PL-480 TITLE III FOOD FOR DEVELOPMENT PROGRAM

BANGLADESH

ANNUAL EVALUATION FOR FY 1987

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Summary Findings and Recommendations
With
Mission Comments

1. General.

a. In order for the BDG to be in substantial compliance with Title III conditionality, it must agree with the USAID on pricing issues described in recommendation number 2.

Once this agreement is reached, we recommend that USAID be authorized to begin formal negotiations for the second year of the Agreement as soon as possible.

Mission Comment: The Mission concurs with respect to necessary Open Market Sales (OMS) price adjustments, as described in the options non-paper referenced in recommendation No. 2. We believe that the BDG has already implemented this part of the recommendation, in that it agreed to the OMS price adjustment required by our proposed option No. 2 and effected the necessary change on January 4, 1988. Full price adjustments in the Statutory Rationing (SR) and Other Priorities (OP) ration channels required by option No. 2 have not yet been made. However part of the necessary price increase in those channels was effected on January 4, 1988, and the Secretary of Food stated, at that time, that the additional increases would be instituted at a later date.

The Mission has proposed, in DHAKA 1158, to negotiate a new arrangement with the BDG, under the 1982 Title I/III agreement and subsequently under the 1987 agreement, whereby local currency proceeds generated in SR and OP channels (as well as other specified channels) would be required to be deposited in the Special Account and used for approved projects, regardless of the prices charged in those channels. Under the new arrangement proposed, failure to implement required price increases in those channels by a specified date would result in loss of Title III Currency Use Offset eligibility for the related proceeds. Such proceeds would then be treated as Title I proceeds. We believe the mechanism described in the above proposal creates a significant incentive for BDG compliance with pricing requirements and a reasonable sanction for non-compliance. The Mission concurs with the recommendation that it be authorized to negotiate for the second year of the 1987 agreement as soon as possible, but in accordance with the arrangements outlined above.

b. In order to achieve maximum leverage for policy reforms, the evaluation team recommends that Bangladesh be allotted $60 million in Title III commodities above and beyond the $15 million in flood relief commodities carried over into FY 88. The entire $60 million should be provided under one amendment. An FY 88 level of $45 million of additional commodities, as proposed by the DCC, will diminish the Mission's effectiveness in pursuing policy dialogue.

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Mission Comment : The Mission concurs.

2. Procurement and Open Market Sales (OMS) System Pricing.

a. Due to delayed arrivals of imported grain from donors (including the U.S.) and disappointing harvests in the spring of 1987, the BDG raised procurement prices in April but did not raise OMS and ration prices by the Osame ratio. This upset the formula determining relative procurement, OMS and ration prices set by the Agreement. The evaluation team supports the Mission position that the BDG action was understandable and that the PFDS sales prices as they prevailed until the aman rice harvest are acceptable. We support continuing to count OMS sales for loan offset during this period but only on the condition that the BDG is willing to resolve pricing issues based on the three pricing options put forward by the Mission and to make them effective shortly after aman procurement begins.

Mission Comment: The Mission concurs with respect to continuing to count OMS-priced sales for Title III Currency Use Offset based on the BDG's agreement to increase OMS prices as proposed in the Mission options non-paper. As stated in our comment under recommendation 1A above, necessary OMS price changes have been made.

Prices in the SR and OP channels are not at present sufficiently high to permit sales in those channels to count toward Currency Use Offset. However, as indicated above, we believe pricing and related eligibility issues for those channels should be treated separately and in accordance with the proposal outlined above and in DHAKA 1158.

b. The evaluation team recommends that a joint, in-depth study of the OMS price-setting formula be undertaken by the Mission and the BDG. We recommend that the Mission include a through analysis of critical information, such as marketing margins, transactions costs (including non-monetary costs), and acceptable rates of return in the cereals wholesale and retail industry, in the scope of work for the study.

Mission comment: The Mission agrees, and preparations are underway for this study to be conducted jointly by IFPRI and the Ministry of Food.

3. Modified Rationing Reform

The evaluation team believes USAID and the BDG are seriously examining the need for and means of reaching the rural poor with affordable foodgrains. We recommend that the Mission encourage the BDG to reorient the MR program no later than the beginning of FY 89.

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Mission Comment: The Mission shares the evaluators' view that this is an important activity under the new Title III Agreement. The experimentation and examination currently being carried out by FPMU and Beacon will begin providing useful information over the next few months. When the IFPRI advisory team arrives late this summer, that will provide the Bangladesh Government with further expertise for investigating possibilities for making the ration system an effective means of improving the real income, consumption, and nutrition of the rural poor. It may be possible to make some reforms in MR by this October, but a complete reorientation by that time is probably too ambitious a goal. The re-examination and reform efforts are likely to - and should - continue throughout the agreement period.

4. Rural Free Food Distribution Programs

We recommend that IFPRI and the FPMU provisionally include Vulnerable Group Feeding and Food for Work in the examination of appropriate measures for improving the consumption of the rural poor, so that any outstanding analytical work remaining after the WFP-sponsored seminar in January can be done.
Mission Comment: The Mission concurs.

5. Incorporation of Maize in the PFDS

The evaluation team found that progress on exploring the expansion of maize consumption was good. We recommend that USAID appoint an employee to work as a project manager for the proposed national maize production and consumption program.
Mission Comment: The Mission agrees. The Deputy Director, Office of Food and Agriculture, has been appointed project manager for this activity.

6. Consumption and Nutritional Monitoring

The team finds that USAID and the BDG are making adequate progress in addressing this issue. It will be explored by the IFPRI team to be seconded to the Food Planning and Monitoring Unit.

7. Emergency Preparedness

The Mission has asked IFPRI to review the BDG flood response. The evaluation team recommends that the Mission stress the importance of this activity to the FPMU, so that IFPRI will not get caught in jurisdictional disputes.

Mission Comment: The Mission has clarified with FPMU that food-grain import planning for disaster relief purposes is definitely a Ministry of Food responsibility and that disaster analysis is a potentially useful function for FPMU. We agreed that IFPRI could be helpful in carrying out this planning and analysis, although it would not be a high priority.

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8. Development of the Food Planning and Monitoring Unit (FPMU)

a) The FPMU has two unfilled slots for professionals, and as a result it is unable to accomplish all of its objectives. The evaluation team recommends the Mission encourage the BDG to assign two additional professionals to the FPMU, and upgrade it in other appropriate ways, as soon as possible.

