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

(March 1979)

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 five-month daily survey of farmers purchasing fertilizer was initiated. In March information was gathered from 176 respondents in six locations, three in Noakhali and three in Comilla. (Monthly average 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 the November Report.

This report covers the month of March 1979 which is the fourth month since introduction in December 1978 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 March were as follows:

Summary of Findings

1. The numbers and percentage of farmers paying official prices for fertilizer were: Urea - 66 of 125 buyers or 59 percent; DAP - 2 of 4 buyers or 50 percent; TSP - 8 of 142 buyers or 6 percent; MP - 4 of 43 buyers or 9 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>	<u>DAP</u>	<u>TSP</u>	<u>MP</u>
	(Prices in Taka Per Maund)			
Official price	70.00	70.00	55.00	45.00
Average price paid	75.16	72.50	68.36	52.83
Difference	+5.16	+2.50	+13.36	+7.83
% Difference	7%	4%	24%	17%

Number Buying Fertilizer

Total	125	4	142	43
At official price	66	2	8	4
Above office price	<u>59</u>	<u>2</u>	<u>134</u>	<u>39</u>
5 Taka or less above	<u>26</u>	-	31	25
More than 5 Taka above	33	2	103	14

2. As compared to February, farmers in March paid on the average less for Urea, about the same price for TSP, and more for MP. On the average the per maund price decrease for Urea was Tk. 10.61 or 12 percent and for MP Tk. 3.65 or a 7 percent price increase. Monthly comparisons of fertilizer purchase prices are shown in Table 2.

Table 2: Monthly Comparison of Chemical Fertilizer Purchase Prices

(Average price paid in Taka per Maund)

	<u>February</u>	<u>March</u>	<u>Difference</u> ^{1/}
Urea	85.77	75.16	- 10.61
TSP	69.32	68.36	- 0.96
MP	49.18	52.83	+ 3.65

1/ March price minus February price

3. The average quantity of fertilizer purchased by farmers at any one time was: Urea, 28.24 seers; DAP, 20.75 seers; TSP, 30.45 seers; MP, 11.27 seers.

The largest quantity purchased at a time was: Urea, 108 seers; DAP, 54 seers; TSP, 108 seers; MP, 40 seers; and lowest quantity recorded was : Urea, 0.50 seer; DAP, 2 seers; TSP, 1 seer; MP 0.25 seer. 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>DAP</u>	<u>TSP</u>	<u>MP</u>
0.5 - 5 seers	35	1	29	20
6 - 10 "	21	1	19	7
11 - 20 "	15	1	26	13
21 - 40 "	14	-	17	3
41 - 80 "	34	1	45	-
81 or more seers	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>
Total:	125	4	142	43

4. Chemical fertilizer was purchased largely for growing paddy (125 respondents) followed by Jute (28 respondents), vegetables (16 respondents), and oil seeds, spices and sugarcane (7 respondents).

5. Both small and large farmers were included among chemical fertilizer purchasers. About 46 percent had 3.0 or less of land and 54 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 acre	26 respondents
1.1 to 2 acres	33 "
2.1 to 3 "	22 "
3.1 to 5 "	38 "
5.1 to 10 "	47 "
10.1 or more acres	<u>10</u> "
Total:	176 "

6. Small farmers (3.0 acres or less of land owned) as a group reported paying per maund ^{for} fertilizer than large farmers (more than 3.0 acres of land owned) : about Taka 6.91 less for Urea, Taka 5.00 less for DAP, Taka 1.33 less for TSP and Taka 4.03 less for MP.

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

<u>Farm Size</u>	<u>Urea</u>		<u>DAP</u>		<u>TSP</u>		<u>MP</u>	
	<u>(No.)</u>	<u>(Price)</u>	<u>(No.)</u>	<u>(Price)</u>	<u>(No.)</u>	<u>(Price)</u>	<u>(No.)</u>	<u>(Price)</u>
(a) 3.0 acres or less	68	72.01	2	70.00	58	67.71	20	50.68
(b) 3.1 acres or more	57	78.92	2	75.00	84	69.04	23	54.71
(c) Total	125	75.16	4	72.50	142	68.36	43	52.83
(d) Difference (a minus b)		- 6.91		- 5.00		- 1.33		- 4.03

7. Area cultivated by respondents averaged 0.89 acres. The largest was 4.0 acres and smallest 0.02 acre.

8. Of the respondents 89 reported buying chemical fertilizer from established local dealers, and 87 purchased from daily (bazar) or weekly (hat) market s.

9. The distance fertilizer was hauled by respondents averaged 0.94 mile and ranged from 0.12 to 4.0 miles.

10. The most popular mode of transport was head or hand carrying (137 respondents); 22 respondents used bullock carts, 15 respondents hired rickshaws and 2 respondents used boats for transport of chemical fertilizers.

Table 6 : Thana Level Fertilizer Purchase Price ^{1/}

(Average Monthly Price Paid in Taka Per Maund)

	<u>Urea</u>	<u>DAP</u>	<u>TSP</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)
January	74.28 (S to L)	-	67.46 (S to L)	47.50 (S to L)
February	70.42 (A to S)	-	67.00 (S to L)	50.00 (A)
March	70.00 (A to S)	60.00(L)	58.85 (A to S)	-
<u>Ramgati Thana, Noakhali</u>				
November	70.00 (A)	-	67.20 (A)	-
January	70.48 (A)	-	60.62 (A)	-
March	80.00 (A)	-	77.16 (A to 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)
January	109.63 (S to L)	-	76.63 (S to L)	-
February	114.83 (S to L)	-	79.26 (S to L)	-
March	82.95 (S to L)	-	68.22 (S to L)	60.92 (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)
January	70.00 (A)	70.00(A)	72.85 (A)	50.00 (A)
February	72.50 (A to S)	-	77.27 (A to L)	49.38 (A to L)
March	69.96 (A to L)	-	69.83 (A to L)	49.56 (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)
January	77.73 (A)	79.04 (A)	74.83 (A to L)	50.20 (A to L)
February	77.68 (A)	-	72.18 (A)	50.00 (A)
March	74.00 (A)	76.66 (A)	69.60 (A to L)	47.40 (A to S)
<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)
February	73.41 (A to L)	-	61.23 (A to L)	49.16 (A to L)
March	71.05 (A to L)	-	59.62 (A to L)	49.69 (S to L)

Table 6 continued...

	<u>Urea</u>	<u>DAP</u>	<u>TSP</u>	<u>MP</u>
<u>Kamalganj Thana, Sylhet</u>				
January	71.19 (S)	-	56.88 (S)	47.72 (S)
February	71.75 (S)	-	57.75 (S)	47.33 (S)

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