

AN INTERNSHIP REPORT
ON
“RICE MARKETING SYSTEM IN BANGLADESH. A STUDY
ON DINAJPUR DISTRICT”

Submitted by

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Master of Business Administration (Evening)

*(This report has been prepared for submission into the Faculty of Business Studies,
Hajee Mohammad Danesh Science & Technology University, Dinajpur, as a partial
requirement for fulfillment of the MBA (Evening) Program*



FACULTY OF BUSINESS STUDIES

Hajee Mohammad Danesh Science & Technology University, Dinajpur

October, 2016

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FACULTY OF BUSINESS STUDIES

HAJEE MOHAMMAD DANESH SCIENCE & TECHNOLOGY UNIVERSITY, DINAJPUR

October, 2016

*DEDICATED TO
MY
BELOVED PARENTS
AND
TEACHERS*

Letter of Transmittal

24 October, 2016

Abul Kalam
Assistant Professor
Department of Marketing
HSTU, Dinajpur.

Subject: Submission of internship report on “Rice Marketing System in Bangladesh. A Study on Dinajpur District”

Dear Sir,

Here is the internship report on “Rice Marketing System in Bangladesh. A Study on Dinajpur District”, which you have assigned me to do as a part of my MBA (Evening) program requirement. I have tried my best to gather all kinds of relevant information, which could give an overall idea on this topic. I tried to gather information regarding report as much as possible. I hope that this report will meet the expected standard.

I have enjoyed preparing the report very much. Especially, the knowledge obtained from my MBA (Evening) program and interaction with the miller. I am submitting this internship report for your kind consideration and thanking you for your constant assistance and guidance.

Sincerely yours,

Firoz Alam
ID: E-140503001
Major in Marketing
MBA (Evening) program
HSTU, Dinajpur

Declaration of Student

I am Firoz Alam, a student of Master of Business Administration (Evening) program of Hajee Mohammad Danesh Science and Technology University. As a partial fulfillment for the requirement of the MBA (Evening) program I have to perform the internship in exploring the Rice Marketing System in Bangladesh.

I hereby declare that the report is titled as “Rice Marketing System in Bangladesh. A Study on Dinajpur District”. Prepared and completed by me under the supervision and guidance of Abul Kalam, Assistant Professor, Department of Marketing, Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Firoz Alam

ID: E-140503001

Major in Marketing

MBA (Evening) program

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Declaration of Supervisor

It's my Pleasure to Certify that Firoz Alam, Student ID: E-140503001, MBA (Evening) 3rd Batch, Major in Marketing, Session-2014 (May) has Successfully Completed. Internship report titled "Rice Marketing System in Bangladesh. A Study on Dinajpur District" under my Supervision and Guidance.

Therefore, he is directed to submit his Report for Evaluation. I wish his Success at every sphere of his Life.

Abul Kalam

Assistant Professor

Department of Marketing

HSTU, Dinajpur

Declaration of Co-supervisor

It's my Pleasure to Certify that Firoz Alam, Student ID: E-140503001, MBA (Evening) 3rd Batch, Major in Marketing, Session-2014 (May) has Successfully Completed. Internship report titled "Rice Marketing System in Bangladesh. A Study on Dinajpur District" under my Supervision and Guidance.

Therefore, he is directed to submit his Report for Evaluation. I wish his Success at every sphere of his Life.

Md. Mamunar Rashid

Associate Professor

Department of Accounting

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Acknowledgement

I, Firoz Alam, would like to express my heartiest gratitude to those who helped us all the way through to complete my internship report on Rice Marketing System in Bangladesh. A Study on Dinajpur District.

At the very beginning, I want to thank my internship supervisor, Abul Kalam, Assistant Professor, Department of Marketing, Hajee Mohammad Danesh Science and Technology University, Dinajpur for providing me all the necessary helps for the completion of this report. Thank you Sir, for guiding me to begin this report. Secondly, I would like to thank, co-supervisor Md. Mamunar Rashid, Associate Professor and Chairman, Department of Marketing, Hajee Mohammad Danesh Science and Technology University, Dinajpur for helping me to prepare this report with the correct information.

I would convey my special thanks to my parents whose inspirations have enabled me to complete this term paper of this particular course.

I also apologize heartily for any omitted name whose contribution was also complementary for any possible aspect. Lastly, I solemnly thank the Almighty.

The Author

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INTRODUCTION

1.1 Introduction

Bangladesh is one of the lower developing countries in the world, with a per capita income of about 51456 in 2016. In terms of employment; agriculture still remains to be the largest source. The economy of Bangladesh is primarily dependent on agriculture in terms of employment. About 85% of the populations are directly or indirectly attached with agriculture. A lot of programs for agricultural development have been arranged in our country on the production of staple foods, especially rice and wheat. It is evident that without an efficient agricultural marketing system no program for raising production can sustain. So institution of marketing reforms is necessary. Without efficient marketing no production can create much value. Agricultural marketing involves moving an agricultural product from the farm to the consumer. Large number inter-connected activities are: planning production, growing and harvesting, grading, packaging, transport, storage distribution and sale. Marketing has to be customer-oriented and has to provide the farmer, transporter, trader, processor etc. with a profit. Farmers in our country can take any decision on production and marketing if they think about what to produce and how to prepare it for sale, when and where to sell, what can be done for market expansion, realizing the relative advantages and disadvantages of different methods of marketing their products, for example, contract marketing, direct marketing etc. The knowledge of agricultural marketing helps the growers to adapt to the changing new rules and regulations and to the various market development programs like Department of Agricultural Marketing (DAM); National Agricultural Policy (NAP) etc.