Mission Comment: The Mission agrees, and this recommendation was emphasized at the recent meeting of the newly constituted Title III Coordination Committee.

b) We recommend that, after the IFPRI team has been in country for a period of time, the Mission consider expanding IFPRI's Scope of Work to allow for additional consultancy assistance on the following issues:

i. helping the BDG use acceptable commercial import procedures;

ii. advising on grain storage and preservation; and

iii. advising on expanding effective demand and improving marketing and distribution of foodgrains.

Mission Comment: The Mission concurs.

9. Local Currency Generations and Gap

The BDG needs to increase Statutory Rationing (SR) and Other Priorities (OP) grain prices in order to comply with Title III requirements to gradually eliminate consumer subsidies. Counting SR and OP sales for loan offset purposes will decrease the gap between the CCC value of Title III commodities and proceeds deposited into the Special Account. We recommend that the DCC allow counting SR and OP for loan offset, if the Mission and the BDG are able to agree on pricing issues.

Mission Comment: The Mission agrees that proceeds generated in the SR and OP channels should be eligible for Title III Currency Use Offset, when prices in those channels meet the requirements of our agreements. However, as indicated in recommendation Nos. 1A and 2A above, we propose to renegotiate our arrangements with the BDG such that proceeds generated in those and other specified channels would be required to be deposited in the Special Account and used for approved projects, whether or not prices charged in those channels conform to prices described in our agreements. If prices in those channels are not then adjusted in accordance with the agreements, related currency generations would be treated as Title I proceeds.

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10. Local Currency Programming and Approved Projects

Twenty seven projects were funded in FY 87, and as many as 43 projects may be funded in FY 88. As long as local currency is programmed against projects in contrast to attribution to selected ministry or institution budgets, the Mission will likely continue to confront a large number of projects to be concerned with in terms of management and responsibilities.

11. Local Currency Project Monitoring

The Mission is unable to closely monitor the Title III projects. The contribution of these projects to Title III objectives has never been adequately assessed. In order to assess the need for closer Mission monitoring, we recommend a re-examination of this issue, focussing specifically on local currency projects funded by Title III, their contribution to program objectives, their management and monitoring.

Mission Comment: The Mission initially felt that the re-examination recommended above could be carried out as part of a larger effort to develop a model food aid management plan in Bangladesh, with the help of a U.S. consultant, Dan Shaughnessy, and a Price Waterhouse/India (PW/I) team. This idea was dropped when, because of political unrest in Bangladesh, the PW/I team's visit had to be postponed and Shaughnessy's trip to Dhaka cancelled altogether. Nevertheless, the Mission has carefully re-examined the issue of closer Mission monitoring of local currency projects funded under the program. As reported DHAKA 1158, para 8, we believe strongly in this program's continued emphasis on food policy objectives. We doubt that our effectiveness in that area could be sustained if we were forced to divert valuable Mission resources to detailed programming or monitoring of local currency projects. In addition to the staffing problem, we believe efforts to gain BDG concessions on programming for local currency projects would weaken our ability to obtain concessions necessary to achieve the larger and frankly more important food policy objectives which have justified this program since its inception. We recognize Mission responsibilities to monitor projectized local currencies, per PD 5 as amended. We believe the success of the Title III Program will be measured on the success of policy reforms more than on the results of the 43 projects 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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12. Accounting and Reporting Requirements

The imminent establishment of the Title III Coordination Committee should improve BDG monitoring and reporting of the Title III program.

13. Flood Relief Activities

The Mission effectively programmed the additional resources provided by the DCC for flood relief, while cautioning the BDG and other donors not to overreact to the emergency by importing too much food. By reducing the FY 88 allocation by the quantity of flood relief commodities carried over from FY 87, the DCC did not adequately support the Bangladesh Title III program,. Our recommendation for the DCC to set aside an additional $60 million in FY 88 is contained under recommendation number 1b.

14. Cotton

Adequate progress has been accomplished in achieving the following provisions of the Agreement:

1. removing restrictions on the capacity of the private mills;

2. ensuring that private mills receive a proportionate share of cotton imported by the BDG;

3. removing administrative and fiscal constraints on development of the cotton industry.

Title III cotton is uncompetitive with cotton from other sources. As a result, the Bangladesh Textitle Mills Corporation, a parastatal, is the only Bangladesh entity that will handle it.

15. Vegoil

Adequate progress is being made in encouraging the private sector vegetable oil industry. Title III soybean oil is only handled by the Bangladesh Sugar and Food Industries Corporation (BSFIC), a parastatal, because it has been uncompetitive with competing imports. BSFIC is being increasingly privatized as a holding company with 49 percent private shares and 51 percent Government shares.

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GLOSSARY OF ABBREVIATIONS USED

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
DCC	Development Coordination Committee of the U.S. Government
EP	Essential Priorities
FPA	Food Policy Analysis
ERD	External Resources Division, Ministry of Finance
FAO	Food & Agricultural Organization
FFWP	Food-for-Work Program
FM	Flour Mills
FPMU	Food Planning & Monitoring Unit
FPS	Fair Price Shop
FS	Free Sales
GRH	Graham-Rudman-Hollings Act
GR	Gratuitous Relief
IF	Institutional Feeding
LE	Large Employers
MD	Maund (a local unit of weight, equalling about 37.32 kgs.)
MOF	Ministry of Food
MO	Marketing Operations
MR	Modified Rationing
MT	Metric Ton
OMS	Open Market Sales
OP	Other Priorities (Rationing)
PFDS	Public Food Distribution System
SR	Statutory Rationing
VGFP	Vulnerable Group Feeding Program
WFP	World Food Program

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Unit Conversion Table

LENGTH

Meter	Kilometer	Inch	Foot	Yard	Mile
1	0.001	39.37	3.281	1.094	-
1000	1	-	3280.84	1093.61	0.62137
0.0254	-	1	0.0833	-	-
0.3048	-	12	-	0.3333	-
0.9144	-	36	3	1	0.00057
1609.34	1.60934	-	5280	1760	1

AREA

Sq. Mile	Hectare	Sq. Kilometer	Sq. Yard	Bigha	Acre
1	258.999	2.590	-	1920	640
-	1	0.01	11960	7.413	2.47105
0.3861	100	1	-	741.315	247.105
-	0.1349	-	1613.33	1	0.3333
-	0.40469	0.00405	4840	3	1

WEIGHT

Kilogram	Metric Ton	Long Ton	Pound	Maund	Seer
1000	1	0.984196	2204.6	26.7939	1071.75
1016.058	1.016058	1	2240	27.2241	1088.96
0.453	-	-	1	0.01215	0.48614
37.32	0.03732	0.03673	82.28	1	40
0.933	-	-	2.057	0.025	1
1	-	-	2.2046	0.026	1.072

Gram	Pound	Ounce	Seer	Chattak	Tola
1	-	0.03527	-	0.017148	0.0857
453.59	1	16	0.486	7.778	38.89
28.349	0.0625	1	0.03038	0.486	2.4307
933.04	2.057	32.916	1	16	80
58.32	0.12858	2.057	0.0625	1	5
11.663	0.025716	0.41145	0.0125	0.2	1

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1. Introduction

This evaluation report focusses on the progress of the Bangladesh Title III Program in FY 87, the first year of the third consecutive Title III Program since FY 78. Since the FY 87 Agreement was signed in April 1987, and the commodities arrived as late as November, some aspects of the FY 87 program have naturally not taken place at the time of the evaluation. The evaluation team also evaluated continued progress of the previous Title III program.

