

MONTHLY REPORT ON PRICES FARMERS PAID FOR CHEMICAL FERTILIZER
IN BANGLADESH

(January 1979)

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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 January information was gathered from 166 respondents in six locations, three in Noakhali, two in Comilla and one in Sylhet. (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 month of January 1979 which is the second month since 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 January were as follows:

Summary of Findings

1. The numbers and percentage of farmers paying official prices for fertilizer were: Urea - 72 of 154 buyers or 47 percent; DAP - 1 of 6 buyers or 17 percent; TSP - 13 of 88 buyers or 15 percent; MP - 2 of 37 buyers or 5 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	77.78	77.53	64.35	48.68
Difference	+7.78	+7.53	+9.35	+3.68
% Difference	11%	11%	17%	8%

Number Buying Fertilizer

Total	154	6	88	37
At official price	72	1	13	2
Above official price	<u>82</u>	<u>5</u>	<u>75</u>	<u>35</u>
5 Taka or less above	28	-	37	32
More than 5 Taka above	54	5	38	3

2. As compared to December, farmers in January paid on the average about the same price for Urea and less for TSP and MP. On the average per maund price decreases for TSP and MP were Tk. 7.34 or 10 percent and Tk. 1.66 or 3 percent respectively. Monthly comparisons 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>December</u>	<u>January</u>	<u>Difference</u> ^{1/}
Urea	77.07	77.78	+ 0.71
TSP	71.69	64.35	- 7.34
MP	50.34	48.68	- 1.66

1/ January price minus December price.

3. The average quantity of fertilizer purchased by farmers at any one time was: Urea, 9.71 seers; DAP, 17.35 seers; TSP, 17.77 seers; MP, 6.59 seers. Highest quantity purchased at a time was recorded for Urea, 54 seers; DAP, 54 seers; TSP, 100 seers; MP, 40 seers; and lowest quantity recorded was: Urea, 0.50 seer; DAP, 4 seers; TSP, 0.50 seer; MP, 0.50 seer. The break down 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	89	1	35	26
6 - 10 "	37	2	20	6
11 - 20 "	13	2	16	4
21 - 40 "	5	-	8	1
41 - 80 "	10	1	1	-
81 or more seers	-	-	1	-
Total :	<u>154</u>	<u>6</u>	<u>88</u>	<u>37</u>

4. Chemical fertilizer was purchased largely for growing local potatoes (50 respondents), followed by vegetables (35 respondents) oil seeds (27 respondents), rice (27 respondents), Potatoes (14 respondents) and wheat (13 respondents).

5. Both small and large farmers were included among chemical fertilizer purchasers. About 57 percent had 3.0 acres or less of land and 43 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	31	respondents
1.1 to 2 acres	38	"
2.1 to 3.0 acres	25	"
3.1 to 5.0 acres	35	"
5.1 to 10.0 acres	27	"
10.1 or more acres	<u>10</u>	"
Total :	166	"

6. Small farmers (3.0 acres or less of land owned) as a group reported paying per maund about Taka 7.46 less for Urea, Taka 2.96 less for DAP, Taka 2.97 less for TSP and Taka 1.45 more for MP than large farmers (more than 3.0 acres of land owned).

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

Farm Size	Urea		DAP		TSP		MP	
	(Number)	(Price)	(Number)	(Price)	(Number)	(Price)	(Number)	(Price)
(a) 3.0 acres or less	87	74.54	5	77.04	47	62.80	23	49.23
(b) 3.1 acres or more	67	82.00	1	80.00	41	65.77	14	47.78
(c) Total	154	77.78	6	77.53	88	64.35	37	48.68
(d) Difference (a minus b)		- 7.46		- 2.96		- 2.97		+ 1.45

7. Area cultivated by respondents averaged 0.28 acres. The largest was 2.0 acres and smallest 0.02 acre.

8. Most of the respondents purchased chemical fertilizer from daily (bazar) or weekly (hat) markets. Only 45 reported buying from established local dealers.

9. The distance fertilizer was hauled by respondents averaged 1.22 miles and ranged from 0.10 to 6.0 miles.

10. The most popular mode of transport was head or hand carrying (158 respondents); only eight respondents hired rickshaw for transportation 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)
<u>Ramgati Thana, Noakhali</u>				
November	70.00 (A)	-	67.20 (A)	-
January	70.48 (A)	-	60.62 (A)	-
<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)	-
<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)
<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)
<u>Kamalganj Thana, Sylhet</u>				
January	71.19 (S)	-	56.88 (S)	47.72 (S)

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