



## Greater public sector role in food import suggested

Noted economist Prof Wahiduddin Mahmud suggested steps including timely release of grains from the government stock and making adequate import by the government to stem the food-price spiral before it goes beyond reach, reports UNB.

"This step might dispel panic and help stabilise food grain prices," he said at a seminar on 'Global Food Crisis: Causes, Consequences and Policy Choices' in the PKSF auditorium.

Prof Mahmud, chairman of the Institute of Microfinance, opined that the government should take a 'brave decision' to buy food-grains from the world market at higher prices as the balance-of-payment situation of the country is not that much 'vulnerable'.

He opposed the option of importing food only through the private sector. 'This option is not acceptable, even it is seen from political angle,' he told the meet, organised by the Institute of Microfinance.

He asked the caretaker government to take knowledge from the process of building up food stock in the 70s and 80s, so that food does not rot in silos while people go hungry.

'At that time food grains were not kept in godowns for longer than six months as the food value of the foodstuff decreases. Do the bureaucrats know this fact...? If they knew, they must take steps to sell out the cereals kept in the godowns for over six months,' said the eminent economist of the country.

He noted that the country annually imports 2.5-3.0 million tonnes of food-grains, mostly wheat. 'Now the burning question is who will import those--private sector or public sector?'

The former finance adviser of caretaker government informed that potato was not a good substitute for rice; rather flour is the best substitute for rice.

He stressed the need for keeping the food prices stable. 'If the situation became unstable, then it would be very hard for anyone to make any comment,' he said.

World Bank's lead economist Dr Hassan Zaman presented the keynote paper at the seminar.

In the keynote he said almost all of the increase in global maize production from 2004-2007 went for bio-fuels production in the USA while existing stocks depleted for an increase in global consumption for other uses.

"Land use changes due to increased use of maize and oilseeds for bio-fuels led to reduced plantings of wheat, record subsequent depletion of world wheat stocks to record lows, and a surge in wheat prices," he said.

He stressed higher levels of public and private investments in agricultural support services for boosting food production.