We must acknowledge that this evaluation was undertaken during two weeks of hartals (strikes) and curfews in Dhaka, when work hours were severely limited and travel was difficult. Nevertheless, we believe we have responded fully to the scope of work contained in Item III H6 of the FY 87 Agreement (attached as Annex A). For the sake of time, however, we are assuming the reader is reasonably familiar with the program, and we will not repeat the history and analysis contained in the Program Assistance Approval Document or the annual evaluation reports. Readers new to the program may find a description of the Public Food Distribution System taken from the FY 86 evaluation in Annex B. We will refer to these documents and others when they are relevant. The recommendations of the FY 86 evaluation will be dealt with under each section of the scope of work.

2. Procurement and Open Market Sales (OMS) System Pricing

The objectives of the Title III program in Bangladesh per the April 1987 agreement are:

1. Increased food consumption and nutrition (income supplements for food consumption, and non-monetized programs; self-targeting foods, and food emergency preparedness);

2. Increased agricultural productivity (stabilization of farmgate prices for foodgrains, agricultural diversification, and agricultural research);

3. Increased employment generation that would increase effective demand for food;

4. Improved food system management.

The program agreement attempts to assure profitable farmgate prices to encourage domestic agricultural production, and a market-oriented price structure for the foodgrain market allowing profit for wholesalers and retailers. While, undoubtedly, it is an admirable policy pursuit, it is also somewhat unrealistic to anticipate competitive market conduct and market performance from a parastatal operation that was designed to countervail a competitive market structure in the cereals market in the first place. For understandable political reasons, the Bangladesh Government (BDG) is

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interested in keeping food prices, especially in urban centers, under check. The inherent conflict in pursuing some of the foregoing food policy objectives has, therefore, resulted in occasional non-compliance with certain provisions of the 1987 Title III Agreement.

The BDG has been relatively successful in ensuring incentive prices to farmers through domestic procurement. In April 1987, the BDG announced new procurement prices for rice and wheat. The price of rice increased substantially from Tk.265/maund (md) to Tk. 308/md, a 16.2% increase. The price of wheat went up from Tk. 180/md to Tk. 200/md, an increase of 11.1%. The increased prices were effective immediately for the 1987 wheat and boro rice crops.

Under the April 1987 Agreement, the BDG was to raise ration prices and initial Open Market Sales (OMS) prices by the same percentage as that for the procurement prices. (Also Ration prices were to be increased by 2 more percentage points for rice and 3 for wheat by September 30, 1987.)

Per the Agreement, the BDG would set the Open Market Sales prices for rice and wheat at appropriate levels, that is, at 15 percent above the procurement prices in non-SR areas and 20 percent above the procurement prices in SR areas. While the BDG did raise initial OMS and ration prices in August, the percentage increases were smaller than those for the procurement prices; as a result the BDG was in non-compliance with the terms of the Title III Agreement. Table-1 was developed by the Mission with the assistance of a consultant, Ray Hooker, in summer 1987. As Table-1 shows, while procurement prices for rice and wheat went up by 16.2 percent and 11.1 percent respectively, the corresponding initial OMS prices were increased by 1.6 percent and 2.9 percent, and corresponding ration prices were raised by 2.1 percent and 3.1 percent respectively (column f). While ration prices were raised enough to maintain the ratio with the actual initial OMS price, the OMS rice prices should have been raised by another 14 percent, and wheat by 8 percent, to maintain the pre-April ratios with the procurement prices.

In discussions with the Mission, the BDG officials have maintained that:

- The Government had to announce a large increase in procurement prices in April as an extraordinary measure to procure some badly needed quantities of rice and wheat against unusually high domestic grain prices and low stocks.

- An immediate announcement of equally large increases in OMS and ration prices would destabilize prices.

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- The Public Food Distribution System (PFDS) price ratios may no longer be appropriate (in view of a necessary and unplanned large increase in procurement prices and a possible need to revise the formula for the PFDS price ratios). In any case, further price increases should not take effect until the aman rice harvest in November.

- Because of low import prices, the total food-grain subsidy in the PFDS would not increase if, as proposed by the BDG, the ration and initial OMS prices were decreased relative to the procurement prices.

The Mission's position was that these large increases in procurement prices were "exceptional" and interim measures aimed at replenishing stocks. Therefore, there was a good argument for these procurement prices not to serve as the basis for the rest of the PFDS price structure. Particularly given the unusual flood disaster, the Mission was prepared to recommend to Washington that PFDS sales prices would remain where they were until mid-November. The BDG, however, would be required to increase OMS and ration prices effective November 15 on the basis of pricing options put forth by the Mission in its memo of October 22, 1987.

The evaluation team agrees with the Mission position in view of the circumstances leading to the extraordinary procurement price increases in April 1987. It is also important for the BDG to keep food prices under check for another reason. The average annual rate of inflation rose to 10 percent in Bangladesh in 1985-86. Most major nonfood prices decelerated, but prices of food items rose rapidly, reflecting, in part, a drawdown of stocks and delays in the arrival of foodgrains. The targets for the current fiscal year under the Second Annual Structural Adjustment Facility (SAF) arrangement had to be modified to take into account developments in 1986-87 and the impact of the recent floods. During July-September 1987, the severe monsoon resulted in the worst floods experienced in the past 70 years. Crops on some three million acres were estimated to be lost. Rice, jute, sugarcane and vegetables were particularly affected.

