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SESSION 11: SYNTHESIS AND CONCLUSION

**Background paper (11b):
NATIONAL FOOD POLICY 1988**

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NATIONAL FOOD POLICY 1988

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Government of the People's Republic of Bangladesh
Ministry of Food

NATIONAL FOOD POLICY

April 1988

(Transcript: From Bengali to English)

Translated by: Mahabubur Rahamn, IFPRI

National Food Policy

1988

National Food Policy may be defined as those policy packages in pursuance of which the Govt. undertakes various programs for smooth conduct of foodgrain production, procurement, stock and distribution aimed at maintaining steady supply of foodgrain in the country:

Objectives:

National Food Policy formulated in the light of production, availability, supply and distribution of food in Bangladesh has the following main objectives.

- a) To achieve self-sufficiency in food through ensuring production in response to requirement of foodgrain in the country.
- b) To encourage farmers to grow more foodgrain through procurement at incentive price.
- c) To take appropriate measures for proper supply and distribution of foodgrain procured from domestic production as well as external sources.
- d) To make foodgrain available to low income families, unemployed and destitute through various production oriented works programs.
- e) To maintain stable market price of foodgrain with reference to production cost and purchasing power of consumers.

- f) To maintain proper storage of the foodgrain procured from internal and other sources.
- g) To build up a security reserve of foodgrain to meet emergency situation and to keep the price of foodgrain under control.
- h) To consolidate the food management system in order to reduce the subsidy gradually.

Food policy packages in the light of country's current foodgrain production, procurement, distribution etc. and within the present structure of food management may be as follows. This policy is meant for cereals only.

Food Policy Package

1. Self-sufficiency in food must be achieved by the year 1990 by reducing the present food deficit gradually.
2. To attain self-sufficiency in food, the Ministry of Agriculture will ensure application of modern agricultural technology and necessary inputs.
3. Dependence on import has to be gradually reduced through increasing production in future.
4. The Ministry of Food, on the basis of domestic production of foodgrain, would prepare food budget at the beginning of the year, and make arrangement for import of the projected shortfall. The Ministry of Food will build up adequate food reserve in view of population and the requirement at the national level.

5. The Ministry of Food will procure maximum quantity of foodgrain from farmers at domestic source in view of production potential and market price.
6. If the quantity of food aid normally received by Bangladesh annually does not meet the food deficit, the shortfall may be met through import under cash for building up the security reserve. Two cereals, that is, rice and wheat should be imported by Ministry of Food.
7. The Ministry of Food would increase supply and control market price of foodgrain through distribution under various channels.
8. Distribution of foodgrains should be increased in rural areas by reducing gradually the distribution of the same in urban areas. To achieve this, MR and OMS operation should be made more effective. More emphasis should be put on FFWP distribution of food amongst destitute.
9. OMS should be resorted to make foodgrain easily available to consumers in all densely populated areas including Dhaka at open market sale price.
10. The quantity of cereal release should be determined on the basis of nutritional need of average Bangladeshis.
11. Efforts for consumption of other cereals should be made to lessen the pressure on rice in diet list.
12. Efforts should be made to maintain price stability of foodgrains in the open market through increased supply under public distribution system.
13. The price of foodgrain under PFDS should be fixed keeping in view both domestic and international prices of foodgrain so that the amount of subsidy is minimized.

14. Ministry of Food will store foodgrain in godowns located at different places of the country. Transport and storage loss of foodgrain should be minimized.
15. The quality of procured and stored foodgrain should be maintained.
16. Movement of foodgrain from one part of the country to another according to needs should be ensured.
17. The storage capacity should be increased with the increase in population as well as domestic production of foodgrain.
18. As a long term program, at least one godown in each upazila should be built. Repair and rehabilitation of existing godowns should be given due priority.
19. Govt. will develop a food security program in the country.
20. A limited opportunity will be given for import of food under private sector.

Policy Guidelines:

Production:

1. By the year 1990, foodgrain production will be increased to 20 mln. tons from the present level.
2. Ministry of Agriculture will inform the Planning and Monitoring Committee after having determined the target of production of foodgrain every year. Ministry of Agriculture will prepare a comprehensive program for production of 20 mln. tons within the stipulated time.

- 3.a. At the beginning of an year, Ministry of Agriculture, Irrigation, Flood Control and Water Development will determine the land to be put under irrigation.
- b. Ministry of Agriculture will timely inform Ministry of Food about the quantity of land and production potential under 4-crops a year, that is, Aus, Aman, Irri-Boro and Wheat. Ministry of Food will take necessary preparation for mitigating shortfall resulting from natural calamities or any other reasons.
4. Ministry of Food will prepare food budget every year on the basis of the production target.
5. BBS will provide early warning on production situation of each crop, and will publish the actual production figure officially within one to one and half month of the harvest.
6. FPMU of Ministry of Food will publish regular analytical reports on production of foodgrain on the basis of information furnished by Ministry of Agriculture and BBS; and will revise the food budget at different times of an year.

