



COUNTRY FACT SHEET ON FOOD AND AGRICULTURE POLICY TRENDS

Socio-economic context and role of agriculture

Bangladesh is a lower-middle income country located in South Asia with over 159 million inhabitants on a landmass of 147 570 square kilometres. It is among the most densely populated countries in the world.<sup>1</sup> In fact, Bangladesh is experiencing rapid urbanisation with 3.5 percent of urban population growth annually.<sup>2</sup>

Since its independency in 1971, Bangladesh has undergone a significant economic and social development. In the past decade (2005-15), the economy has grown at nearly six percent each year and poverty has dropped by nearly a third.<sup>3</sup> However, Bangladesh continues to face numerous political, economic, social and environmental challenges, including political instability, corruption, poverty and overpopulation.

Loss of arable land, rising sea levels, frequent flooding and extreme weather patterns constitute the main threats to food security. Food security is also constrained by low level of productivity, profitability, and high yield gap; relatively slow rate of take up of new technologies; inadequate level of private sector interest and investments in agricultural value chain; fluctuations in agricultural production; and limited resources for building resilience to climate change.

Agriculture plays a key role as a main supplier of food, source of livelihood, growth and employment. In fact, almost half of Bangladeshis are employed in the agriculture sector. In 1971 the agriculture sector contributed to more than 60 percent of the GDP,<sup>4</sup> however the share of GDP in

Selected indicators		2007	2009	2011	2014
SOCIO-ECONOMIC	GDP (current billion US\$) *	79.6	102.5	128.6	173.8
	GDP per capita (current US\$) *	543.1	683.6	838.5	1 092.7
	Agricultural value added (% of GDP) *	18.7	17.9	17.7	15.9
	Agricultural value added (annual % growth) *	(average 2007-2014)	4.25		
		(2014)	3.3		
	Total population (thousand)	146 592.7	149 905.8	153 405.6	159 077.5
	Rural population (% of total)	71.7	70.1	68.5	66.2
	Employment in agriculture (% of total employment)	48.1	46.3	44.4	41.6
Human Development Index **	(2013)	0.558			
AGRICULTURAL PRODUCTION & TRADE	Per capita cultivated land (ha)	0.059	0.058	0.056	0.053 (2013)
	Area equipped for irrigation (ha)	5 500 000 (2013)			
	Value of total agriculture (current million US\$)	11 279	14 163.7	16 599.5	17 343.5 (2013)
	Value of cereals production (current million US\$)	6 925.9	9 035.2	10 825.1	10 993.5 (2013)
	Yield for cereals (hg/ha)	40209	41760	43484	43573
	Cereal import dependency ratio (%)	(2007-09)/(2009-11)	8.3 (2007/2009)		10.8 (2009/2011)
	Top 3 commodities	Production quantity	Rice, paddy; Potatoes; Sugar cane (2012)		
		Production value	Rice, paddy; Potatoes; Milk, whole fresh goat (2012)		
		Import quantity	Wheat; Sugar Raw Centrifugal; Palm oil (2011)		
		Import value	Palm oil; Cotton lint; Wheat (2011)		
Export quantity		Jute; Potatoes; Cotton Waste (2011)			
Export value	Jute; Tobacco, unmanufactured; Cotton Waste (2011)				
FOOD SECURITY & NUTRITION	Top 3 commodities available for consumption	Rice (Milled Equivalent); Wheat and products; Potatoes and products (2011)			
	Dietary energy supply (kcal/capita/day)	2417	2425	2429	2450 (2013)
	General (g) and Food (f) CPI (2000=100)	147.6 (g), 151.9 (f)	169.4 (g), 177.9 (f)	202.8 (g), 221.0 (f)	263.7(g), 271.8 (f)
	People undernourished (million)	24.8	25.7	26.5	26.8
	Prevalence of undernourishment (%)	16.9	17.2	17.3	16.9
	Prevalence of underweight children under 5 years of age (%)	41	NA	36	33
	Prevalence of stunting among children under 5 years of age (%)	43	NA	41	36
	Prevalence of wasting among children under 5 years of age (%)	17	NA	16	14
	Global Hunger Index ^	(2015)	27.3 (serious)		
Access to improved water sources (% of population) *	81	83	84	86	

Sources: FAOSTAT; \*WB; \*\*UNDP; ^BDHS; ^^IFPRI. Accessed on 9, Nov, 2015.