Even with a special agricultural rehabilitation program, total foodgrain production in 1987-88 is expected to decline, and fall short by about 1.4 million tons of the Government's original production target of 17.5 million tons. Inflation is expected to accelerate, partially as a result of shortfall in domestic food production and transportation bottlenecks. The external current account deficit is expected to widen to 7.7 percent of GDP, mainly reflecting higher imports of food and intermediate goods for post-flood reconstruction, as well as lower exports of fish and vegetables. It is anticipated that a flood-induced increase in foreign aid would partly offset the deterioration in the external account position. The revised SAF-program requires the BDG to reduce the rate of inflation to 8 percent. Given the SAF-imposed constraint on the inflation rate, the BDG would have to be serious

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about food grain prices. As a result, the BDG's unwillingness to increase the initial OMS and ration prices by the same percentage as that for the procurement increases in mid-1987 is understandable; and the evaluation team fully supports the Mission position that accepts the PFDS sales prices as they prevailed until the aman harvest.

The evaluation team, however, strongly supports the Mission's position that the April price increases would be accepted only if the BDG was willing to resolve the pricing issue based on the three pricing options put forward by the Mission and make them effective shortly after the beginning of the aman rice harvest. At the time of writing, the Mission's understanding was that the BDG was in the process of accepting an option that would be bilaterally agreeable.

The BDG was also required, under the Agreement, to reduce subsidies from Statutory Rationing (SR) and Other Priorities (OP) channels by raising prices of rice and wheat sold through these channels to the level of initial OMS prices for the commodities.

By September 30, 1987, the rice price under the rationing system was required to be raised from 95 percent to 97 percent and the wheat ration price from 93 to 96 percent of the respective initial OMS prices. These increases have not been effected.

The BDG was also to abolish the Free Sales and Marketing Operations channels, which has been since completed.

The Mission discussed a list of foodgrain and related issues with the BDG officials in October/November, 1987. In a memo of October 22, 1987, addressed to the Secretary of the Ministry of Food, the Mission stressed the need to agree on a plan for raising PFDS sales prices and laid out three separate pricing options (see Table-2). Under Option I, the BDG would increase the PFDS sales prices by the full amounts contemplated in the April 17, 1987, Agreement. Under Option II, the BDG would make PFDS sales price increases based on "normalized" procurement prices, estimated from the price trends of the last 6-7 years. Under Option III, the margin between procurement and OMS prices would be permanently narrowed as suggested by the BDG. The Mission would prefer Option I, would accept option II, and will reject Option III. The Mission was concerned that there was not sufficient evidence to support the Option III implication that a permanent reduction in the ratios of purchase-to-sales prices would have no adverse effect on the private grain trade. The Mission thought that the current OMS mechanism seemed to have been effective, as the seasonal and other variability in foodgrain prices had narrowed significantly since 1979, and the 20% band between farmgate and retail foodgrain prices usually held in all but highly exceptional circumstances. A joint, in-depth study of the OMS price-setting formula was proposed by the Mission to be undertaken. In view of both analytical and management complexities of the current PFDS pricing policies, the evaluation team strongly endorses commissioning of such an in-depth study.

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One major objective of a possibly modified PFDS price structure should be to "keep it simple and doable". For example, could the number of some 10-11 offtake channels be reduced to fewer categories and still reach the poorer sections of the population more effectively? Should the tendency for the market prices to stay below Open Market Sales trigger prices be reviewed (more critically) because it reduces OMS offtakes and local currency generations (see the Local Currency Generation study by Gholam Hossain, P.11). Is a targetted Food Stamp Program feasible or does it make things even more complex?

The Mission also advised the BDG that if prices were not raised per an agreement effective about November 15, 1987, all OMS sales after the April procurement price increases would be ineligible. It also notified the BDG that ration sales in OP and SR would be eligible effective from November 15, 1987, only if prices were increased (as discussed above) and the Taka deposits were made at the rate of OMS sales prices. The Mission stressed that the OMS should operate like a private sector program rather than a rationing channel and that quotas, non-sales days, upper limits on profit margins and other restrictions on OMS sales should not be imposed.

As of this writing in early December, it appears that the impact of the 1987 floods in Bangladesh on food production and consumption was less severe than anticipated. In Dhaka, wholesale market prices for different varieties of coarse rice varied between Tk.325-340/md. Assuming transportation cost per md. to be about Tk.30, it also cost the Government about Tk.338 to procure a md. of coarse rice. It was learned from the wholesalers that they usually worked for a fixed commission of 10 paisa/kg. An average wholesaler was earning between Tk.2000-3000/day. According to one statement by the Minister of Food on 12/6/87 (The Bangladesh Times), rice was selling in many districts for Tk.8/kg or for Tk.299/md. In the same statement, the Government foodgrains stock was estimated at 1.1 million tons. This stock level, reportedly, was the highest since the Nation's independence. The manner in which the supply of cereals has been managed in the wake of the devastating summer floods is admirable. According to The Bangladesh Times editorial, 12/9/87, "There is no report of scarcity of rice now from any part of the country ....The Government has taken up a comprehensive scheme for distributing 3.2 million tons of foodgrains under a massive post-flood rehabilitation programme....It was observed that prices of most of the essential commodities that had shown an upward swing in recent weeks due mainly to transportation difficulties were on the reverse." Retail prices for different varieties of coarse rice in the Dhaka market in early December varied around Tk.385-395, whereas the ration price for rice in the same market was Tk.355/md, which was really the OMS price. The retail market price of wheat in the Dhaka area was about Tk.200/md during the first week of December. The ration price per md of wheat was about Tk.198. Including the resale price of the bags that the retailer gets to keep, the ration retailer of rice was receiving a margin of 6.5%-7%, whereas the wheat ration retailer's margin (including the resale

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price of the jute bag) was about 5%. A USAID/Dhaka paper (1987), The Title III Program and Foodgrain Prices in Bangladesh, has some initial analyses on dealer margins, distribution costs, import prices, and subsidies. It is recommended that the Mission include a thorough analysis of critical information, e.g. marketing margins, transaction costs (including non-monetary costs), and acceptable rates of returns in the cereals wholesale and retail industry, in the scope of work for the proposed in-depth study of the OMS price-setting formula. It should be kept in mind that in Bangladesh the private sector handles about 86% of foodgrains which constitute about 90 percent of all food. Private wholesale and retail marketing actually have more than 86 percent market share, as private outlets are used for rice and flour from Government stocks.

The Title III program has assisted the BDG in making the commodity mix more flexible, including a shift from rice to wheat. Wheat as a percent of total grain distribution is now about 10 percent more than it was in the early 1980's (see, USAID/Dhaka, Incentive/Disincentive Analysis of the PL 480 Title III Program in Bangladesh, Table 9.232, and P. 41). This is admirable because wheat is more self-targetting to the poor and is less costly per calorie than rice.

