

**MONTHLY REPORT ON PRICES FARMERS PAID FOR CHEMICAL FERTILIZER  
IN BANGLADESH**

**(December 1978)**

**USAID/Bangladesh**

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MONTHLY REPORT ON PRICES FARMERS PAID FOR CHEMICAL  
FERTILIZER IN SOME SELECTED AREAS OF BANGLADESH

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Introduction

As an initial step in the Fertilizer Distribution Improvement Project, AID is assisting the Bangladesh Government in expanding the supply of fertilizer in the Chittagong Division during 1978/79. The success of the fertilizer supply program will depend on whether or not farmers in remote areas are able to purchase all the fertilizer they need at official government prices.

From November 1978 a six-month daily survey of farmers purchasing fertilizer was initiated in Comilla and Noakhali Districts of Chittagong Division. In December information was gathered from 127 respondents in five remote locations, two in Noakhali and three in Comilla. (Thana level fertilizer purchase prices are summarized in Table 6).

Villages in remote areas were selected to conduct the monitoring in order to be able to assess the impact of distance and poor communications on chemical fertilizer availability, sales and prices. A profile of each survey village is contained in Annex B of the November Report.

This report covers the period of December 1978 which is the first month of introduction of a new BADC directive that expanded private sector participation in fertilizer distribution throughout Chittagong Division. Principal findings of the survey for the month of December were as follows:

### Summary of Findings

1. The number and percentage of farmers paying official prices for fertilizer were: Urea-42 of 110 buyers or 38.2 percent; TSP-3 of 112 buyers or 2.7 percent; MP-3 of 68 buyers or 4.4 percent. The breakdown of respondents is shown in Table 1.

Table 1: The Structure of Fertilizer Purchase Prices

<u>Price of Fertilizer</u>	<u>Urea</u> (Prices in Taka per Maund)	<u>TSP</u>	<u>MP</u>
Official price	70.00	55.00	45.00
Average price paid	77.07	71.69	50.34
Difference	+ 7.07	+ 16.69	+ 5.34
% Difference	10%	30%	12%

### Number Buying Fertilizer

Total	110	112	68
At official price	42	3	3
Above official price	<u>68</u>	<u>109</u>	<u>65</u>
5 Taka or less above	11	22	58
More than 5 taka above	57	87	7

2. As compared to November, farmers paid more for the purchase of chemical fertilizer in December. On average, the price increased for per maund of fertilizer was: Urea-Tk4.79 or 6.60 percent; TSP - Tk. 7.79 or 12.20 percent; MP - Tk. 1.32 or 2.70 percent. Monthly comparison of fertilizer purchase prices is shown in Table 2.

Table 2 : Monthly Comparison of Chemical Fertilizer Purchase Prices

(Average price paid in Taka per Maund)

	<u>November</u>	<u>December</u>	<u>Difference</u> <sup>1/</sup>
Urea	72.28	77.07	+ 4.79
TSP	63.90	71.69	+ 7.79
MP	49.02	50.34	+ 1.32

<sup>1/</sup> December price minus November price

3. The average quantity of fertilizer purchased by farmers at any one time was: Urea - 15.75 seers; TSP - 24.65 seers, MP - 8.45 seers. Highest quantity purchased at a time was recorded for Urea - 108 seers; TSP 160 seers; MP - 54 seers; and lowest quantity recorded for Urea - 0.75 seers; TSP - 1.5 seers and MP - 0.50 seers. The breakdown of respondents by quantity of fertilizer purchased is shown in Table 3.

Table 3 : Breakdown of Respondents by Quantity of Fertilizer Purchased (Single Purchase)

<u>Quantity Purchased</u>	<u>Number of Respondents</u>		
	<u>Urea</u>	<u>TSP</u>	<u>MP</u>
0.5 - 5 Seers	53	25	42
6 - 10 "	22	28	9
11 - 20 "	15	22	14
21 - 40 "	4	14	1
41 - 80 "	14	18	2
81 or more seers	2	5	-
Total	110	112	68

4. Chemical fertilizer was purchased largely for growing vegetables (51 respondents) followed by wheat (43 respondents) and oil seeds (28 respondents).

5. Both small and large farmers were included among chemical fertilizer purchasers. 43 percent of the respondents had 3.0 acres or less of land and 57 percent had more than three acres. Average area owned among respondents was as follows:

Table 4: Breakdown of Respondents by Amount of Land Owned

0.01 to 1.0 acre	13 respondents
1.1 to 2.0 acres	24 "
2.1 to 3.0 "	18 "
3.1 to 5.0 "	30 "
5.1 to 10.0 "	17 "
10.1 or more acres	25 "
Total	127 "

6. Small farmers (3.0 acres or less of land owned) and large farmers (more than 3.0 acres) paid about the same price for TSP and MP. However, for relatively abundant Urea small farmers as a group reported paying about Taka 5.75 (or 7.21 percent) less per maund than large farmers. Exact amounts paid by each of the farmer size groups was as follows:

Table 5 : Comparison of "Small" and "Big" Farmer Purchase Prices

<u>Farm Size</u>	<u>Urea</u>		<u>TSP</u>		<u>MP</u>	
	(Number)	(Price)	(Number)	(Price)	(Number)	(Price)
(a) 3.0 acres or less	50	73.93	45	71.55	33	50.43
(b) 3.1 acres or more	60	79.68	67	71.93	35	50.25
(c) Total	110	77.07	112	71.69	68	50.34
(d) Difference (a minus b)		-5.75		-0.38		+0.18

7. Area cultivated by respondents averaged 0.45 acres. The largest was 4.0 acres and smallest 0.02 acre.

8. Most of the respondents purchased chemical fertilizer from daily(bazar) or weekly (hat) markets. Only fifteen reported buying from established local dealers.

9. The distance fertilizer was hauled by respondents averaged 1.13 miles and ranged from 0.12 to 3.5 miles.

10. The most popular modes of transport were head or hand carrying (109 respondents); rickshaw (16 respondents), and bus (2 respondents).

Table 6 : Thana Level Fertilizer Purchase Price <sup>1/</sup>  
(Average Monthly Price Paid in Taka Per Maund)

	<u>Urea</u>	<u>T. S. P.</u>	<u>MP</u>
<u>Sonagazi Thana, Noakhali</u>			
November	70.50 (A to S)	59.71 (A to S)	47.20 (A to S)
December	71.54 (S)	62.11 (S)	50.00 (S)
<u>Sudharam Thana, Noakhali</u>			
November	78.08 (A to L)	67.91 (S to L)	50.60 (L)
December	85.75 (A to L)	71.21 (A to L)	48.00 (A to L)
<u>Burichong Thana, Comilla</u>			
November	71.43 (A)	59.56 (A to L)	48.16 (A to L)
December	78.20 (S to L)	79.46 (S to L)	59.20 (L)
<u>Chandpur Thana, Comilla</u>			
November	69.40 (A to S)	65.78 (A to S)	47.92 (A to S)
December	69.51 (A)	75.30 (A to S)	50.10 (A)
<u>Barura Thana, Comilla</u>			
November	71.11 (S to L)	59.92 (A to L)	50.53 (A to L)
December	75.87 (A to L)	70.58 (A to L)	50.61 (A to S)

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<sup>1/</sup> Condition of Market: (A) = Abundant; (S) = Satisfactory  
(L) = Limited; (N) = No fertilizer available