1 FAOSTAT, accessed on January 15th, 2015. <http://faostat3.fao.org/download/O/OA/E>  
 2 World Bank. 2015. Urban Population Growth (annual %). <http://data.worldbank.org/indicator/SP.URB.GROW>  
 3 Ministry of Agriculture. Accessed on 15 Jan 2015. [www.iappbd.com/about-project/project-background](http://www.iappbd.com/about-project/project-background)  
 4 FAO. 2011. [www.fao.org/fileadmin/templates/tci/pdf/CapitalFromation/Bangladesh-\\_Kazi-Capital\\_Formation\\_in\\_Agriculture\\_in\\_Bangladesh-Revised\\_Draft-\\_081011.pdf](http://www.fao.org/fileadmin/templates/tci/pdf/CapitalFromation/Bangladesh-_Kazi-Capital_Formation_in_Agriculture_in_Bangladesh-Revised_Draft-_081011.pdf)

agriculture has declined sharply over the years as part of the structural transformation process of development. This declining trend in growth of the agriculture sector is mainly attributed to a gradual loss of cultivable land, adoption and dissemination of new technology, and lack of sufficient support for agricultural research and training in the country.<sup>5</sup> Rice is the dominant crop, covering 75 percent of cropped areas and representing 70 percent of the value of crop output. Since 1971, production of rice has scaled up from 10 million tonnes to over 34.5 million tonnes in 2014-15,

which has led to achieving rice self-sufficiency in 2012.<sup>6</sup>

Bangladesh reached the Millennium Development Goal 1 (MDG) of halving the proportion of people living below the poverty line (from 57 percent in 1991 to 29.0 percent in 2012) thanks to the enactment of the comprehensive National Food Policy framework adopted in the mid-2000s.<sup>7</sup> However, nutritional status of the population remains poor and micronutrient deficiencies persist, driving high rates of anaemia in women and children.

## 1. Government objectives in agriculture, food and nutrition security

The Government of Bangladesh (GoB) adopted in 2007 a long-term development strategy (**Vision 2021**), which aims at transforming Bangladesh into a middle-income country by 2021. The implementation of Vision 2021 is being achieved through the **National Perspective Plan (2010-2021)**. In both documents, the GoB has prioritized the attainment of self-sufficiency in food grain production and the achievement of nutritional requirement by 2021. Vision 2021 is being implemented through medium term plans of 5 years. The **Sixth Five-Year Plan (6FYP 2011-2015)** aimed at raising agricultural productivity, fostering diversification and boosting rural infrastructure<sup>8</sup> has been superseded by the **Seventh Five Year Plan (7FYP 2016-20)**, which has been approved by the end of 2015 and focuses on developing the crop sub-sector to raise rural income and generate employment opportunities for poor rural people.<sup>9</sup> The development vision for agriculture under the 7FYP aims at ensuring food and nutritional security, sustainable intensification and diversification of climate resilient agricultural production with increased commercialization and livelihood improvement through technological innovations and use, and linking farming community with markets, both national and international.

The GoB adopted also the **National Sustainable Development Strategy (NSDS 2010-21)**, which identifies strategic priority areas (sustained economic growth, development of priority sectors, social security and protection, environment, natural resources and disaster management) along with cross-cutting areas (disaster risk reduction and climate, good governance and gender) with a view to achieving the strategic vision and addressing long-term sustainability of productive resources.

Beside the 7FYP, the key guiding document for the development of the agriculture sector is the **National Agriculture Policy**

(**NAP 2013**), which aims to improve food and nutrition security for all and the quality of life for rural people through increased productivity and agricultural diversification. The **National Food Policy (NFP 2006)** mainly targeting women and children, aims to enhance purchasing power to increase access to food and to ensure adequate nutrition for all.<sup>10</sup> NFP strongly acknowledges that adequate food availability, though admittedly necessary, is not a sufficient condition for ensuring food security and that ensuring food security requires a major effort aimed at enhancing access to food and subsequent utilization of food for nutrition by the poor and distressed households. In order to implement the NFP, the GoB adopted a **Plan of Action (NFP-PoA, 2008-2015)** which provides a programmatic guidance for the implementation of the NFP; identifies 26 strategic areas of interventions and more than 300 action agenda; identifies responsible actors (government and non-government) and suggests a set of priority targets and indicators for monitoring progress. Subsequently, the GoB adopted the **Country Investment Plan for Agriculture, Food Security and Nutrition (CIP, 2011-2015)**, which plans and identifies 12 invest programmes to ensure implementation of the NFP PoA; mobilizes additional funds, including from external sources such as the L'Aquila Food Security Initiative; monitors, evaluates investments in agriculture, food security and nutrition. The GoB has also drafted the **National Agricultural Extension Policy (2015)** for providing integrated agricultural extension service of Department of Agriculture Extension, Department of Fisheries, Department of Livestock and Department of Forestry under one umbrella through "National Agriculture Extension System (NAES)". Besides that, the digitized (e-agriculture) extension service promotes to assist farmers provisioning valuable information, integrated pest

5 U. Onneshan. 2014. Recent Trends of Growth in Agriculture, Industry and Power. Bangladesh Economic Update March 2014. [http://unnayan.org/reports/meu/MEU\\_March\\_2014/Final%20MEU\(Edited\)\\_29%20March14.pdf](http://unnayan.org/reports/meu/MEU_March_2014/Final%20MEU(Edited)_29%20March14.pdf)