The Title III Agreement, 1987, emphasizes that the farmgate price must provide incentives and profit to all farmers, especially, farmers who are using HYV. It is true that net profit per acre is higher for HYV rice farmers for aus, aman and boro varieties than for the farmers using local varieties. However, in terms of supply response to price changes, HYV farmers are much more responsive than their counterparts using local varieties. A Mission document on pricing incentives and disincentives referred to in the preceding paragraph cites an econometric study that calculated supply response functions. It shows that the agricultural policies which support output prices will have limited impact on subsistence farmers, but indications are that is significant for larger farmers. Price policy and technological change hold the key to boosting agricultural production in Bangladesh. The data shows that the short run price elasticity of supply is about 0.06 for foodgrains, with a range of 0.01 for local aus rice output to 0.88 for HYV boro output. The long run response is slightly higher. Given HYV's high supply response to price changes, the Mission's focus on HYV farmers relative to price policy reforms is well-placed.

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3. Modified Rationing Reform

Recommendations concerning Modified Rationing were proposed in a September 1986 report by Beacon Consultants, "The Existing System of Public Foodgrain Distribution in Bangladesh and Proposal for Re-Structuring." USAID incorporated these and related recommendations into the Agreement, specifying that if they were implemented MR sales would be eligible for loan offset. The Mission had originally hoped that MR sales could be counted for loan offset (when disbursed from the special account) in FY 88, but realized that additional analysis would be necessary in order to implement the Agreement recommendations. It is unlikely that the BDG will be able to implement the recommendations before June 1988.

The Mission has commissioned a follow-on report by Beacon Consultants on restructuring the Modified Rationing system. This report will recommend measures to improve MR, focussing on the allocation process, eligibility criteria, frequency of distribution, ration size and selection of distribution centers. It will recommend ways to update Distribution Priority Lists. It will also recommend alternative methods for reaching the rural poor through sales programs.

Beacon is currently carrying out a survey in selected unions as a source for its recommendations, and the firm expects to complete its report by June 1988. The survey is being carried out in cooperation with the Food Planning and Monitoring Unit (FPMU).

FPMU has also undertaken, on an experimental basis, an activity to update the Distribution Priority Lists in pilot areas for the MR system. It expects to undertake small pilot programs implementing MR reforms as well as a pilot food stamp program. These activities, combined with the results from the Beacon survey, should allow the BDG to take major steps in reaching the rural poor with monetized foodgrains.

The Ministry of Food strongly supports reforming the MR system to ensure better targeting, and it is anxiously awaiting the results of the studies and the pilot activities. Some BDG and USAID officials are not optimistic about the benefits of retaining MR. They prefer to rely on OMS to limit price increases and to rely on Vulnerable Group Feeding and Food for Work to reach those without adequate purchasing power.

The evaluation team believes USAID and the BDG are seriously examining the need for and means of reaching the rural poor with affordable foodgrains. We expect that their efforts will lead to major changes in the program by the end of FY 88. We recommend that the Mission encourage the BDG to reorient the MR program no later than the beginning of FY 89.

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4. Rural Free Food Distribution Programs

The Agreement called for the BDG to devise and test pilot programs for free food distribution to the poorest percentage of the population in the rural areas. The purpose of this requirement is to improve the programming of Food for Work (FFW) and to expand the Vulnerable Group Feeding (VGF) program in a cost-effective manner. These programs receive PL 480 Title II wheat from CARE and WFP. They are the most administratively costly food programs of the PFDS system. WFP and the Ministry of Relief and Rehabilitation (MRR) are examining how to improve these programs, and a two-day seminar on this topic is to take place in late January (although no special effort is being made by MRR to determine the trade offs between expanding VGF and FFW and expanding and improving MR or other programs). We recommend that the IFPRI team to be assigned to the FPMU provisionally include VGF and FFW in its scope of work when examining appropriate measures for improving the consumption of the rural poor, so that any outstanding work after the January seminar can be done.

5. Incorporation of Maize in PFDS

The Agreement called for a campaign to introduce maize into the food system as a grain that is self-targeting for the poor. During the first year, an action plan was to be developed, including laboratory development, taste tests and trial distribution. The FPMU was to take the lead and sub-contract the work to local research institutes.

Winrock International was contracted to prepare the action plan, recommend means for introducing Title III maize, and examine the feasibility of increasing local maize production. It produced a report in September 1987 recommending that 10,000 MT of Title III maize be imported in FY 88 and FY 89, increasing to 50,000 MT by FY 97. The sales proceeds would support research and development of means to increase local maize production and consumption. Title III local currencies would fund promotional campaigns, seed production, credit, and extension activities. The maize would be utilized in the PFDS system though OMS, MR, FFW, and VGF programs. Additional quantities would be used for poultry and livestock feed and for a variety of industrial uses. Winrock projects local production growing from 5,000 MT in 1988 to 60,000 MT by 1998. Both Beacon Consultants and IFPRI have been asked to follow up on Winrock's recommendation.

The evaluation team found that progress on exploring the expansion of maize consumption was good. These activities will require someone to maintain the focus and momentum. We recommend that USAID/Dhaka work with the Title III Coordination Committee to select a project manager for the proposed national maize production and consumption program.

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6. Consumption and Nutritional Monitoring

The Agreement calls for the BDG to develop and implement a system to monitor food consumption and the nutritional situation. FPMU has indicated that this requirement is a high priority. It is looking forward to working with the IFPRI consultants to develop an affordable monitoring system. IFPRI will need to determine the appropriate geographic locations and sample size as well as the information required for FPMU to use in its computer modeling of Bangladesh's food situation. FPMU is particularly interested in establishing a system that will provide regular information rather than a survey done on a one-time basis.

UNICEF has begun a parallel effort to establish a nutritional monitoring system. IFPRI and the FPMU are expected to link up with this activity.

USAID has included consumption and nutritional monitoring in the scope of work for the IFPRI team. The evaluation team sees this step as adequate progress in addressing this issue.

7. Emergency Preparedness

The Agreement calls upon the BDG to review its response to flooding in 1984 and to recommend changes in its relief programs to more effectively deal with future emergencies. Following the signing of the agreement, a new series of floods occurred. The BDG built on its experience in 1984 in quickly moving to contain the adverse impact of the floods on food prices and shortages, on employment, and on other aspects of the society and the economy. The BDG immediately began identifying the flood affected population and targeting emergency relief and rehabilitation assistance, and lining up additional food-grain imports. There is evidence, however, that the Bangladesh Government overestimated the losses in production resulting from the flood, and consequently imported more grain than was actually required. The donors may have unwittingly contributed to this situation, including the USG, which provided $15 million in rice for flood relief before the USAID was able to determine whether the additional rice was truly warranted. USAID realized that the effects of the floods on crop production would not be immediately apparent and that the BDG might well be able to cope without additional resources.

