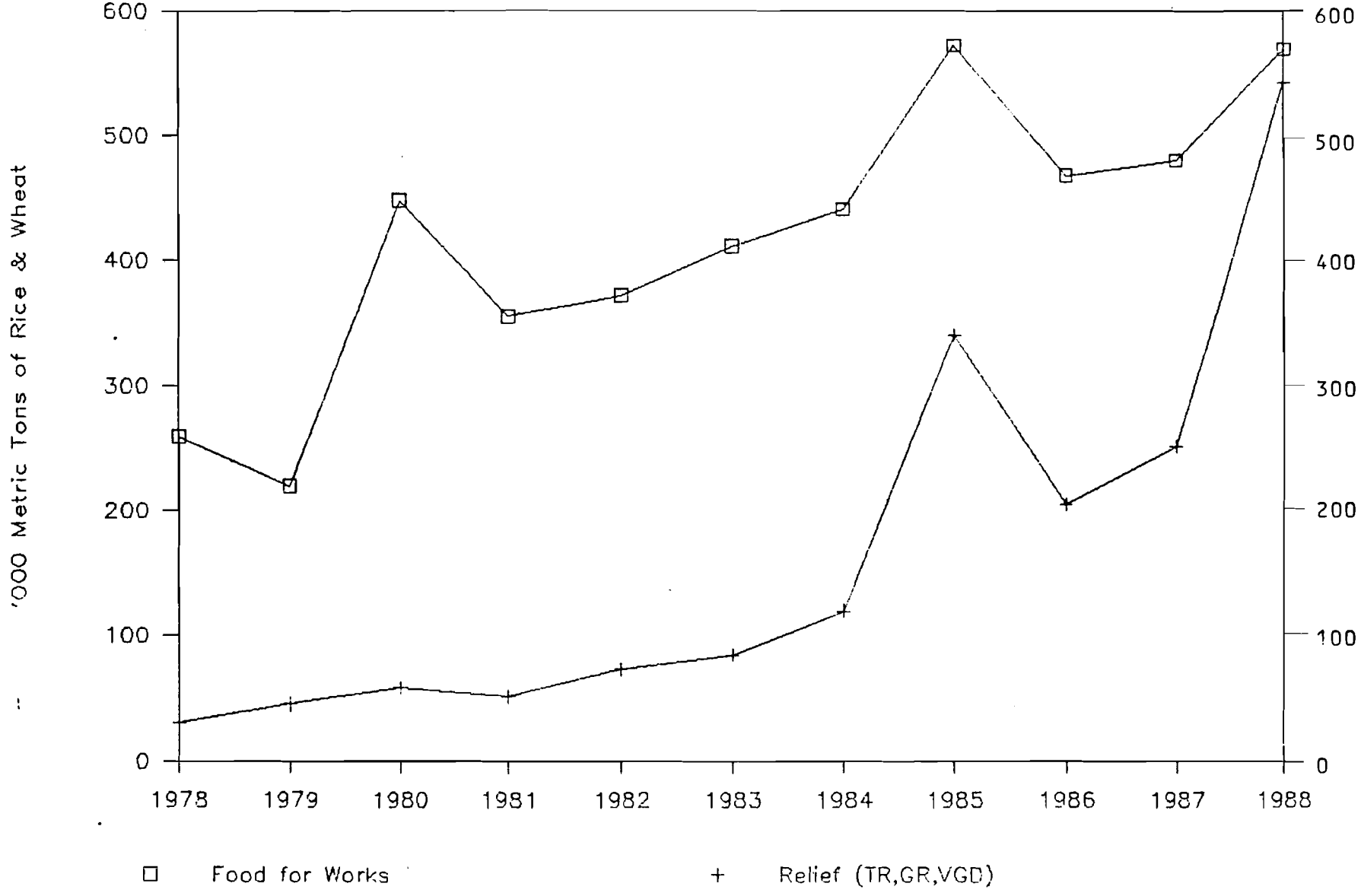
[FY1989 Figures are projected]



Annex N
Figure 16

OFFTAKES BY FFW & RELIEF CHANNELS

[BDGFY1978 -- BDGFY1988]