6 USDA Foreign Agricultural Service. 2015. Grain and Feed Annual. [http://gain.fas.us\\$a.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Annual\\_Dhaka\\_Bangladesh\\_5-5-2015.pdf](http://gain.fas.us$a.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Annual_Dhaka_Bangladesh_5-5-2015.pdf)

7 United Nations. 2015. The Millennium Development Goals Report. MDG Progress Report 2015 ([www.plancomm.gov.bd/mdg-progress-report-2015](http://www.plancomm.gov.bd/mdg-progress-report-2015))

8 Planning Commission of Bangladesh. 2013. [www.plancomm.gov.bd/wp-content/uploads/2013/09/SFYP\\_Part-2.pdf](http://www.plancomm.gov.bd/wp-content/uploads/2013/09/SFYP_Part-2.pdf)

9 FAOLEX. 2015.

10 Ministry of Food and Disaster Management of Bangladesh. 2008. National Food Policy Plan of Action (2008-2015). [www.gafspfund.org/sites/gafspfund.org/files/Documents/NationalFoodPolicyPlanofActionFINAL.pdf](http://www.gafspfund.org/sites/gafspfund.org/files/Documents/NationalFoodPolicyPlanofActionFINAL.pdf)

management control and provided active discouragement of damaging and hazardous agriculture practiced by the farmers.

With regard to social protection and nutrition, government's main strategy is formulated in the **Strategic Plan for Health, Population and Nutrition Sector Development Programme (HPNSDP 2011-2016)**. In 2015, the GoB adopted the **Nutrition Policy (2015)**, which envisions food security and food safety and

optimal nutrition throughout lifecycle of all citizens, especially for vulnerable populations. It aims at enhancing dietary diversity and optimum quality and quantity of diet for all. Furthermore, in 2015, the GoB approved the **National Social Security Strategy (NSSS)**, which encompasses existing safety nets, employment policies and social insurance.<sup>11</sup>

## 2. Trends in key policy decisions (2007 to 2015)

### 2.1 Producer-oriented policy decisions

During the past three decades, the self-sufficiency perspective in rice has become dominant in the food security and agricultural policy context of the country. Therefore, the GoB is directly assisting farmers by enhancing the use of inputs, increasing credit facilities and guaranteeing support prices through public procurement.

#### *Increasing fertilizer's subsidies*

In the past years, a special focus has been placed on fertilizers. In 2010, the GoB introduced the *Agriculture Input Assistance Card programme*. Through this programme, farmers are being given a smart card that allows them to open a bank account through which they directly receive cash to buy inputs. The trend in fertilizers' subsidy has been constantly increasing from 35 (US\$ 503 million) in 2007-08 to 119 billion Taka (US\$ 1 billion) in 2012-13.<sup>12</sup> However, in 2013-14 subsidy to fertilizers has decreased by 28 percent, accounting 86 billion Taka (US\$ 1 billion).<sup>13</sup> In 2014-15, the government subsidy on fertilizers accounts for about 2.2 percent of total public expenditure. Part of this budget finances increasing imports of urea, to boost domestic production, which has decreased severely during the last years.

#### *Increasing credit provision to smallholder farmers*

The GoB provides agricultural loans for smallholder farmers. In fact, credit disbursement in the agriculture sector has been one of the preferred instruments of the government to face the global financial crisis in 2010 and the previous food crisis. Public and private commercial banks increased the agriculture credit disbursement target to US\$ 1.4 billion for FY 2008-09, 13 percent higher than the previous year. Subsequently, in order to enhance agricultural production and diversification, the GoB has encouraged banks to expand farm loans (agricultural loans are around 6 percent of total loans) through the Bank of Bangladesh, which issued directives to commercial banks to meet the working capital needs of small farmers making it mandatory for every bank to deliver agricultural loans. The GoB also reduced the interest rate

from 8 to 2 percent for loan disbursement for the production of pulses, oil-seeds and spices during 2007-2014. According to the Ministry of Finance, the Bangladesh Bank aims to distribute Taka 164 billion (US\$ 2 billion) as agriculture and rural credit in FY 2015-16, 5.47 percent higher than in FY 2014-15.

#### *Sustained price stabilization and domestic procurement*

The GoB maintains public food stocks with two goals: to provide price and profit incentives to farmers and food to all consumers (see Consumer Section below).<sup>14</sup> With regard to the first objective, the GoB participates in a *Domestic Procurement Programme* since the late 1970s, through which it purchases grain (rice, paddy and wheat) from the open market in order to stabilize prices for farmers. Procurement target has been constantly increasing over the last years. Food-grain storage capacity has increased by 20 percent from 2007-08 to 2013-14, achieving 1.79 million tonnes in 2013-14 and reaching the target set in 2010 of 2.2 million tonnes in 2015. According to current projections, storage capacity will continue to expand over the next few years, reaching about 2.6 million tonnes by 2020. According to National Social Security Strategy, the increasing expansion of food-grain storage capacity indicates that public stocks will be leveraged for emergency programmes and food transfers will be integrated with cash transfers.