The total number of landraces as well as the area planted to landraces in Bangladesh is declining over time (Hossain, et. al. 2012). However, several traditional varieties are still popular among farmers/consumers due to their special traits. They are maintained in small areas as special purpose rice (such as kalizira for polao), for superior grain quality that fetches high price in the market (such as katari-bhog) or for tolerance to extreme environmental stresses (such as Mota dhan in the coastal areas). Hossain and Jaim (2009) reported that farmers in Bangladesh still cultivate more than 1,000 traditional varieties/landraces.

Approximately, 12 percent of GOP has been derived from crops while rice alone contributes 9.5 percent to the agricultural GDP (BBS, 2008). In Bangladesh, although

53 percent of the labor force is directly engaged in agriculture and 78 percent of total cropped area is devoted to rice production, the country is still suffering from a chronic shortage of food grain (BBS, 2008).

Rice in Bangladesh is grown in three distinct seasons, namely Boro (January to June), Aush (April to August), and Aman (August to December) covering almost 11.0 million hectares of land in Bangladesh (DAE, 2010). Rice is the staple food in our country. It provides 68% of the calorie and 54% of the protein intake of an individual on an average (Karim et al., 1997). Food security at both national and individual levels is related to population, agricultural growth and also market situation. The rice marketing system is a one kind of larger marketing system in Bangladesh. The population of Bangladesh is growing by two million every year and may increase by another 30 million over the next 20 years. Thus, Bangladesh will require about 27.26 million tons of rice for the year 2020 (Islam and Syful, 2009).

This present study aims to examine the practices and problems of rice marketing system in Bangladesh with the help of available secondary data as well as primary data. The observations have been supplemented by a case study at Dinajpur in Bangladesh.

1.2 Statement of the problem

There are many kinds of problem occurs in rice marketing system in Dinajpur district. The major problem faced by the rice marketer to finance in their business. They have to take a huge amount of loan from bank for financing. That's why, they pay or give a large amount of interest to the bank. They also face environment problem such as natural disaster, seasonal fluctuation etc. Sometimes there occurs syndicate problem during rice marketing system. The middleman like faria, retailer, even wholesaler create syndicate situation by storing rice in various time and sale the rice with high price when there is shortage of production. Government or political violence create problem on rice marketing system. Some government rules create obstacles during marketing system or production of rice.

Because of inadequate marketing information system, rice marketer cannot make decisions when planning their production and sales. Lack of information on input costs, supply and sources and even their residual effect are not well known to the marketer, where the service of MIS could help the marketer to reduce risk, increase bargaining power and make production plan.

Perfectly production of product and distribute the product to the customer is very important for the business. But often there occurs production problem including packaging problem, transporting problem, storage problem, employee or labor problem etc. The rice marketer also face storage problem due to inadequate storage system or lack of suitable storage system.

Pricing is the most sensitive section of business. The rice marketer face lot of problem during pricing because of price hiking, price instability, inflation, syndicate and also government violence. The marketer have to collect paddy with a high price but they cannot get the expected selling price. For this reason, they cannot achieve a high profit so that they face a loss project. Continuous increases in price may be due to the massive involvement of middlemen in the marketing system. Different types of middlemen are engaged in agricultural marketing in Bangladesh. They are the beparis, farias, wholesalers, commission agents/aratdars, contract-buyers, cold storage operators, wholesaler-retailers, assembler-wholesalers, hawkers and retailers. Field studies suggest that the distribution channels of rice are so long that they cause the price of rice to increase.

1.3 Importance of Study

Bangladesh is the ninth most populous country in the world. The Bangladesh Government has given too much emphasis on paddy production. Then every year Bangladesh imports rice. In 1996/1997 Bangladesh has imported 195 tons of rice.

In The past a few studies have been made on the rice marketing system at Dinajpur district in Bangladesh. As such it was felt that a study on rice marketing system in Dinajpur Area would be much importance. The present study is a modest attempt to describe the marketing of rice stating the problems of its production and marketing as well as giving some solution. The study would provide useful information to the producers, traders, consumers, future researcher and planners about rice marketing system. This study may also helpful for decision maker of rice marketing system for taking effective decisions. Since we study on rice marketing system as well as measuring customer attitude, this study would provide useful information to improve about product price, place and promotion of rice and may give solution about various problem such as lack of productivity, government violence and inflation and on the other side, this study would be helpful to increase the satisfaction level of customer about the rice of Dinajpur district.

1.4 Objectives of the study

Objective means the target for which certain efforts or works are done or performed. The overall objective of the study is to analyze the rice marketing system at Dinajpur in Bangladesh. The specific objectives are:

- i) To know the existing varieties of rice in Dinajpur District of Bangladesh.
- ii) To know the status of Rice Mill in Dinajpur District.
- iii) To analysis the marketing program applied for the rice marketing in Bangladesh.
- iv) To provide recommendation for improving the rice marketing system in Bangladesh.

