RICE SEED TRADE BARRIERS BETWEEN INDIA AND BANGLADESH. (RISTE)

By

MUKTI, WESTBENGAL PARTNER

PAST LEGACY

Bilateral trade between India and Bangladesh has special significance for both the nations for increasing the rate of economic development .

Legacy of the integrated market during the British colonial period has lost some its significance in the formal plane but continues to operate informally.

Geographical contiguity and cultural similarity apart from conventional parameters are in operation .

within South Asia more than one fourth of total regional trade is covered by bilateral trade between India and Bangladesh.

Bilateral Trade

- **For over the last two decades Bangladesh has been the largest trading partners of India. But for international diplomacy and religious factors , the figure could have been more.**
- **How can we deny the fact that jute industry of India (in West Bengal) thrived with raw jute of Bangladesh and consumer industries of India flourished by exploiting the vast market of Bangladesh during the British colonial regime.**
- **Partition was a break – lasted for two decades. The interdependence pattern in different order has been started operating after 1971 with the emergence of sovereign nation – Bangladesh, with the termination of quasi colonial exploitation by (Western) Pakistan .**
- **Improved political diplomatic relation between the two nations influenced bilateral trade .**

Rice Seed Traded Informally

- One of the most important importable items for Bangladesh is rice seed – High Yielding Varieties(HYV) in particular .

- India is exporter of rice seed . India has the capability of producing quality rice seeds . Unfortunately India is not the main exporter of rice seeds to Bangladesh, even after having greater potential for trade.

PRIMARY OBJECTIVE

- **Exchange of rice seeds between the two countries is taking place informally .**
- **It is worthy to investigate Impeding factors for formal trade in Rice seeds between India and Bangladesh**

Non Trade Barrier

Agro climatic similarity between the two nations and geographical contiguity between the two countries should have acted as a catalyst for rice seed trade . Experience is different.

Under this backdrop CUTS launched the project RISTE with the primary objective of identifying the significant non trade barriers.

Non trade barriers are various – political, technical , infrastructural .

Objective and methodology

- **The project RISTE has multiple objectives .**
- **Exploring the existing state of trade between India and Bangladesh in High Yielding Varieties of rice seed is required for administrative measure prescription.**
- **Advocacy at different levels is no less significant. RISTE has however attached primacy to examine the existing non tariff trade barrier in this sphere.**
- **The project has some novelty in methodology of investigation and delegating responsibilities to some chosen partners.**

  OUT SOURCING
- **Phasing the objectives of investigation is well understood - exploring and advocacy.**
- **CUTS as the central coordinating body is at the helm of affairs - conducing the project.**

Project Partner:

- **Easing out the difficulties is bilateral responsibilities.**
- **The project has two broad partners – investigating bodies – in Bangladesh and in India.**
- **In India CUTS have chosen four organizations -one in each eastern Indian provinces – Bihar, Jharkhand, Odisa and West Bengal .**
- MUKTI is working for West Bengal.

Research ISSUES

- **CUTS framed the basic methodology of investigation. Research issues, steps of investigation and the requirements. Deliverables have clearly been stated by CUTS.**
- **Present Work Shop is part of TOR.**