#### *Promoting food and agricultural diversification*

One of the major objectives of the 7FYP (2016-20) is to ensure that the country's agricultural sector is profitable, sustainable and competitive through the promotion of agricultural diversification. Attaining crop diversification is crucial for increasing productivity, for ensuring human nutritional security, maintaining soil health and increasing cropping intensity, employment and the income of farmers. The National Agricultural Policy (2013) aims at promoting diversification by increasing space and production of other crops, e.g. potato, pulses, oilseeds, vegetables, fruits and spices, under the *Crop Diversification Programme*, which will gradually be extended. In order to intensify agriculture

11 The NSS was drafted as the National Social Protection Strategy.

12 Ministry of Food. 2015. Monitoring Report 2015.

13 Ibid.

14 IFPRI. 2014. Political Economy of State Interventions in the Bangladesh Food-grain Sector. <http://reliefweb.int/sites/reliefweb.int/files/resources/ifpridp01404.pdf>



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diversification, the National Food Policy Plan of Action aims at boosting livestock production. Diversified agriculture that supplements crop production with livestock production would be crucial for increasing dietary diversity and stabilizing the micronutrient daily intake. The trend in production of livestock commodities have been steadily increasing from 2007-08 to 2013-14. With regard to the livestock sector, the GoB developed the National Livestock Development Policy in 2007, which aimed at accelerating economic growth by reducing rural poverty. The major objective of the policy was the promotion of sustainable improvement in productivity of milk, meat and egg production, including processing and value addition. However, the governing regulatory framework for livestock is the National Livestock Extension Policy (2013), which mainly focuses on veterinary public health and food safety issues, producers' organizations, extension services, linkages among research and extension, and smallholder livestock farming constraints. The fishery sector is also contributing to diversifying agriculture production and diets, in order to foster the development of the sector, the GoB adopted the National Fisheries Policy in 1998 whose objectives aimed at enhancing the fisheries resources and production; alleviating poverty through the creation of self-employment and improvement of socioeconomic conditions of the fishers; meeting the demand for animal protein; achieving economic growth and earning foreign currency by exporting fish and fisheries products.

## 2.2 Consumer-oriented policy decisions

The GoB uses two broad approaches to increase access to food: short-term actions, which aim primarily at relieving immediate distress by directly transferring food or cash (known as social safety net programmes) and long-run policies, programmes and development projects aimed to raise incomes of the poor through employment generating activities. Although these initiatives started as early as mid-1970s, there has been a notable evolution over the years, such as the transformation from relief programmes to development programmes and the conversion of ration price subsidies to targeted food distribution and/or conditional cash transfers.<sup>15</sup>

### Public food grain distribution system

The largest safety net programmes in Bangladesh are food based. The GoB provides emergency relief during periods of natural disasters, alleviating chronic food insecurity through targeted food distributions and stabilizing the market price of food, especially rice. To achieve this and maintain food stocks, the GoB relies on procurement of rice and wheat from farmers and, when necessary, via import through government-to-government deals and import tenders issues. Food distribution is being implemented through two channels: the first, the non-monetized, which does not involve sales, but includes targeted safety net programmes and the other main channel, the subsidized food sales (Open Market Sales – OMS), which sells rice and wheat under the Public Food Grain Distribution System (PFDS). Distribution through OMS as proportion of total channelled Public Food Distribution System accounted 29 percent in 2013-14, therefore, it has increased from the previous year at 16 percent.<sup>16</sup> However, with regard to social safety nets (SSN), while the share of SSN spending in GDP has decreased in 2013-14 to 1.61 percent from 1.68 percent in 2012-13, in 2014-15 the share of expenditure on SSN has increased reaching 2.3 percent. According to projections, the share of SSN spending in GDP will peak 2.7 percent in 2017-18.<sup>17</sup>

### Increased coverage of cash-for-work

Bangladesh suffers from unemployment issues. Although the rate of unemployment averaged only 4.3 percent in 2014,<sup>18</sup> this is currently affecting particularly youth and women. To cope with this situation, the GoB is supporting a number of targeted food-for-work and cash-for-work initiatives during the last decade. The main programmes are *Food-for-work* (FFW, 2004) and *Test Relief* (TR, 1975),<sup>19</sup> which distribute food grains as payment in labour-intensive public works programmes. In 2008, in response to the food crisis, the GoB also introduced a massive programme:

15 Bangladesh Food Security Investment Forum. 2010. Income Growth, Safety Nets, and Public Food Distribution. [http://www.bids.org.bd/ifpri/income\\_growth5.pdf](http://www.bids.org.bd/ifpri/income_growth5.pdf)