1.5 Limitation of the Study

Almost all the research works have some limitations. The present study is not an exception to those studies done before. The study suffers from the following limitations:

- i. The first limitation of this study was the shortage of time. The primary data and other necessary information were collected within a short period of time and hence could not cover wider area.
- ii. Paddy producers did not keep proper records of their farm business. Because of illiteracy and hidden business interest no written records were maintained by the respondents (producers, and traders). As a result, the accuracy and the reliability of data mostly depend on their memories. This situation may have caused a built in limitation of the data used in the analysis.
- iii. Paddy traders, rice millers and traders had records of transaction and price in many cases but they were reluctant to disclose their records due to fear of any adverse situation for example imposition of tax. They were reluctant to disclose the actual figures on purchase price, sales price, production, monthly sale, income, profit etc.

CHAPTER 2
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HISTORY OF RICE PRODUCTION IN BANGLADESH

2.1 Overall Rice production in Bangladesh

The dominant food crop of Bangladesh is rice, accounting for about 75 percent of agricultural land use (and 28 percent of GDP). Rice production increased every year in the 1980s (through 1987) except FY 1981, but the annual increases have generally been modest, barely keeping pace with the population. Rice production exceeded 15 million tons for the first time in FY 1986. In the mid-1980s, Bangladesh was the fourth largest rice producer in the world, but its productivity was low compared with other Asian countries, such as Malaysia and Indonesia. It is currently the world's sixth-largest producer. High yield varieties of seed, application of fertilizer, and irrigation have increased yields, although these inputs also raise the cost of production and chiefly benefit the richer cultivators.

The cultivation of rice in Bangladesh varies according to seasonal changes in the water supply. The largest harvest is aman, occurring in November and December and accounting for more than half of annual production. Some rice for the aman harvest is sown in the spring through the broadcast method, matures during the summer rains, and is harvested in the fall. The higher yielding method involves starting the seeds in special beds and transplanting during the summer monsoon. The second harvest is aus, involving traditional strains but more often including high-yielding, dwarf varieties. Rice for the aus harvest is sown in March or April, benefits from April and May rains, matures during in the summer rain, and is harvested during the summer. With the increasing use of irrigation, there has been a growing focus on another rice-growing season extending during the dry season from October to March. The production of this boro rice, including high-yield varieties, expanded rapidly until the mid-1980s, when production leveled off at just below 4 million tons. Where irrigation is feasible, it is normal for fields throughout Bangladesh to produce rice for two harvests annually. Between rice-growing seasons, farmers will do everything possible to prevent the land from lying fallow and will grow vegetables, peanuts, pulses, or oilseeds if water and fertilizer are available.

2.2 Rice as a crucial Meal for Bangladesh

It has been estimated that half the world's population subsists wholly or partially on rice. Ninety percent of the world crop is grown and consumed in Asia. American consumption, although increasing, is still only about 25 lb (11 kg) per person annually, as compared with 200 to 400 lb (90–181 kg) per person in parts of Asia. Rice is the only major cereal crop that is primarily consumed by humans directly as harvested, and only wheat and corn are produced in comparable quantity. Plant breeders at the International Rice Research Institute in the Philippines, attempting to keep pace with demand from a burgeoning world population, have repeatedly developed improved varieties of "miracle rice" that allow farmers to increase crop yields substantially. Studies have shown that rice yields are adversely affected by warmer nighttime temperatures, leading to concerns about the effects that global warming may have on rice crops.

Brown rice has a greater food value than white, since the outer brown coatings contain the proteins and minerals; the white endosperm is chiefly carbohydrate. As a food rice is low in fat and (compared with other cereal grains) in protein. The miracle rices have grains richer in protein than the old varieties. In the East, rice is eaten with foods and sauces made from the soybean, which supply lacking elements and prevent deficiency diseases. Elsewhere, especially in the United States, rice processing techniques have produced breakfast and snack foods for retail markets. Deficient in gluten, rice cannot be used to make bread unless its flour is mixed with flour made from other grains.

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METHODOLOGY

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3.1 Methodology of the study

In performing any applied research a clear and specific methodology has to be followed where methodology is a set of methods used in a particular area of research. The present study is to analyze the rice marketing system at Dinajpur in Bangladesh. This study examines the attitudes of customers to a variety of factors (Table no. 2} towards the rice at Dinajpur in Bangladesh.

In this research study a set of methods such as: sample size, sample selection procedure, process of collecting data, interpreting the data, analyzing the data, the relevant activities and combination of rules and techniques have been used. The research methodology of my study is discussed as follows:

3.1.1 Sample of Data

At present there are so many auto rice mill and husking mill in Dinajpur District. However, conduct our study we have selected some rice mills such as: Provati auto rice mill, Hamida auto rice mill, Ador and Momota auto rice mill, Momotaj auto rice mill, Akota auto rice mill, Mitali auto rice mill, Chistia husking rice mill, Sobhan husking rice mill. Therefore, I consider the various people of Dinajpur district as a respondent for my study.

3.1.2 Sample Area

For the convenience of my study and due to time limitation, cost limitation, lack of communication, I have selected only Dinajpur Sadar area for my study. I have considered the people of various occupation in Dinajpur Sadar as my respondent to collect the data for my study.