The evaluation team could find no studies of either the 1984 or 1987 floods that could provide guidance for response to future emergencies. The FPMU said that the issue was not under its purview, but instead was the responsibility of the Ministry of Relief and Rehabilitation. The Mission has written into IFPRI's scope of work the responsibility to review the BDG flood response. The evaluation team recommends that the Mission stress the importance of this activity to the FPMU, so that IFPRI will not get caught in jurisdictional disputes.

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b. Development of the Food Planning and Monitoring Unit (FPMU)

The FPMU was created in 1980, following a recommendation by the World Bank to establish a unit for the analysis of food aid issues, crop forecasting, and famine relief. By 1983, the FPMU attained its present form as a secretariat providing advice and support to the Ministerial level Food Planning and Monitoring Committee (FPMC). The FPMC is headed by the Minister of Food, who is joined by the Ministers of Finance and Agriculture. The FPMC has responsibility for making decisions affecting the Public Food Distribution System (PFDS). FPMU assists it by providing regular analyses on production, procurement, food aid, imports, the food gap, prices, and recommendations for distribution through the PFDS. The FPMC also commissions special analyses from time to time. FPMU has undertaken or subcontracted the following completed studies:

1) foodgrain stock losses and inventory control;

2) foodgrain accounting and budgeting;

3) the effects of foodgrain subsidies;

4) an analysis of PFDS and proposals for its restructuring.

FPMU has also organized seminars for Bangladesh officials and donors. They have focussed on price modelling, early warning and crop forecasting, and food security.

The Unit's ongoing and planned projects include studies on:

1. input subsidies vis-a-vis output price supports;

2. estimation of seed, feed and wastage of foodgrain crops;

3. per capita consumption;

4. seasonal variations in prices;

5. foodgrain losses in transport and storage;

6. production functions for foodgrains;

7. reform of the modified rationing system; and

8. a food stamp pilot program.

FPMU has a staff of eight professionals, all of whom have masters degrees or specialized training in agriculture and economics. The unit has two unfilled slots for professionals, and as a result it is unable to accomplish all of its objectives. The evaluation team recommends the Mission encourage the BDG to assign two additional professionals to the FPMU as soon as possible.

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The Mission is in the process of drafting a scope of work for IFPRI to second two researchers to FPMU for three years. These researchers would be supported by several short-term advisors when they are needed.

The responsibilities of the IFPRI advisors may include:

1) providing analysis and advice on pricing and stocks;

2) reviewing and commenting on the Mission analysis of relative procurement, OMS and ration prices;

3) developing options for monitoring and analysis of farmgate and consumer price data;

4) helping FPMU monitor food consumption and nutrition;

5) assisting with the introduction and popularization of maize;

6) developing recommendations to respond to emergencies;

7) reviewing the BDG flood responses;

8) examining the feasibility of a food stamps program.

The Mission's current draft of the scope of work (SOW) does not ask for long term assistance in the following issues identified in the Agreement as priority areas:

1. helping the BDG use acceptable commercial import procedures;

2. advising on grain storage and preservation;

3. advising on expanding effective demand and improving marketing and distribution of foodgrains.

The SOW does, however, propose that these areas be addressed through short-term consultancies and local currency funding studies on, for example, expanding effective demand. Since these issues are not being adequately addressed by the BDG, we believe some technical assistance would be required to pursue these functions. The evaluation team believes that IFRI could accomplish this task. <u>We encourage the Mission to watch these issues closely and, if necessary, later expand IFPRI's scope of work to allow for additional assistance to deal with them.</u> Such assistance might significantly increase the FPMU's ability to contribute to food security in Bangladesh.

9. <u>Local Currency Generations and Gap</u>

On September 30, 1987, the gap between the CCC value of the Title III commodities provided under the 1987 Agreement and Amendments, and the quantity deposited in the Special Account, was

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$139.4 million, not counting $67 million from the recently arrived FY 87 tranche (Table-3). This gap, although an improvement on the gap of $257.5 million in June 1986, continued because of the inability of the BDG to sell enough commodities through eligible channels. While the Mission had previously increased the number of eligible channels to include Flour Millers and Large Employers, low stocks in FY 87 limited the quantity sold through these channels or through Open Market Sales (OMS). Proceeds from these three channels plus cotton and soyoil sales were insufficient to close the gap.

USAID proposed two means of addressing the problem. In the 1987 agreement, the USG and the BDG agreed to take concrete steps to reform the Modified Rationing system (MR) and to count sales made through this channel for loan offset once these steps were taken. As indicated in Section 3 of this report, it is unlikely that there will be sufficient progress on MR reform to allow loan offset from this channel to be counted in FY 88.

The Mission has also proposed that Statutory Rationing (SR) and Other Priority (OP) channels be counted for loan offset, if the BDG adheres to the pricing policy contained in the FY 87 Agreement. This issue is discussed in greater detail in Section 2 and Annexes C and D of this report. If the Mission and the BDG come to an agreement on pricing issues, the Mission will need DCC approval to begin counting SR and OP for loan offset. The evaluation team believes the Mission is taking an appropriate and strong stance with respect to BDG pricing policies. <u>We recommend that the DCC concur in counting SR and OP for loan offset, if the Mission and the BDG are able to agree on pricing issues.</u>

If SR and OP are counted for loan offset, the gap in eligible deposits to the Special Account should diminish to acceptable levels by the beginning of FY 90. If MR is also counted for loan offset in FY 89, the gap will diminish even more quickly.

The FY 86 evaluation recommended that a study be commissioned to review the Ministry of Food' progress in implementing the OMS system and making its operations more efficient and market responsive. The Mission expects the IFPRI consultants to work with the FPMU on analyzing and making recommendations to improve the OMS system. Improvements in the OMS system, to the extent they include smaller wholesale and retail markups, might allow larger amounts of OMS sales proceeds to be generated for deposit into the Special Account annually and be counted for loan offset.

10. Local Currency Programming and Approved Projects

Confusion by the BDG over the actual amount of local currency in the Special Account affected progress on attributions to Title III Projects this fiscal year. Of 2,321 million taka allocated to projects in FY 87, only 913 million taka was disbursed by the third quarter (Table-1). When the BDG realized the quantity of funds in the Special Account, it allocated an additional 1,190 million Taka,

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enough funding to allow most projects to receive their full allocations. The formation of the Title III Coordination Committee should keep the BDG better informed and should prevent this situation from recurring.