16 Ministry of Food. 2015. Monitoring Report 2015.

17 Ibid.

18 World Bank. 2014. Unemployment. <http://data.worldbank.org/indicator/SI.UEM.TOTL.ZS/countries/BG?display=graph>

19 ILO. [www.ilo.org/dyn/lossi/ssimain.viewScheme?p\\_lang=en&p\\_geoaid=50&p\\_scheme\\_id=3173](http://www.ilo.org/dyn/lossi/ssimain.viewScheme?p_lang=en&p_geoaid=50&p_scheme_id=3173)



100-Days Employment Generation Programme (100-DEGP), which covered all 64 districts and reached 2 million people.<sup>20</sup> The main goal of this programme was to increase the purchasing power of rural people by providing employment during the lean season or by distributing cash to them in case of failure to provide employment. The GoB has increased the coverage of the DEGP from 4.2 million in 2012-13 to 4.9 million beneficiaries in 2013-14. From 2015, the new phase, called Strengthening Women's Ability for Productive New Opportunities (SWAPNO), will first be implemented in Kurigram, the poorest district in Bangladesh and then scaled up in other poor areas of the country.

### Addressing maternal and child malnutrition

Malnutrition in Bangladesh is mainly generated by low dietary diversity, with 70 percent of the diet comprised of cereals, inadequate protein and micronutrient intake.<sup>21</sup> In 2007, the GoB adopted the National Strategy for Infant Young Child Feeding (2007) which aimed at enhancing breastfeeding and complementary feeding in children. In conjunction with the National Strategy for Anaemia Prevention and Control (2007) canalized iron supplementation, dietary improvement and food fortification, to control anaemia in children and women of reproductive age. In 2011, the National Nutrition Services (NNS) replaced the National Nutrition Programme (NNP) in an effort to mainstream nutrition as part of the HPNSDP (2011-16).<sup>22</sup> In 2011, the World Food Programme (WFP) implemented the "School Feeding programme in Poverty-Prone Areas", which is aimed at distributing micronutrient-fortified energy biscuits to 1.2 million primary school children. This School Feeding Programme has been funded both by the GoB and WFP and, during 2015-16, it aims at assisting all 16.4 million primary school-going children.<sup>23</sup> In order to eradicate malnutrition and facilitate national development, the GoB has also formulated the National Nutrition Policy (NNP, 2015) whose main objective is to improve the nutritional status of people through ensuring availability of adequate and safe food as well as the diversification of diets. The NNP adopts a multi-sectoral approach and nutrition is incorporated into agriculture extension, social protection and food security. As part of this new policy, two nutrition-related programmes have been launched and are being implemented in Bangladesh: nutrition specific/direct interventions and nutrition-sensitive indirect interventions. Nutrition direct interventions are targeting children and aim at promoting breastfeeding during the first six months, etc. Conversely, indirect nutrition interventions



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Malnutrition in Bangladesh is severely affecting women and children. In 2014, 36 percent of children under 5 were chronically undernourished. Additionally, nowadays, 30 percent of women are still chronically malnourished, especially lactating women and adolescent girls.

are aimed at promoting food-based dietary guidelines; increasing investments in nutrition-sensitive agriculture, etc.<sup>24</sup>

### 2.3 Trade- and market-oriented policy decisions

Bangladesh went through a series of deregulation and agricultural trade liberalisation measures in the late 1980s and early 1990s, with an aim to increase agricultural productivity and achieve self-sufficiency in food grain production. Over the last few years, the country is diversifying its export base in terms of products and the market. In addition to the exports of main agricultural commodities such as shrimp, raw jute, jute goods, tea, frozen foods, the GoB has planned on boosting exports of non-traditional agricultural commodities.<sup>25</sup>

#### Liberalized agricultural trade

Trade liberalization has been one of the major policy reforms implemented by Bangladesh in the 1990s.<sup>26</sup> Major reforms in agricultural policy have included liberalization of input markets, substantial reduction and rationalisation of tariffs, removal of quantitative restrictions and setting macroeconomic measures such as adopting "Free Floating Exchange Rate" in 2003. Additionally, the range of products subject to import ban or restriction has been reduced substantially from as high as 752 in 1985-86 to only 26 in 2012-15.<sup>27</sup> Bangladesh has no tariff quotas, seasonal tariffs, or variable import levies.