3.1.3 Sample Size

Sample size is very important factor for getting expected result of research work. From the mentioned area 50 respondents have been selected for my study. According to Rosco (1975), sample sizes larger than 30 and less than 500 are appropriate for most research (Uma Sekeran, 2001).

3.1.4 Sample Selection Method

I have classified our population as consumer and rice mill. Through judgment sampling, I chose some rice mills for the study and simple random sampling method has been used for the consumers for my study.

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FINDINGS

4.1 Nature of rice marketer and varieties of rice in Dinajpur district

There are several kinds of rice marketer doing their business in Dinajpur district. They are involved as a rice marketer for a long time. For the purpose of my study we found some particular rice marketer. They are known as producers, farias, Baparis, millers, artodar cum wholesalers, retailers-

Producers: Rice marketing channels start from the farmer. The farmer invest a small amount of money for producing the paddy. In the study are rice producer sold their produce paddy to faria/bapari at the local market and at the mille/s premises. They also sold directly to the consumers and earn a minimum profit. Paddy producers sold their paddy during harvest period and post-harvest period. Only 95% paddy were sold to different intermediaries and rest of the 5% sold to direct consumer.

Farias: Farias were small traders who dealt in paddy within 3 or 4 local markets and handled a small volume of paddy. About 60 % of them were regular traders while others (40%) were seasonal. They were usually the landless laborers or small farmers having known full time work on the firm. They purchased paddy from the farmers and sold that paddy either to the beparies or the millers. Vans and carts were used by faria to transport the paddy. They also invest a small amount of money (about 40000-50000 tk.)

Beparies: Beparies were larger traders than Farias. Beparies were more or less regular and full time merchants or traders. They handled a larger volume of paddy in primary and secondary markets than the Farias. They generally purchased paddy from the farmers and from the farias. Their initial investment in business about 1.5 - 2.00 lakhs. They sold their entire paddy to the millers. Rickshaw, vans and carts were used by the beparies for the transportation of paddy.

Millers: Millers were the special type of licensed grain traders. According to the ownership there are 2 kinds of rice mills. Such as:

A. Ownership of co-operative association.

- Small and large husking mills

B. Private Ownership.

i. Small and Large husking rice mills.

ii. Automatic rice mills.

Normally the millers purchased paddy from farmers, faria and beparies. Sometimes the purchased paddy through their agent and contact with the faria and beparis and processed into rice in their mills.

They had to invest a large amount of money (about 7-8 crore) to build up an infrastructural framework on their mills. Most of their investment is managed by taking loan from several bank such as Sonali bank, Janata bank, Agrani Bank etc. About 97% of millers were license holders and owned established permanent house to process paddy into rice. The rest of millers had no license. Sometimes the millers processed arotders - cum- wholesale/s paddy by receiving a fixed processing charge. Millers sold their rice to the local arottdars and retailers. But the major portion was sold to traders of other districts such as Dhaka, Chittagong, Sylhet, Jessore, Rajshahi, Comilla etc.

Arottdar-cum-Wholesalers: Arottdars who were commission agents having fixed establishments in the market palces operated between rice miller and rice traders. Arottdars helped millers to sale their rice for which they generally charged a fixed commission of taka 12.50 per quintal. Some arottdars also acted as Merchant middleman who purchased and sold rice on their own account. They purchased rice from the different local millers and sold to the wholesalers or to some other arottdars in different district of Bangladesh such as Dhaka, Chittagong, Sylhet, Jessore, Rajshahi, Comilla etc. All of them possessed a trade license. They paid a license fee of taka 125 per year.

Retailers: Retailers were the last link in the chain of paddy/rice marketing. Retailers having a permanent shop in the market were engaged only in rice business and other stationary commodities.

Retailers had a trade license: They purchased rice mainly from the millers and a little from the farmers but sold entirely to the consumers. Sometimes they had to purchase rice from the millers in credit. For this reason, the millers charged a higher price for the rice. They did not have adequate finance to operate their business. Only 2 retailers out of 20 purchased paddy from the farmers. A retailer's initial investment about 3040 thousands on their business.

4.1.1 Varieties of Rice in Dinajpur district:

Table No-1:

S.I.	Name of Rice	Characteristics of rice	Price of Paddy Per kg. in Tk. (wholesale)	Price of Rice Per kg. in Tk. (Wholesale)
1.	BRRI Dhan-34	Short, Fat and Aromatic.	37.35 - 38.65	68.35-69.65
2.	Katari Vog	Long, Thin and Aromatic.	35.35- 40.00	65.65- 70.95
3.	Jira Katari (ChiniGura)	Short Fat and Aromatic.	40.35-45.65	58.35-59.65
4.	Philipin Katari	Lone, Thin and Aromatic.	31.35- 32.00	61.65-62.95
5.	Challisha Jira	Short Fat and Aromatic.	33.5- 34.00	62.75-63.50
6.	Badshah Vog	Medium in size, Rouletted and Aromatic	34.65-36.00	69.65-72.35
7.	Kalo Jira	Short in size, Rouletted and Aromatic	34.65-36.00	68.35-59.55
8.	Jota Katari	Medium, Long and Thin in size and Aromatic	31.35-32.00	61.65-62.95
9.	Chini Katari	Rouletted, Fat and Aromatic	31.35-32.00	51.65-52.95
10.	Begun Bichi	Short in size, Rouletted	29.50-30.00	58.95-60.30
11.	BRRI Dhan-50	Long, Thin and Aromatic and white color	24.66-26.50	44.25-45.75
12.	Minikate	Lons, Thin and Aromatic.	32.45-33.50	52.65-53.60
13.	BRRI Dhan-28	Long and Thin	28.30-29.60	39.45-40.50
14.	BRRI Dhan- 29	Short and Fat	29.30-30.00	38.30-39.00
15.	Ronjit	Medium and Rouletted	31.40-32.50	39.80-41.50
16.	Sumon- Shorna	Medium and Thin	30.50-31.00	40.50-41.50
17.	Deshi Shorna	Short and Fat	29.50-31.00	41.50-42.00
18.	Guti	Short in Size and Rouletted	28.20-29.00	37.5-38.00
19.	Mota Hybrid	Short, Fat	27.00-27.5	34.00-35.00
20.	Naiir Shal	Medium and Thin	29.00-30.00	39.00-40.00
21.	Sompod	Short Fat and Aromatic.	29.80-30.50	38.50-39.60
22.	Basmoti	Lone, Thin and Aromatic.	34.65-36.00	69.6-72.35
23.	Sonamukhi	Medium and Rouletted	29.50-30.00	58.95-60.30
24.	Laltir	Short and Fat	24.66-26.50	44.25-45.75
25.	Pajam	Long and Thin A	33.50-34.64	46.90-47.70

Source: Market Survey

4.2 Rice Marketing System in Bangladesh:

A marketing system is any systematic process enabling many market players to beat any ask: helping bidders and sellers interact and make deals. It is not just the price mechanism but the entire system of regulation, qualification, credential, reputations and clearing that surrounds that mechanism and makes it operate in social context.

(Campbell R. McConnell, Stanly I. Brue, 2005). Every marketing system has 4 major components that is known as 4P. The components are: Product, Price, Place and Promotion.

Under this major components the functions of rice marketing of the sample area at Dinajpur district can be summed up under the following headlines:

4.2.1 Sales and purchase

Rice transactions take place at different marketing stages of the sample area. It is apparent that about 80% of the growers sold their produce to Beparis and Farias at local bazars. Moreover, it has been found that about 15% of producers carry the produce directly to Arathdars. The rest 5% of the producers sell their produce at home to local middlemen.

The price of rice appears to be determined through open bargaining between the sellers and buyers. It has been observed and also reported by the concerned persons and respondents that price variation depend mostly on the power of Aratders and also on supply and demand which depends on the factors of the supply. It was also observed that when there is monopsony, growers farmers are compelled to sell at one price. Therefore it is seen that the financially weak producers, in response to low demand artificially created by middlemen, are most of the time obliged to sell their rice at a low price offered by middlemen in late working hours. In the sample area, a Hybrid Boro grower (Jamtoli bazar, Dinajpur Sadar) informed that this year (2016) where his produce was sold at 7tk per kilogram to Bepari and a local Boro producers (who are financially weak) sold their produce to Bepari at 21TK.

On the other hand, the auto rice miller purchase the paddy means mw materials of rice from Beparies or Farias. After that they process the paddy by automatic machines for processing the paddy into rice. Then they sale the rice direct to wholesaler or retailer. The processing cost of per sack (50kg) is 200 tk. and they sold it to wholesaler 1700 tk. per sack (50kg.). Finally the Wholesaler sale the product (rice) to retailer and the retailer to the consumer.

4.2.2 Packaging

Mainly the functions of packaging are to contain adequately a convenient amount of the product to protect it in transit and to aid in its safe delivery to the consumer (Geoffrey and Francis, 1980). The sack bag of plastic or made from jute approximately 55 x 95 cm carrying 50 kg net is the most widely adopted package for

rice. Such rice packages make the produce more perishable in the face of natural disasters.

4.2.3 Storage

Rice is consumed throughout the year in Bangladesh by every consumer. But it can be produced twice in a year in a particular land. So preservation is more important in the case of rice. Some warehouse, space-temporary, semi temporary or permanent; are available in most of the auto rice mills or husking mills in Dinajpur Sadar. Some financially weak farmers opine that if government facilitates them to produce and to provide storage, farmers as well as consumers can get rid of the power of the middlemen. As a result, those farmers can increase their living standard. So, they are keenly encouraged to produce rice rather than other crops.

4.2.4 Transporting

Lack of adequate and good means of transportation between the area of production and the market centers hinders the movement of farm produce and makes primary marketing costly (Rahman and Khandker, 1973). Effective transport system can play a vital role in the proper and sound distribution of rice in sample area. The growers and trader respondents inform that 80% of the rice is carried by trucks, 15% by trains and 5% by country-made other vehicles. From the survey, it is revealed that lack of adequate transport facilities hinders the well marketing mechanism of rice in Dinajpur to a great extent.