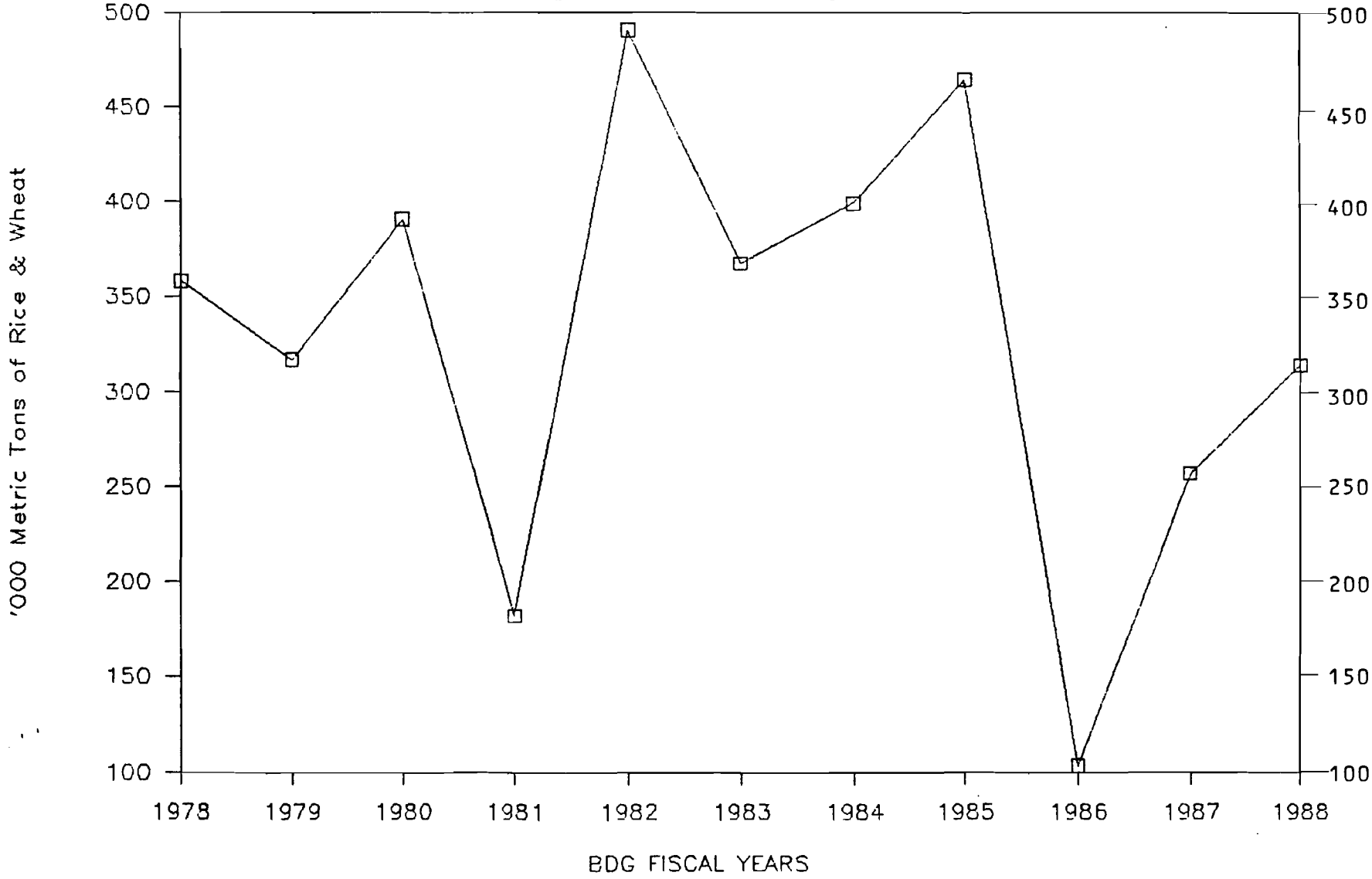


Annex N
Figure 17

Ibrahim/OFA/USAID,Dhaka (11/08/88)

OFFTAKES BY MODIFIED RATION CHANNEL

[FY1978 -- FY1988]