20 Rownak J. 2010. Dynamics of Implementation of 100 Days Employment Generation Programme: A Study of Mouchak and Holdia Union Parishads. [www.mppg-nsu.org/attachments/119\\_Thesis%20of%20Rownik.pdf](http://www.mppg-nsu.org/attachments/119_Thesis%20of%20Rownik.pdf)

21 Ministry of Planning. 2010. Bangladesh Household Income and Expenditure Survey. [www.bbs.gov.bd/WebTestApplication/userfiles/Image/LatestReports/HIES-10.pdf](http://www.bbs.gov.bd/WebTestApplication/userfiles/Image/LatestReports/HIES-10.pdf)

22 IFPRI. 2011. Bangladesh: situation analysis for Transform Nutrition [www.transformnutrition.org/wp-content/uploads/sites/3/2011/11/Bangladesh\\_situation\\_analysis.pdf](http://www.transformnutrition.org/wp-content/uploads/sites/3/2011/11/Bangladesh_situation_analysis.pdf)

23 World Food Programme (WFP). 2012. Annual Report-2012 on School Feeding Programme in Poverty-Prone Areas. [www.icgbangladesh.org/Education/reports/School%20Feeding%20Programme%20Annual%20Report%202012.pdf](http://www.icgbangladesh.org/Education/reports/School%20Feeding%20Programme%20Annual%20Report%202012.pdf)

24 Government of Bangladesh. 2015. National Nutrition Policy 2015-2025.

25 FAO. 2014. Bangladesh Country Programming Framework (CPF, 2014-2018). [ftp://ftp.fao.org/osd/CPF/Countries/Bangladesh/CPF\\_BDG\\_2014-2018\\_final%20version.pdf](http://ftp.fao.org/osd/CPF/Countries/Bangladesh/CPF_BDG_2014-2018_final%20version.pdf)

26 World Bank. 1999. Bangladesh Trade Liberalization. Report No. 19591-BD. <http://siteresources.worldbank.org/INTSARREGTOPINTECOTRA/340043241120490724746/20926224/TradeLiberalizationItsPaceandImpacts.pdf>

27 ILO. 2013. Bangladesh Country Report: Trade and Employment. [www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/wcms\\_218028.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/wcms_218028.pdf)

### ***Diversifying exports and increasing incentives***

The GoB has introduced new Export Policy (2015-18), which aims at prioritizing and attaining diversification of both export agricultural products and the market in order to increase the country's export and achieve the government's Vision 2021. The new export policy has also identified a number of agricultural commodities that will be banned from being exported such as soybean edible oil, wheat, onion, garlic, all sorts of pulses, rice except aromatic rice, ginger, flour, jute seed, as Bangladesh needs to import a lot of these products to meet its internal demand.<sup>28</sup> With a view to transform Bangladesh into a middle-income country by 2021, the new export policy has announced that farms will have their duty and value-added tax (VAT) removed in order to increase and intensify agricultural production. With regard to the shrimp and fish export sectors, the policy has proposed tax and loan facilities in order to rehabilitate the sector and the policy will provide the shrimp exporters with loans as working capital from banks at 9 percent interest rate. Furthermore, the new export policy has identified agro and herbal products as emerging sectors, therefore, the tea sector has been identified as a potential new area in which exports could be increased to 100 million from the current volume of 66 million a year.<sup>29</sup> Overall, the new export policy aims to generate export revenue of US\$ 60 billion by 2021.<sup>30</sup> In addition, the GoB

has elaborated the Strategy for Export Diversification (2015-2020), which aims at broadening the export base through diversification of exports, in order to stabilize and expand export revenues as well as boost economic growth. The GoB is also providing direct cash subsidy to exports of non-traditional items on an annual basis.<sup>31</sup>

### ***Implementing trade measures on rice and wheat to ensure price stability***

The GoB has articulated its policy on rice in the National Food Policy of 2006 and the National Food Policy Plan of Action (2008-2015). Since 2007–08, private sector rice imports dropped dramatically, therefore government interventions in both domestic and international rice trade scaled up. In 2007, considering the high global price of food items, GoB eliminated existing tariffs on import of various food items, including rice and wheat. To boost government procurement via import, Bangladesh has signed bilateral agreements with exporting countries (rice from Thailand, India and Vietnam and wheat from Ukraine) ensuring a set price. Nevertheless, the GoB has not imported rice for the last three years. On May 2015, GoB re-introduced a 20 percent import duty on rice to curb the decline of rice prices due to increased availability of supplies from the good 2014/15 harvest and increased imports in response to lower rice prices in the international market.

## **3. Emerging issues and challenges**

Some of the major emerging issues affecting Bangladesh, identified in the section below, are climate change, food safety and gender inequalities, which are likely to have important medium-term implications on how Bangladesh develops over the coming years. Furthermore, the need to ensure food security in the country will require adoption of new technologies in agriculture and steps to raise yield and diversification of the sector.