4.2.5 Distribution channel

A distribution channel is the course taken by which the title to the goods move from producer to consumer (Stanton, 1967). The chain of intermediaries through which the transaction of goods takes place between producers and consumers constitutes a distribution channel. In other words, the distribution channel refers to a path composed of middleman who perform such functions that are needed to ensure the smooth and sequential flow of goods and services from the producers to consumers in order to achieve the marketing objectives of the producing farms. In the study areas the paddy moves from the producer-seller to the consumers through market intermediaries such as Farias, Beparies, Millers, Agent, Arotders and retailers. It was observed that paddy/ rice traveled a long distance from the production points in order to reach the consumers. The distribution channels of paddy rice as observed in the study area are shown in figure-1.

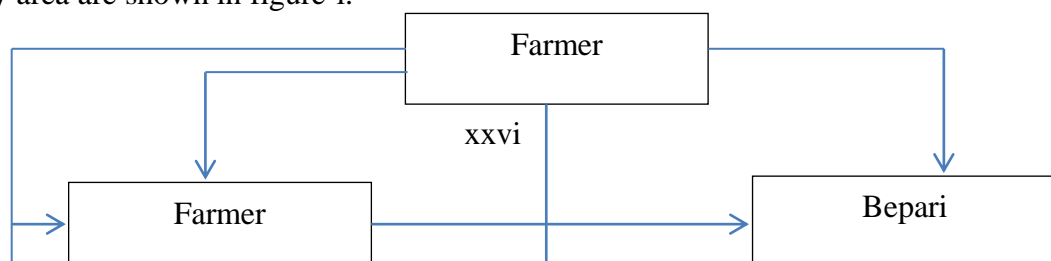


Fig-1: Distribution system of rice marketing in Dinajpur.

On the basis of figure-1 the following channels can be identified:

Farmer-----> Consumer

Farmer.....>Retailer.....>Consumer

Farmer---->Faria--->Bepari--->Miller--->Retailer--->Consumer

Farmer---->Faria---> Miller --->Consumer

Farmer---->Bepari----> Miller---->Local Arottdar.....> Wholesaler cum Arottdar---
>Retailer---->Consumer

Farmer---->Faria----> Bepari----> Miller---->Local Arottdar-cum- Wholesaler---
>Retailer---->Consumer

Farmer---->Bepari----> Miller --->Retailer---->Consumer

Farmer ----> Miller ---->Consumer

Advertising

Promotion is a term used frequently in marketing mix and is one of the market mix elements. (McCarthy, Jerome E. 1964)

The rice marketer of Dinajpur generally does not promote or advertise their product. But sometimes they do some social work for their advertisement of product. They also advertise their product by wall advertisement or by banner.

4.3 The Status of Rice Mills in Dinajpur District.

There are 2300 Mill in Dinajpur. From those 574 Mill are registered by Mill Owners association Pulhat, Dinajpur.

Basically Mill are 3 Types:

1. Husking Rice Mill
2. Mini Auto Rice Mill
3. Full Auto Rice Mill

Some of the Mills Status are given belows:

1. Rice Mill Name: Commercial Auto Rice Mill

Proprietor: Md. Moklesur Rahman Chowdhury

Mill Category: Mini Auto Rice Mill

Address: BISIC, Pulhat, Sadar, Dinajpur



Owner	1 Person
Land	1.16 Aquare
Manager	1 Person
Labour	15 Person
Night guard	1 Person
Construction Expense	50 Lack
Business Maintenance Expense	8 Corer
Daily Production	10 ton
Daily Sale	8 ton
Initial Investment	2 corer

Source: Survey Report

2. Rice Mill Name: Provati Industry

Proprietor: Md. Ansar Ali

Mill Category: Auto Rice Mill

Address: BISIC, Pulhat, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	1.10 Aquare
Manager	2 Person
Labour	14 Person
Night guard	2 Person
Construction Expense	4 corer
Business Maintenance Expense	15 Corer
Daily Production	20 ton
Daily Sale	15 ton
Initial Investment	4 corer

Source: Survey Report

3. Rice Mill Name: Akota Rice Mill

Proprietor: Alhaz Babul AKter

Mill Category: Auto Rice Mill

Address: BISIC, Pulhat, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	.68 Aquare
Manager	2 Person
Labour	10 Person
Night guard	2 Person
Construction Expense	1.10 Corer
Business Maintenance Expense	7 Corer
Daily Production	22 ton
Daily Sale	22 ton
Initial Investment	2.5 corer

Source: Survey Report

4. Rice Mill Name: Mitali Auto Rice Mill

Proprietor: Md. Sowkat ALi

Mill Category: Auto Rice Mill

Address: BISIC, Pulhat, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	.90 Aquare
Manager	2 Person
Labour	15 Person
Night guard	2 Person
Construction Expense	1.5 corer
Business Maintenance Expense	10 Corer
Daily Production	23 ton
Daily Sale	20 ton
Initial Investment	3 corer

Source: Survey Report

5. Rice Mill Name: M/S Hamida Auto Rice Mill

Proprietor: Alhaz Md. Golam Hamidur Rahman

Mill Category: Full Auto Rice Mill

Address: Khodmadobpur, Pulhat, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	3.5 Aquare
Manager	6 Person
Labour	30 Person
Night guard	3 Person
Construction Expense	30 corer
Business Maintenance Expense	25 Corer
Daily Production	50 ton
Daily Sale	45 ton
Initial Investment	35 corer