For the FY 87 period, there were 27 projects funded by Title III generations. For many of these projects, the FY 87 funding followed on Title III funding from previous fiscal years. Seventeen new projects were initiated in FY 87, however. These projects were chosen to conform to Title III emphasis on food, agriculture, rural development as well as flood rehabilitation. At the same time, the Mission was mindful about reducing its monitoring workload by preferentially choosing either projects that received major funding from another donor responsible for monitoring them or projects that were part of USAID's DA portfolio. The list of FY 87 projects and their proposed funding for FY 88 is shown in Table-5.

In order to keep up with the quantities of local currency coming available in FY 88, the Mission is considering funding up to an additional twelve projects. These projects are listed in Table-5.

11. Local Currency Project Monitoring

The increasing number of projects reflect the Mission's need to program more or less $60 million of local currencies annually. The more projects are funded, the more responsibilities are required by fixed Mission Personnel. In earlier years, USAID was able to program a smaller number of projects with the capacity to absorb a larger percentage of the relatively limited amounts of Title III local currency going into the Special Account during that period. By continuing to supply $60-$80 million of Title III commodities yearly to the BDG, however, the Mission must build up a local currency project portfolio that is difficult to monitor closely and that is increasing diverse in relation to the overall objectives of the Title III program.

The Mission recognizes that it is becoming increasingly difficult to assure that each and every Title III project is contributing significantly to the Title III program. In its quarterly project reviews, USAID examines local currency programming as a whole as well as the policy dialogue and food security aspects of the Title III program. Given that policy dialogue and food security have been considered more important than Title III-funded projects to the objectives of the Title III program, the evaluation team believes the mission is devoting an adequate amount of attention to the Title III projects. However, recent agency guidance and DCC expectations appear to place an increasing burden on USAID oversight responsibility for these projects. We recommend a deeper re-examination of this issue, however, to focus specifically on local currency projects funded by Title III, their contribution to program objectives, their management and monitoring. The main subject of this re-assessment would be the role of local currency projects vis-a-vis policy dialogue as a means

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of accomplishing Title III goals and recommend ways to adjust local currency programming requirements to make Title III a more effective and manageable tool. It should build on the study by G. Hossain on "Local Currency Programming Relating to PL 480 Title III." It could lead to changes in Title III policy guidance and perhaps legislation.

The FY 86 evaluation recommended that the Mission request the BDG to outline in more detail the use of local currency requested for Title III-sponsored projects. The Bangladesh Government has had some trouble responding fully to this recommendation because, at the project level, local currency is fungible with other funding sources. The Mission has made an effort, however, to obtain more detailed information on Title III attribution proposals and, in particular, ensure that no Title III funding be used to pay for customs duties and other taxes, as required by U.S. law. In response to a recommendation from the FY86 evaluation report, the evaluation team reserves judgement on line-item budgeting for Title III projects. We believe that this issue should be explored by the re-examination of local currency programming recommended in the preceding paragraph.

12. Accounting and Reporting Requirements

The Agreement has called for the establishment of a Title III Coordination Committee, consisting of representatives of ERD, MOF, BTMC, BSFIC, USAID and other agencies involved in implementing the Title III program, to be responsible for monitoring the implementation of the Title III provisions and reporting requirements. The first meeting of this committee was postponed due to security problems, but it should take place shortly. The committee will regularly examine progress of the Title III projects and food security policy reforms. It will also attempt to resolve problems hindering the timely submission of required reports.

The Hossain study made several recommendations for improving BDG Title III accounting and reporting procedures. The Mission has been pursuing these recommendations and has met with a limited amount of success. The Finance Division of the Ministry of Finance has issued instructions regarding maintenance of accounts and records of commodities received, quantity sold, funds generated, amounts deposited in the Special Account, expenditure incurred by the implementing agencies funding Title III projects and submission of required reports. Nevertheless, USAID has had difficulty receiving all of the required reports, particularly from the Bangladesh Sugar and Food Industries Corporation (BSFIC) and the Bangladesh Textile Mills Corporation (BTMC). The BDG has not been able to assign extra manpower for Title III management in the Finance and External Resources Divisions of the Ministry of Finance and in the Ministry of Food. We encourage the Mission to continue to pursue these recommendations.

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13. Flood Relief Activities

The FY 87 agreement was amended to provide additional resources for flood relief and rehabilitation. The amendments provided $15 million of rice. A series of floods in August and September 1987 caused the Bangladesh Government to predict extensive shortfalls in rice production. It increased its purchases of rice and wheat on commercial terms and sought additional food aid. USAID, on the other hand, was cautious about recommending additional food assistance because it noted that production actually increased following the floods of 1984. Farmers had the opportunity to increase their acreage in rice during the subsequent two cropping seasons in 1984, overcompensating for the losses in the season affected by flooding.

Washington agencies, responding to Congressional and public concern, provided the additional food aid. Foodgrain stocks have risen to unprecedented levels, due to food aid, commercial imports and, to a limited extent, increased domestic procurement by the BDG. These factors have worked to moderate consumer food prices.

Results of a Ministry of Agriculture survey of flood affected aman rice crop production are not yet in, but there are indications that the BDG will increase its estimates of rice production. USAID is attempting to carry out its own survey.

The Title III rice and wheat will enter the Public Foodgrain Distribution System and be sold through the various channels. Only sales through eligible channels will be deposited in the Special Account and be eligible for loan offset. Since the $15 million of flood relief food was provided through the Title III mechanism, the BDG is required to deposit $15 million in local currency into the Special Account. These proceeds will be used for bridge and culvert construction, a DA and Title II-supported project that works in conjunction with the CARE Title II Food for Work program.

As shown in Table-4 the bridges and culverts project received more than 90 percent of its FY 87 allocation ($10 million) by the third quarter FY 87, a higher percentage than was received by almost all other projects.

This fact shows the priori y given by the Mission and the BDG to flood rehabilitation, and the prospect of proceeds from the additional $15 million in Title III seems to have made their decision easier. In FY 88, about $18 million will also be made available for the bridges and culverts project.