### ***Tackling environmental and risk mitigation challenges***

Bangladesh is one of the most climate-vulnerable and disaster-prone countries in the world because of its geographic location, a flat and low-lying deltaic floodplain, as well as its exposure to various hydro meteorological hazards.<sup>32</sup> Salinity intrusion is affecting agricultural production and is also becoming more intense and frequent. As a result, agricultural gross domestic product over 2005-2050 is

projected to decrease 3.1 percent annually.<sup>33</sup> In 2013, the GoB implemented the Weather index-based crop insurance, as a 3-year pilot aimed at increasing the resilience of farm households to climate and natural disaster risks through safety nets against income shocks, access to credit and higher investment in agriculture.<sup>34</sup> Additionally, to operationalize the Bangladesh Climate Change Strategy and Action Plan (BCCSAP, 2009), the GoB has established in 2009 the Climate Change Trust Fund (CCTF) and in 2010 the National Disaster Management Council and the Bangladesh Climate Change Resilience Fund (the latter with support from the World Bank).<sup>35</sup> Annually, the GoB allocates around US\$ 1 billion (6 to 7 percent of its budget) on climate sensitive activities.<sup>36</sup> National policies to address climate change have been adopted over the years such as the Bangladesh Climate Change Strategy and Action

28 Ministry of Commerce. 2015. Export Policy (2015-2018). [http://mincom.portal.gov.bd/sites/default/files/files/mincom.portal.gov.bd/page/e177ee18\\_f389\\_4f9e\\_a40c\\_57435cfac5b2/Export%20Policy%202015-2018.pdf](http://mincom.portal.gov.bd/sites/default/files/files/mincom.portal.gov.bd/page/e177ee18_f389_4f9e_a40c_57435cfac5b2/Export%20Policy%202015-2018.pdf)

29 The Daily New Nation. 2015. *New Export Policy Okayed*. <http://thedailynewnation.com/news/63156/new-export-policy-okayed.html>

30 Ibid.

31 Policy Research Institute of Bangladesh. 2015. Strategy for Export Diversification 2015-2020. [www.plancomm.gov.bd/wp-content/uploads/2015/02/7\\_Strategy-for-Export-Diversification.pdf](http://www.plancomm.gov.bd/wp-content/uploads/2015/02/7_Strategy-for-Export-Diversification.pdf)

32 Climate Change Vulnerability Index. 2014. [http://reliefweb.int/sites/reliefweb.int/files/resources/Climate\\_Change\\_Vulnerability\\_Index\\_%202014\\_Map\\_0.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/Climate_Change_Vulnerability_Index_%202014_Map_0.pdf)

33 USAID. 2015. USAID Office of Food for Peace Food Security Country Framework For Bangladesh FY 2015-2019. [www.usaid.gov/sites/default/files/documents/1866/Bangladesh%20\\_FSCF\\_FINAL.pdf](http://www.usaid.gov/sites/default/files/documents/1866/Bangladesh%20_FSCF_FINAL.pdf)

34 Asian Development Bank. 2013. Proposed Grant Assistance People's Republic of Bangladesh: Pilot Project on Weather Index-Based Crop Insurance. [www.adb.org/sites/default/files/project-document/76036/46284-001-ban-gar.pdf](http://www.adb.org/sites/default/files/project-document/76036/46284-001-ban-gar.pdf)

35 Bangladesh Climate Change Resilience Fund. <https://bccrf-bd.org/>

36 [www.plancomm.gov.bd/wp-content/uploads/2015/02/11a\\_Climate-Change-and-Disaster-Management.pdf](http://www.plancomm.gov.bd/wp-content/uploads/2015/02/11a_Climate-Change-and-Disaster-Management.pdf)

Plan (2009), which aims at decreasing climate change vulnerability, and the National Sustainable Development Strategy (2010-2021), which emphasizes the need to scale up investments in disaster risk reduction. Additionally, the GoB has been implementing the National Plan for Disaster Management (2010-2015) in order to reduce the vulnerability of people, the poor in particular, to the effects of natural, environmental, and human-induced hazards.<sup>37</sup> Nevertheless, according to the National Plan for Disaster Management (2010-2015),<sup>38</sup> further funds should be mobilised towards the development of more resilient production systems in order to effectively mitigate the effects of climate change. Additionally, both the GoB and the private sector should adopt watershed-scale best management practices such as floodplain zoning, planned urbanization, dredging of rivers, elevations of roads, in order to limit the run-off, intensify the carrying capacity of drainage system and increase land elevation.<sup>39</sup>

### **Institutionalising food safety**

The GoB has identified food safety as a priority in order to reduce food-borne diseases.<sup>40</sup> Every year, millions of citizens suffer from food-borne diseases caused by the consumption of food contaminated by microbial pathogens and food tainted by chemical substances and toxins.<sup>41</sup> Nevertheless, Bangladesh has managed to increase the coverage of safe water supply for domestic use from 75 percent in 2002 to 99 percent in 2013-14.<sup>42</sup> Furthermore, there has also been a slight decline in the prevalence of diarrhoea from 14 percent in 2012-13 to 10 percent in 2013-14.<sup>43</sup> In an effort to tackle food safety issues, GoB has renewed its national regulation for controlling practices affecting food safety.<sup>44</sup> Since the adoption of the National Sanitation Strategy (2005), the GoB has also been increasing awareness of consumers, strengthening food inspection services, establishing a central food-testing laboratory at the Institute of Public Health, strengthening the capacity of scientists and ensuring effectiveness of National Food Safety Advisory Council.<sup>45</sup> Additionally, in 2013, the Parliament passed the Food Safety Act, which was a reform of the Pure Food ordinance of 1959.<sup>46</sup> The Act has been enacted in order to authorize the establishment of a scientifically based food safety authority