Source: Survey Report

6. Rice Mill Name: M/S Momotaz Auto Rice Mill

Proprietor: Md. Abu Hena Mostofa Kamal

Mill Category: Auto Rice Mill

Address: BISIC, Pulhat, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	2.5 Aquare
Manager	3 Person
Labour	20 Person
Night guard	2 Person
Construction Expense	20 corer
Business Maintenance Expense	15 Corer
Daily Production	30 ton
Daily Sale	25 ton
Initial Investment	24 corer

Source: Survey Report

7. Rice Mill Name: M/S Ador and Momota Auto Rice Mill

Proprietor: Md. Ohidur Rahman Patowary

Mill Category: Full Auto Rice Mill

Address: BISIC, Pulhat, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	1.5 Aquare
Manager	4 Person
Labour	20 Person
Night guard	2 Person
Construction Expense	20 corer
Business Maintenance Expense	28 Corer
Daily Production	35 ton
Daily Sale	32 ton
Initial Investment	31 corer

Source: Survey Report

8. Rice Mill Name: M/S Chistia Husking Rice Mill

Proprietor: Md. A.K.M. Goribullah Mijan

Mill Category: Husking Rice Mill

Address: Muradpur, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	.65 Aquare
Manager	2 Person
Labour	7 Person
Night guard	2 Person
Construction Expense	18 lack
Business Maintenance Expense	25 lack
Daily Production	3 ton
Daily Sale	2.5 ton
Initial Investment	30 lack

Source: Survey Report

9. Rice Mill Name: M/S M. Rahman Husking Rice Mill

Proprietor: Md. Mojibur Rahman

Mill Category: Husking Rice Mill

Address: Majipara, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	1 Aquare
Manager	1 Person
Labour	10 Person
Night guard	2 Person
Construction Expense	15 lack
Business Maintenance Expense	50 lack
Daily Production	5 ton
Daily Sale	5 ton
Initial Investment	42 lack

Source: Survey Report

10. Rice Mill Name: M/S Sobhan Husking Rice Mill

Proprietor: Md. Abur Sobhan

Mill Category: Husking Rice Mill

Address: Hamjapur, Sadar, Dinajpur

Rice Mill



Owner	1 Person
Land	1.10 Aquare
Manager	2 Person
Labour	10 Person
Night guard	2 Person
Construction Expense	20 lack
Business Maintenance Expense	40 lack
Daily Production	5 ton
Daily Sale	4 ton
Initial Investment	38 lack

Source: Survey Report

CHAPTER 5
RECOMMENDATION AND CONCLUSION

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RECOMMENDATION AND CONCLUSION

5.1 Recommendation

The result of the study have shown that there are some major and minor problem in rice marketing system at Dinajpur district. As the researcher, we have some responsibility to provide some recommendation for improving rice marketing system in Bangladesh.

In the early of the study we saw that there are some major problem like financing, price instability, government influence, seasonal problem and syndicate problem occurs often in rice industry. Financing problem in one of the most important problem than others. The rice marketer have to take a large amount of loan from bank so that they have to pay huge amount of interest to the bank. If these bank provide easy loan scheme for rice industry then they can take an easy loan service from the bank- By this benefit many poor people or who have no sufficient capital for doing rice business they can do their expecting business. Another major problem is syndicate problem on rice marketing system. There are many middleman participate in the rice marketing system. Sometimes they create syndicate by storing like and sale the rice with high price when insufficient producing of rice. For avoid or reduce this kind of problem the Government should create a strong law and punishment system against the syndicator. Government or political violence also influence in rice marketing system. Sometimes for political reason like strike, political instability create a vital problem on rice marketing system. So the government should maintain their discipline and should take necessary steps for reducing these problem. On the other side, according to the weather or climate condition of Bangladesh, there have been seen seasonal fluctuation in several times. It is seen that the farmers cultivate their land for sowing the seed of rice and transplanting the rice in particular season but for the seasonal instability like sudden flood, heavy rain may destroy the rice plant. For this uncertain seasonal condition the farmers have to face a great problem. For reducing this kind of unexpected problem many NGO or rice research institute should provide some alternative solution to overcome the loss.

In rice marketing system there also some problem occurs in rice industry. The rice miller have to invest a large amount of money on their business. So there must have risk on it. The rice millers should open insurance policy to reduce the risk. The rice marketer also should improve their storage system, packaging system for a better

result on business. In the study area we have analyze that most of the rice marketer does not advertise their product. But on the other side their competitor like Pran, Ruchi, BD food advertise their producing rice in everywhere. So, if the rice marketer of Dinajpur district advertise or promote their product in various way then they can sale more product and can earn more profit.

In findings, we have shown customer attitude towards the rice (table no.1). After calculation of eibi we found that customers have shown negative attitude on price stability (eibi=-0.2484) towards the rice on Dinajpur district. The negative result of price stability proved that the price of rice does not remain stable in most of time. The ups and down of price create so much problem for the consumers. So the government and other intermediaries should take necessary steps for keeping the price stable in a positive and perfect way. They also shown bad or quite good feelings on various factors like price (eibi=1.6948) scent {eibi=7.099Z}stickiness {eibi=3.6624} hygienic (eibi=6.4768} and overall quality {eibi=7.8384).By this findings it is clear that the quality of rice should be improved.