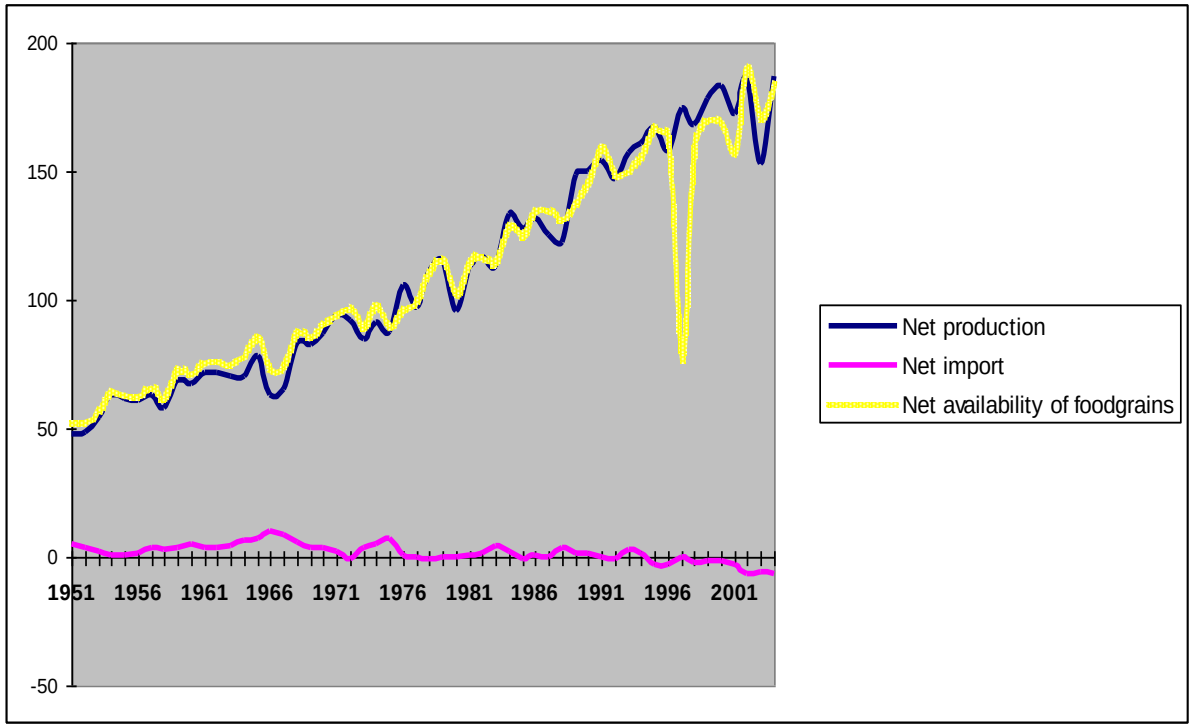
FOOD INSECURITY

- Rice is the staple food of Bangladeshis and largest percentage of Indians.
- Both the countries are susceptible to food insecurity in near future.
- Indian experience in food front is spectacular.
- **Presently India is not suffering from food shortage (!), but the experts apprehend food shortage in near future.**
- Problem of food security is a global phenomenon. Food and Agriculture Organization (FAO) warns, if the present food production trend continues, the deficit in cereal food supply will increase.
- **Measures to influence the supply are more than imperative.**

FOOD INSECURITY

- Republic of India was born with food scarcity.
- Adoption of new agriculture technology was beneficial to the nation. The picture started improving from early seventy.

production, import and net availability of food grain in India



The trend of food grain production from the angle of food security may be welcomed.