and to regulate the activities regarding food production, import, processing, stockpiling, supplying, marketing and sales. In February 2015, the GoB set up the Food Safety Authority (FSA) with the mandate of collaborating with all food control agencies and food business operators. Despite these efforts, Bangladesh still lacks an integrated food safety framework or food control system, which reduces market access for Bangladesh exports of food products. Therefore, the Ministry of Food and FAO have started implementing a project to institutionalize food safety in Bangladesh, in order to enhance inter-agency collaboration and facilitate the integration of national food safety control systems.<sup>47</sup>

### **Improving women's access to resources**

Gender inequality is a crucial factor that accentuates food insecurity and malnutrition for Bangladeshi women. In fact, their socio-economic condition has not significantly improved, as 30 percent of the women are still chronically malnourished, especially pregnant, lactating women and adolescent girls.<sup>48</sup> Female labour force participation is estimated to be around 20 percent lower than male participation, concentrated in lower-level jobs and paid one third less than men.<sup>49</sup> Furthermore, nearly half of women working in agriculture are unpaid. Women's lack of access to resources severely inhibits them from food access. In order to improve women's food security status, the GoB has implemented the National Policy for Women's Advancement in 2008, aimed at removing all forms of discrimination against women, eradicating the persistent burden of poverty on women and enhancing women's integration in economic activities.<sup>50</sup> In 2011, the GoB adopted the National Women Development Policy (2011), aimed at promoting women's equality and guaranteeing greater rights for women in matters of employment, property and inheritance. The GoB should mainly direct its efforts on improving access to education, technical training, provisioning of early childhood day care programmes, delaying early marriage - nearly 75 percent of women get married by the age of 18<sup>51</sup> -and gender sensitizing extension services. In addition, setting an equitable regulation in women's access to land and decreasing discrimination in inheritance rights would have a great impact on women's income and, thus, in their access to food.

37 Disaster Management Bureau (2010). National Plan for Disaster Management 2010-2015. (<http://faolex.fao.org/docs/pdf/bgd146945.pdf>)

38 Government of the People's Republic of Bangladesh, National Plan for Disaster Management. 2010. National Sustainable Development Strategy 2010-2015. [www.plancomm.gov.bd/wp-content/uploads/2013/09/National-Sustainable-Development-Strategy.pdf](http://www.plancomm.gov.bd/wp-content/uploads/2013/09/National-Sustainable-Development-Strategy.pdf)

39 Ministry of Food. 2015. National Food Policy Plan of Action and Country Investment Plan. Monitoring Report.

40 [www.bdfodsafety.org/activities/policies-and-institutionalisation-of-food-safety](http://www.bdfodsafety.org/activities/policies-and-institutionalisation-of-food-safety)

41 IFPRI. 2015. Food Safety in Bangladesh: Practices, Impact, Policies and Institutions. [www.bids.org.bd/files/Food%20Safety%20in%20Bangladesh.pdf](http://www.bids.org.bd/files/Food%20Safety%20in%20Bangladesh.pdf)

42 Ministry of Food. 2015. National Food Policy Plan of Action and Country Investment Plan. Monitoring Report.

43 Ibid.

44 To address the unhygienic and unsafe treatment of food, the GoB adopted the National Sanitation Strategy (2005)

45 [www.plancomm.gov.bd/wp-content/uploads/2013/09/National-Sustainable-Development-Strategy.pdf](http://www.plancomm.gov.bd/wp-content/uploads/2013/09/National-Sustainable-Development-Strategy.pdf)

46 Bangladesh Food Safety Authority. 2013. <http://bfsa.gov.bd/>

47 Ministry of Food. 2015. National Food Policy Plan of Action and Country Investment Plan. Monitoring Report.

48 Gender Assessment USAID/Bangladesh, April 2010.

49 World Bank. 2014. Labour force participation rate. <http://data.worldbank.org/indicator/SL.TLF.CACT.ZS/countries/BD?display=graph>

50 International Monetary Fund. 2012. Staff Country Reports. Washington, D.C.

51 USAID. 2015. USAID Office of Food For Peace Food Security Country Framework For Bangladesh FY 2015-2019. [www.usaid.gov/sites/default/files/documents/1866/Bangladesh%20\\_FSCF\\_FINAL.pdf](http://www.usaid.gov/sites/default/files/documents/1866/Bangladesh%20_FSCF_FINAL.pdf)



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