Annex N
Figure 18

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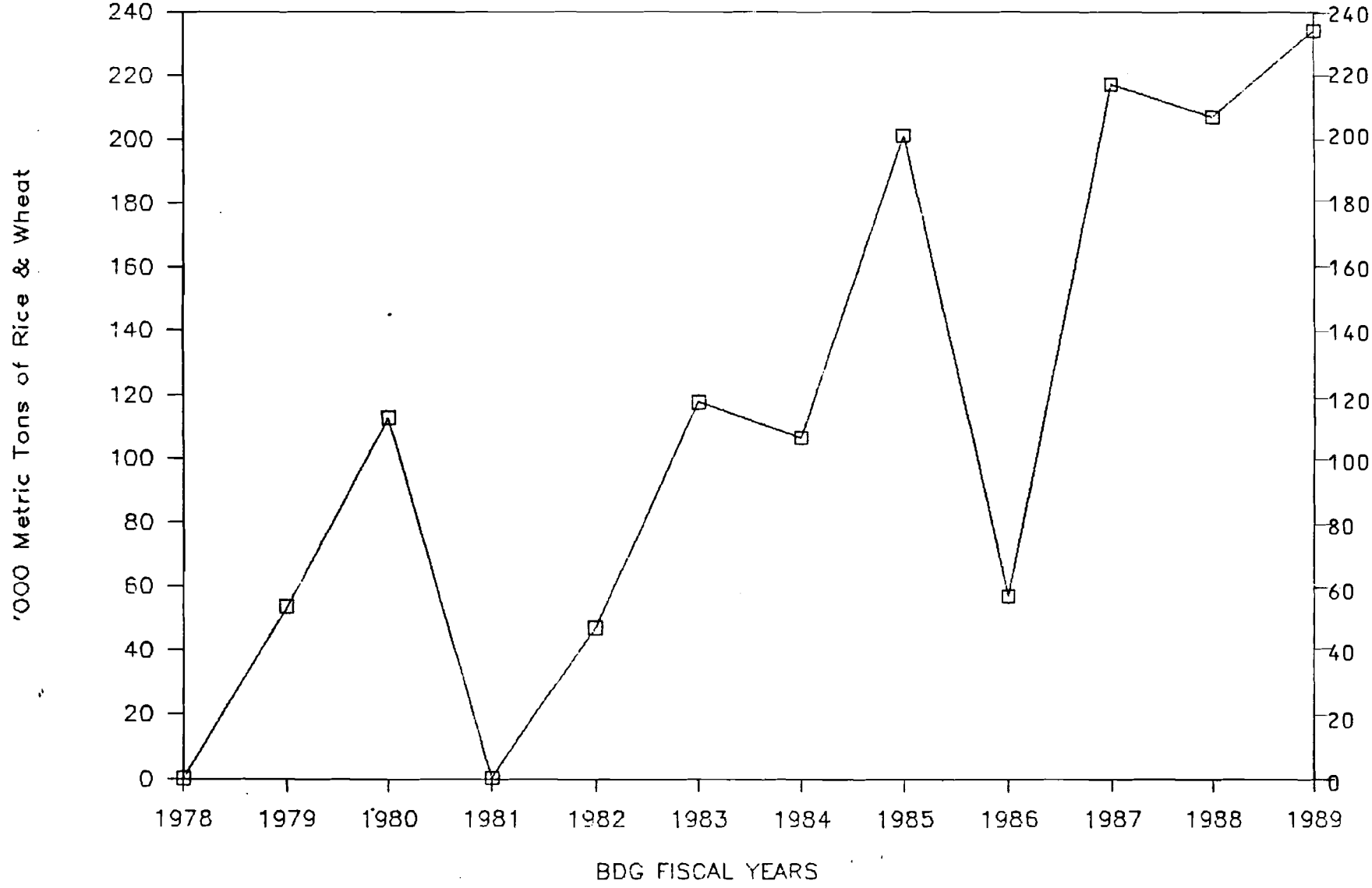
163

OPEN MARKET SALES OPERATION BY VOLUME

[FY1989 Figure is Projected]



Annex N
Figure 19

Ibrahim/OFA/USAID,Dhaka (11/08/88)

-164