While the funds to be made available for flood rehabilitation is a positive result of the additional $15 million in Title III commodities, not all the results are positive. The DCC has decided that the $15 million will be counted as an advance drawdown on the $60 million expected to be provided in FY 88. This decision was made because the rice was shipped after the cut-off date for FY 87

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budget charges, and thus became a FY 88 program. Since the $15 million was approved by the DCC as flood relief, the Mission made no policy preconditions when signing the Agreement amendment with the BDG. In return for the significant policy reforms and activities the Mission is asking the BDG to undertake in FY 88, the Mission can offer only $45 million and not the $60 million the BDG expected under the three year program. USAID strongly supports providing $60 million in addition to the $15 million already received in FY 88 in order to maintain original program objectives.

The evaluation team believes that the Mission has acted responsibly and effectively in programming the additional $15 million for flood relief. We do not believe the DCC has been as supportive as it could have been of the Title III program in Bangladesh. By counting the $15 million flood relief program as part of the $60 million intended for Title III purposes, the DCC has diminished the leverage of the Mission to encourage BDG policy reforms and has put the Mission in the awkward position of not being able to fully live up to its side of a three year agreement with the BDG. Since 1978, the DCC has encouraged USAID to build as much development impact as possible into the Title III agreement, and the Mission has responded by building a complex structure of policy reforms, food security measures and development projects. It is vital for the DCC to make the resources necessary to fully fund the Agreement, if the BDG lives up to its side. We recommend the DCC set aside an additional $60 million for the Bangladesh Title III program in FY88, to be obligated in one amendment if the BDG agrees to the pricing preconditions described in this report.

COTTON

Cotton was incorporated in the second Title III program to promote growth of the privately owned, rural-based cotton spinning (handloom) industry. The industry is labor intensive and employes primarily women. The agreement contained provisions aimed at: (1) removing restrictions on the capacity of private mills; (2) ensuring that private mills receive a proportionate share of cotton imported by the Government; and (3) removing administrative and fiscal constraints on development of the cotton industry. An AID/W PL 480 impact study, Bangladesh: PL-480 Title III Paper, May 1987, concludes that on the basis of available AID documents, the foregoing objectives have been achieved. The size limitation on new spinning mills was removed in 1982. By FY 1985, the public sector Bangladesh Textile Mills Corporation (BTMC) had turned over 27 of its 56 textile mills to the private sector. In addition, four new private textile factories had been established, and textile output increased 22 percent between FY 1982 and FY 1985. Currently, there are 43 mills under BTMC and 28 large mills in the private sector. More than 80 percent of BTMC yarn goes to small weavers. BTMC does not need BDG permission to raise the price of its product and has increased its prices a few times in recent months. Since it started its operation some 14 years ago, BTMC made profit for 9 years and incurred losses in 5 others. Recent Title III shipment delays have

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caused a pipeline problem for the BTMC. It is asking the Mission for additional funding, especially because the price of cotton has gone up at a time when BTMC is expanding its capacity. It uses private dealers and traders in marketing its product to small weavers. U.S. cotton is currently priced higher than cotton from other sources. As a result, only the BMTC is willing to use U.S. cotton.

SOYBEAN OILS

The Title III Agreement of 1982 stipulated that (1) PL 480 soyabean oil should be sold through private sector wholesale and retail outlets (and not through the ration system), (2) the amount of vegetable oil in the ration system should not be increased, and (3) the BDG should analyze how policies affecting the vegetable oil industry should be adjusted to encourage the local vegetable industry.

AID evaluations reported that the first two objectives were met. While the third objective has not been fully met yet, there has been considerable progress made toward this objective. Due to high cost of Title III unrefined soyabean oil, relative to the cost of competing vegetable oils, including unrefined soyabean oil from other sources and imported refined palm oil, Bangladesh private oil processors have not been interested in purchasing Title III oil. As a result, the Bangladesh Sugar and Food Industries Corporation (BSFIC), a public sector refining industry, has become the sole handler of U.S. soyabean oil. As discussed in the AID/W PL 480 Title I impact paper referred to in the preceeding paragraph, public industries have been willing to take the oil because the BDG has been willing to absorb the difference in cost between the U.S. soyabean oil and cheaper competing oils.

Increased privatization of the oil processing industry is occurring, however, despite the continued public sector in the industry. The private sector is processing about 60,000 MT while the public sector is processing between 25,000-30,000 MT. It was learned that the private sector processing capacity recently was grossly underutilized because of foreign exchange problems and capital scarcity. The parastatal organization BSFIC itself is going to be divested soon and will become a holding company, with 49 percent private share and 51 percent Corporation share. The new Board of Directors will have 4 members, out of a total of 9, representing the private shareholders. Like the BTMC, the BSFIC also was complaining about a declining volume of Title III soya coming to them because of soya price increase. They were particularly concerned about the reduced import because they are in the process of expanding their processing capacity. The recent, dramatic increase in prices of imported palm oil in Bangladesh has made palm oil more expensive than soybean oil, thus increasing the latter's attractiveness to consumers and processors.

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List of Persons Consulted

Ministry of Food

Joint Secretary, Islam Uddin Malik.
Joint Secretary, L.R. Bhuiyan
Acting Deputy Chief, FPMU, Aziz

Ministry of Finance

Joint Secretary, External Resources Division, Ayub Qaadri
Deputy Secretary, External Resources Division, M.T.S. Beg

Bangladesh Sugar and Food Industries Corporation

Chairman, Hedayet Hussain
Director, Finance, Muazzam Hossain
Director-Marketing, M.Sayeduzzaman
Controller-Accounts and Financing, Mohammad Hussain
Chief-Purchase, H.R. Khan.

Bangladesh Textile Mills Corporation

Chairman, A.K.M. Muslehuddin
Director, A.S.M. Shahid
Director (P+S) Mahfuzur Rahman
Chief Finance Officer, Mansur Ali Khan

World Food Program

Representative, Mike Sackett
Deputy Representative, Jim Conway

ILO Consultant, Collin Relph

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Tables

1. Procurement, Initial OMS and Ration Prices for Wheat and Rice Pre-April 1987, Currently Required by Agreement and Current Actual

2. Initial OMS and Ration Prices for Wheat and Rice under various Options

3. PL 480 Title III Commodities/Financial Status

4. Allocation and Disbursement of Funds from the Title III Special Account

5. List of the Projects Approved for Funding under the PL 480 Title III Program during BDG FY 1987-88

6. Probable Projects for Inclusion in the PL 480 Program for Local Currency (LC) Funding during BDG FY 1987-88

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Annexes

A. Title III Evaluation Scope of Work

B. Description of Public Food Distribution System

C. USAID/Dhaka Memo on Reducing the Gap between Provision of Commodities and Sales Proceeds

D. USAID/Dhaka Memo on Foodgrain Sources

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