Improved communication and transportation systems would increase marketing efficiency and lower transportation cost. So they specially suggested for the improvement of communication and transport facilities in primary and secondary market. Market information should be made available to the intermediaries through national mass media such as radio, television, newspaper etc.

5.2 Conclusion

In the modern marketing concept the main factor is satisfying the customer. In this research we have discussed about the nature of rice marker and analyzed the various rice of Dinajpur district. Then we have shown the rice marketing system and customer attitude towards the rice of Dinajpur. Finally we provide some recommendation for improving rice marketing system. By this research we conclude that the overall study of this research found various prospects and problems about rice marketing system in Dinajpur district. The outcome of the study might be used as an index for further improvement of the rice marketing system for wide satisfaction and formulating marketing strategies accordingly.

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- Commercial auto rice mills, Ador and Momota auto rice mills, Akota auto rice mills, Chistia hasking rice mills, Hamida auto rice mills Sobhan Hasking mills. (Pulhat, Muradpur, Dinajpur, Bangladesh).

APPENDIX

Owner List of Auto Rice Mill and Husking Rice Mill

Sl. No.	Mill Name, Owner Name and Address
1	M/S Soudia Auto Rice Mill Md. Hafizur Rahman Majipara, Sadar, Dinajpur
2	M/S Sahadat Auto Rice Mill Md. Rased Ali Majipara, Sadar, Dinajpur
3	M/S Soha Auto Rice Mill Md. Sadekul Islam Torinpur, Sadar, Dinajpur
4	M/S Akota Husking Mill Md. Rafiqul Islam Khanpur, Sadar, Dinajpur
5	M/S Tanjit Auto Rice Mill Taslima Khatun Majipara, Sadar, Dinajpur
6	M/S Ali Industries Md. Afsar Ali Majipara, Sadar, Dinajpur
7	Commercial Auto Rice Mill Md. Moklesur Rahman Chowdhury BISIC, Pulhat, Sadar, Dinajpur
8	Provati Industry Md. Ansar Ali BISIC, Pulhat, Sadar, Dinajpur
9	Akota Rice Mill Alhaz Babul AKter BISIC, Pulhat, Sadar, Dinajpur
10	Mitali Auto Rice Mill

	Md. Sowkat ALi BISIC, Pulhat, Sadar, Dinajpur
11	M/S Hamida Auto Rice Mill Alhaz Md. Golam Hamidur Rahman Khodmadobpur, Pulhat, Sadar, Dinajpur
12	M/S Momotaz Auto Rice Mill Md. Abu Hena Mostofa Kamal BISIC, Pulhat, Sadar, Dinajpur
13	M/S Ador and Momota Auto Rice Mill Md. Ohidur Rahman Patowary BISIC, Pulhat, Sadar, Dinajpur
14	M/S Chistia Husking Rice Mill Md. A.K.M. Goribullah Mijan Muradpur, Sadar, Dinajpur
15	M/S M. Rahman Husking Rice Mill Md. Mojibur Rahman Majipara, Sadar, Dinajpur
16	M/S Sobhan Husking Rice Mill Md. Abur Sobhan Hamjapur, Sadar, Dinajpur
17	M/S Saha Auto Rice Mill Protap Saha Panu Boroil, Sadar, Dinajpur
18	M/S Raipur Auto Rice Mill Prosanto Saha Basuniapotti, Sadar, Dinajpur
19	M/S P.P. Auto Rice Mill Lipi Rani Saha Katapara, Sadar, Dinajpur
20	M/S HM Auto Rice Mill Azizul Iqbal Chowdhury Noyanpur, Sadar, Dinajpur

21	M/S Anjali Auto Rice Mill Rojot Basak Noyanpur, Sadar, Dinajpur
22	M/S Rinku Rimon Auto Rice Mill Roktim Basak Uttar Gosaipur, Sadar, Dinajpur
23	M/S Bhoumik Auto Rice Mill Uddip Bhoumi Uttar Gosaipur, Sadar, Dinajpur
24	M/S Nilufa Auto Rice Mill Md. Johir Uddin Ahmed Gopalganj, Sadar, Dinajpur
25	M/S Aohona Auto Rice Mill Alhaz Mosharaf Hossain Gopalganj, Sadar, Dinajpur
26	M/S Jomuna Auto Rice Mill Subol Gosh Gopalganj, Sadar, Dinajpur
27	M/S Asia Auto Rice Mill Reza Humain Faruk Chowdhury Mujahidpur, Sadar, Dinajpur
28	M/S Blue Belt Auto Rice Mill Biraj Kumar Kajanji Poschim Sibrampur, Sadar, Dinajpur
29	M/S Khan Auto Rice Mill Aga Khan Shaikh Pura, Sadar, Dinajpur
30	M/S Sonali Auto Rice Mill Md. Mosaraf Hossain Aulaiapur, Sadar, Dinajpur
31	M/S Anjali Vander Auto Rice Mill

	Ranjit Basak Gosaipur, Sadar, Dinajpur
32	M/S KN Auto Rice Mill Osim Kumar Basak Uttar Bonshipur, Sadar, Dinajpur
33	M/S Jobeda Auto Rice Mill Md. Mofajal Hossain Pulhat, Sadar, Dinajpur
34	M/S Hamjapur Hafejia Husking Mill Md. Sadekul Islam Pulhat, Sadar, Dinajpur