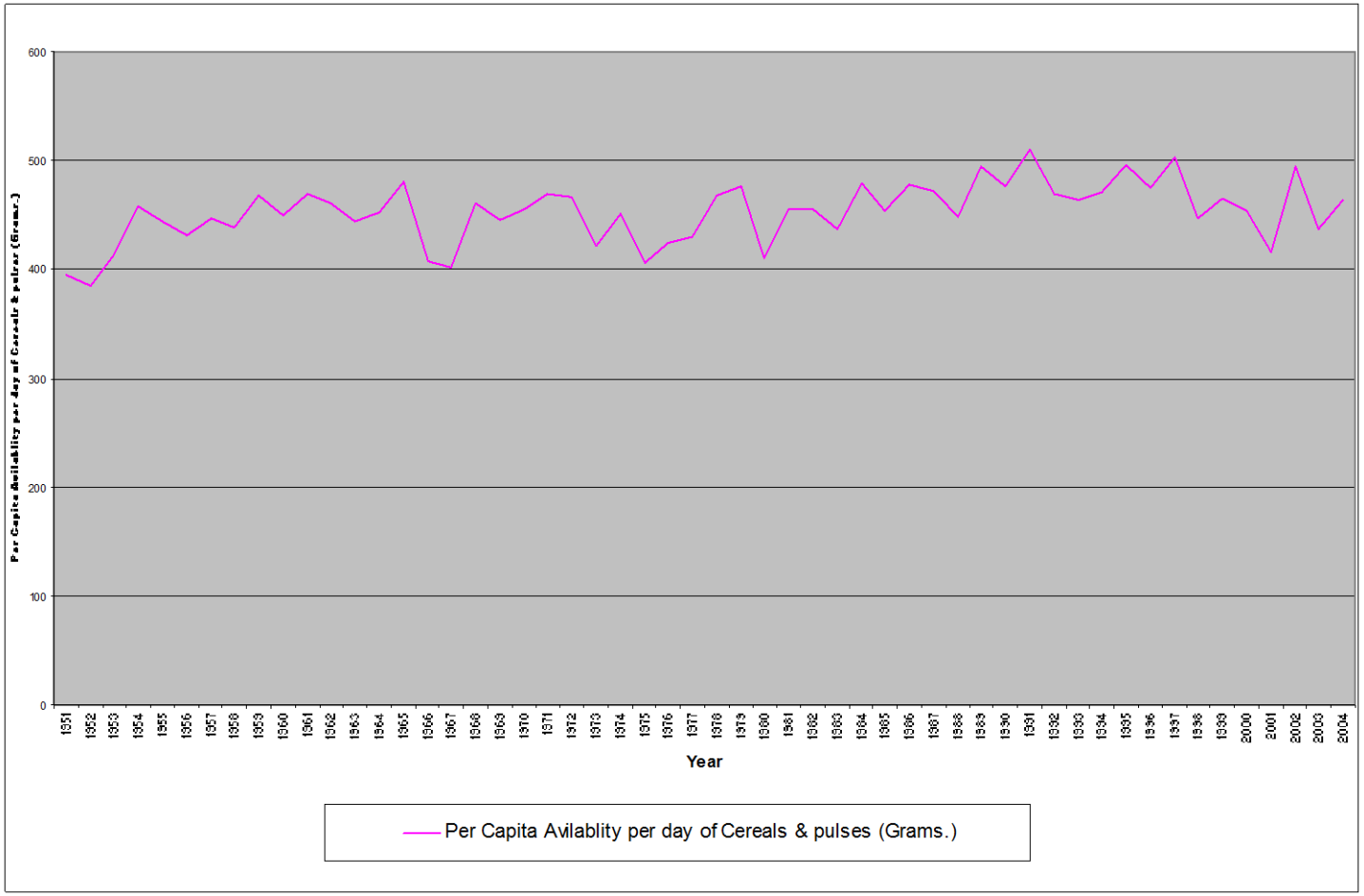
However, our complacency is thwarted by the fact that the the decline in the percentage of persons below the poverty line – not the absolute number of persons.

We may further expect that Indian polity would emphasize on distributive justice or inclusive growth process. The demand for food would invariably increase.

Per capita per day, availability in India has only moderately improved.

Change seems to be far below expectation. Increase in food grain production or net *availability is grossly inadequate to influence the situation.*

PER CAPITA AVAILABILTY



PER CAPITA AVAILABILTY

- During the transfer of power, per capita per day food availability appears to be less than 400 gram.
- Availability as expected has increased around 450 grams per day.
- It appears there has not been any mentionable improvement in per capita availability after the adoption of new technology.
- Green revolution has however been successful to retain the level.

possibility of furthering food production : growth component

- Possibilities lie with expansion of gross cropped area, extension of irrigation facility and productivity.
- Ecological balance and sustainability obviously restrict us from influencing the net cropped area. Multiple cropping is the way out which demands extension of irrigation facilities and better water management .

- Irrigation facility in the country is increasing. Food crop area irrigated during the recent period has experienced nearly three fold, increase from around 24 m hectares during the early fifty to above 75 m hectares during the recent period.
- It seems implausible to expect any dramatic change in irrigated area under food crop .
- Thus, supply of food grain might not be sufficient for the reason stated above

- Rice is the major food crops – accounting for nearly one fourth of cropped area and approximately one third of food grain area. Rice continues to hold the key to sustained food security in the country.
- It has been resolved that for food security ‘future rice production targets must be achieved exclusively through yield improvement.’
- Improved yield requirement for other food crops is also essential.

- The contribution of biochemical revolution has truly been reflected by the contributions of productivity in subsequent decades.
- During the decade eighties yield rate accounted for marginally less than ninety percent of 47 million ton increment in food grain production, share of incremental area is merely 2.42.

- Indeed, since decade ninety, onwards it cannot possibly be denied that area under food crop remained almost stagnant, if not reduced.
- Entire responsibility lies with land productivity to improve the level of food grain production.
- Yield rate improvement could compensate for reduction in area under food crop.