Consumption:

7. In the Third Plan document, national demand for foodgrain was determined on the basis of 16 oz per capita. In the context of increase in per capita income in future and change in food habit, Planning Commission will revise this rate from time to time, and when revised Ministry of Food will pursue it.
8. If necessary, FPMU of Ministry of Food in collaboration with other ministries will conduct surveys on actual consumption of different income groups.

Internal Procurement and Import:

9. Procurement price of each crop will be determined on the basis of market price and cost of production so that producers are encouraged at production.
10. Each year, procurement price will have to be announced in advance for paddy and wheat. If necessary, procurement price may be increased depending on output and market price.
11. If the market price rules above the procurement price, then there is little procurement at procurement price fixed by the Govt. In that event, Food Ministry may have to fix different procurement price. Because of this fluctuating market price, procurement price fixed by Ministry of Food may be differ according to areas.

Distribution:

12. Subject to availability of stock, distribution will have to be ensured according to demand of existing distribution channel, and in order to control food situation, foodgrain will be distributed at fair price/open market price.

Price Fixation and Regulation:

13. Effort will be made by the Govt. to stabilize foodgrain prices in keeping with the increase in GDP and income of the people as far as practicable. Effort will be made to maintain market price within the purchasing capacity through open market sale and increase in distribution through Modified Rationing so that businessmen in the private sector cannot increase prices unreasonably through hoarding. However, care will be taken so that there is no interruption in private marketing channel. If necessary, Govt. will determine the level of stock by private trades at a time.

14. In order to regulate prices, Government will consider to restrict interdistrict or regional movement of foodgrain.
15. In order to increase supply in the market and to regulate prices, importance will be placed on OMS in addition to normal distribution channel.

Stocks:

16. World Bank Mission on Food Policy of Bangladesh recommended foodgrain stocks of 15 lakh tons for the year 1980/81 (Report of World Bank Mission of Food Policy, page 102-103). Out of this stock, 1.50 lakh ton is dead stock, 6 lakh ton security reserve and the balance is operational stock. In the light of food security to meet short term target, stock at the end of 1987/88 will be 12 lakh ton and in the medium term planning stock level of 15 lakh ton will have to be built-up in the backdrop of population increase and other needs. In the subsequent years, year-end stock will be determined on five-year term.
17. In order that foodgrain are not spoilt, Ministry of Food in case of necessity will arrange for stock turn over. Policy for Stock turn over will be formulated by Ministry of Food.
18. If at any time of the year stock level goes down below 9 (nine) lakh tons, step will have to be taken instantaneously for import of foodgrain. If stocks run down below 9 (nine) lakh tons it will be treated as "crisis" situation.
19. The ratio for rice and wheat on average will be 1:3 of total stock and if necessary it may be increased or reduced.

Foodgrain Preservation

20. Under no circumstances, foodgrain will be distributed by avoiding warranty. That is, if there is stock or relatively old rice or rice/paddy/wheat which are about to be spoilt, distribution cannot take place by keeping those aside.

21. In order to preserve foodgrain, standard of foodgrain will have to be examined by visiting different godowns. Pest infested foodgrain will have to be separated and pesticide would have to be used for keeping quality.
22. Adequate transport, equipment and medicines are to be ensured for the inspection team.

Transportation:

23. Directorate General of Food will prepare movement plan in the light of past experience and possible situation for transportation of imported as well as internally procured foodgrain in areas of distribution. The plan will be modified on regular review of the situation. Transportation cost will have to be brought to the minimum in the plan. As far as practicable, transport of same goods more than once will have to be avoided.
24. Priority will have to be given to Bangladesh Railway, BIWTA and BRTC in the field of transportation of foodgrain. Responsibility for loss on account of transport will have to be borne by Bangladesh Railways, IWTA and BRTC.
25. Port authority will give priority to off-loading of imported foodgrain at Chittagong and Chalna ports. For this purpose, jetty/shed will be earmarked for Ministry of Food on priority basis.
26. Allout efforts will be made to reduce transport cost to the minimum. Any deficit will not be written off without proper reason.

Food Security:

27. Effort will have to be made to stock one month's foodgrain requirement in godowns of Ministry of Food to tackle problems arising out of crop loss caused by drought, flood, cyclone etc. For this purpose, effort will have to be made to procure substantial part from internal procurement.
28. Ministries of Food and Relief will distribute foodgrain through different production oriented programs to the families suffering from malnutrition and gradually becoming useless in the labor market because of low income.
29. Every year Ministry of Relief and Rehabilitation will make effort to increase distribution through programs under FFWP and VGD.
30. Expenditure on account of subsidy for low income groups and expenses attributed to wastage for prolonged storage will be considered as expenditure on food security.

Role of Private Sector in Food Import:

31. If necessary, opportunity will be given to the private sector for import of limited quantity of foodgrain.
32. Govt. must keep watch so that private importers cannot take advantage of price increase.