Quality seeds and HYV

- *The use of good quality seeds of high-yielding crop varieties has been recognized as being the most cost-effective inputs in ensuring increased productivity in India.*
- Thus, a well developed and cost-effective seed industry is vital for RICE
- Administrative responsibility in this regard is manifold – quality seed production and seed distribution across the nation are two significant ones.

- External supply of quality seeds may not be altogether discouraged. However, self sufficiency and inward looking strategy in quality seed production is always preferable.
- It is pertinent to mention here that India has gained success in wheat front due to availability of Mexican Variety of Wheat seeds in the world market which could be easily adopted in Indian situation in wheat producing regions. Wheat being predominantly winter crop, varietal diversity could be ignored.
- In the front of paddy, mentionable external help was not there. It was not expected either. Rice is predominantly a tropical crop, mainly cultivated in Asia. India is the second largest rice producing country after China
- During the initial phase of green revolution in India the problem of quality rice seed was acute.

- Associated seasonal and climatic diversification in case of paddy is a major research challenge
- The nation presently can boast of certifying about 950 HYV varieties; further field research is continuing for about 50 varieties.
- It is no exaggeration to state that the nation will also be successful in the seed front which may be regarded as the harbinger of present extended green revolution and food security mission.

- Success crucially depends on successful application of HYV seeds by cultivator – farmers.
- The degree of success depends on seed availability to farmers backed by appropriate cultivation extension services. Meaningful spread of information of different HYV varieties and awareness building among farming community resulted in increased demand for certified seeds in India.
- From the angle of availability – supply of quality seeds at affordable price should not be a productivity bottleneck

- Replication of quality or certified seed is the first crucial step after research. It is important to replicate or grow seeds to meet the demand; both inventory or excess or shortages of supply are unwanted.
- It is not expected that research centers grow seeds for marketing. The task is shared by seed growing farms and research organizations and universities in India.
- Research organizations are vested with the responsibility of seed certification. The main objective of seed certification is to maintain and make available high quality seed of crop varieties produced, handled and distributed so as to ensure proper identity and genetic purity.

- Breeder Seed (yellow tag): produced by plant breeder –Research Institutes and Universities
- Foundation Seed/Basic Seed (white tag): progeny of breeder seed – produced by or obtained from other research organization
- Certified Seed (Blue tag): progeny of foundation seed – produced and marketed by the private sector which includes seed growers and dealers.

- **We expect Indian potential will not be only rewarding in domestic arena by ensuring supply of varietal quality seeds, it is desirable that India emerge as an efficient player in the world arena. Emphasis should also be attached for beneficial harvesting from external market ie by exporting .**
- **The seed industry of India is globally competitive but for some unforeseen trade barriers; perhaps the major administrative challenge lies here.**
- **Indian export of rice seeds : Problems in disguise**

Export performance is suboptimal .

- **Experience suggests perpetual problems :**
- Policy
- Infrastructure

External rice seed market of India : insignificance of Bangladesh

- **Indian rice seed export is increasing and as expected concentrated in South Asia – average annual share is more than 85 percent.**
- **Indian export to Bangladesh both in absolute figure and in percentage of total Indian export is insignificant – share is least- in comparison to other countries.**
- **Annual percentage share of Bangladesh varied from negligible 0.1 to low 3 percent during the past decade.**

external dependence of Bangladesh in rice seeds : India ignored

- **Bangladesh is a net importer of rice seeds. External dependence on this front if any thing is increasing. - in the year 2010-11, total rice seeds imported by Bangladesh were estimated at US$ 5.9 million.**
- **during the period 2005-2011 rice seed import had grown four times from US$ 1.4 million to US$ 5.9 million. Experts opined that the domestic supply was inadequate to meet the demand for HYV rice seed the .**
- **Favourable change in seed replacement ratio together with increase in area under HYV may be related to inflation in demand .**
- **The monopoly of China accounting for nearly 99 percent during the past decade focuses the inability of India – both diplomatic and technical to make inroad with all the potentiality.**

Informal seed trade is a reality.

- **How far agro climatic similarity and geographical contiguity are in operation to offset the administrative inadequacy to result in informal seed trade in bordering areas of the two countries?**
- **Existence of Informal trade in bordering areas of West Bengal bears the testimony .**
- **Demand of Indian seed in Bangladesh is well understood . Cultivation practice – namely rice and seed availability and demand of rice seed are important sphere of investigation for understanding prospect and sustainability. The case of West Bengal may be discussed.**