

Field Assessment Report

Samuda Food Products Limited

1. Introduction

The Samuda Food Products Ltd. (SFPL), a sister concern of T. K. Group of Industries located inside the Mirsarai Economic Zone (MEZ)-II, has raised concerns regarding its social and environmental impacts. This brief report aims to summarize the findings from a short field survey, community consultations, and interviews with local fishermen, community and stakeholders regarding the proposed construction and operation of Samuda's Plant including MEZ.



Samuda Food Products Factory

2. Project Overview

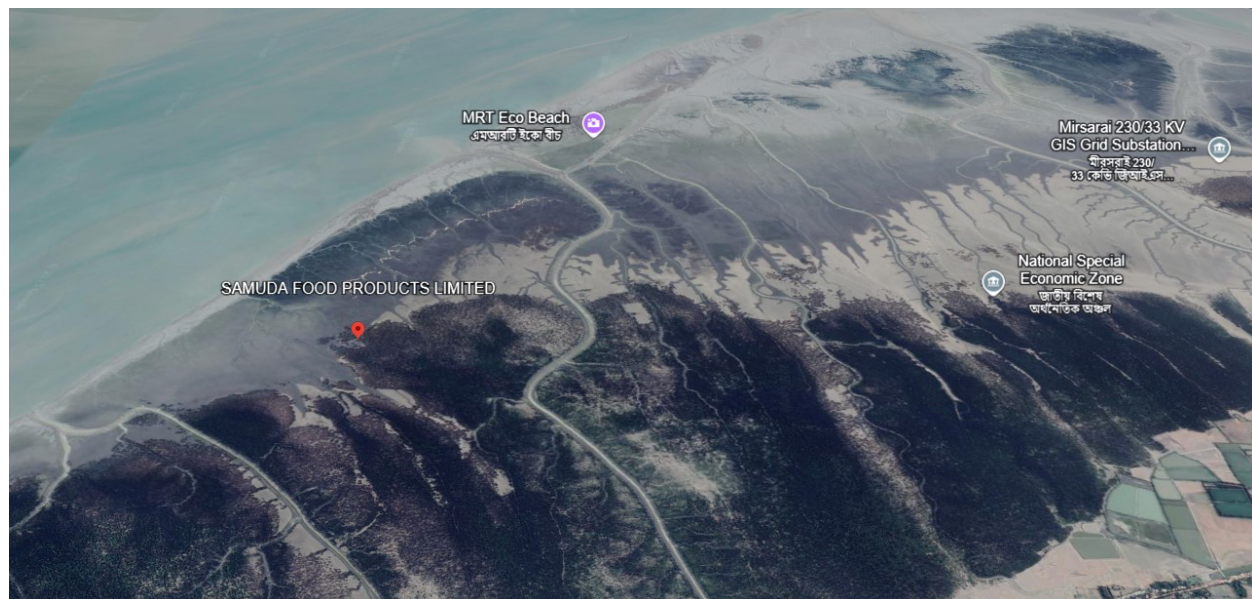
The project Samuda, is a corporate loan investment of up to US\$40 million, aims to construct a soybean crushing plant with a capacity of 540 Metric Tonnes/day of Crude Degummed Soybean Oil and 2,370 Metric Tonnes/day of soybean meal/soya cake. The plant is located in MEZ-II, which is managed by the Bangladesh Economic Zone Authority (BEZA), approximately 70 kilometers north of Chittagong Port. The SFPL project will process soybeans into edible oil and soybean meal for local feed producers.

3. Background & Location

The Samuda Food Processing Factory is situated in the Mirsarai Economic Zone (MEZ-II), with several villages in close proximity, including:

1. Maghadia
2. Domkhali
3. Saherkhali
4. Ichakhali
5. Bamansundar
6. Char Chatter

These villages house approximately more than 100,000 residents, most of whom rely on fishing, small-scale farming, and traditional livelihoods.



Construction started by SFPL (end of 2020)

MEZ- II was part of the World Bank (WB) Private Sector Development Support Project (PSDSP) for Bangladesh aimed to develop economic zone meeting international standards. The establishment of the MEZ II underwent an Environmental and Social Impact Assessment (ESIA) process in compliance with the Bangladeshi's legal and regulatory requirements and WB requirements, with the intention of integrating good E&S management practices in the design of MEZ-II. BEZA has obtained Environmental Clearance for the MEZ-II from the Department of Environment (DoE). SFPL did not require a regulatory EIA (as BEZA has completed ESIA for MEZ-II), although SFPL had to separately apply for Environmental Clearance Certificate from DoE which it has already received. Though there was no regulatory ESIA requirement, SFPL commissioned a project specific ESIA in line with Bangladesh' legal and regulatory requirements and IFC Performance Standards.

4. Key Findings

4.1. Lack of Community Consultation

All interviewed community members including who reside in the villages mentioned in the ESIA confirmed that they heard about the factory of Samuda Food which is owned by TK Group. But they were never told anything about the possible discharge or impact of the factory. There was also no meaningful community consultation by BEZA or MEZ with the community people.

Sajal Das, a member of the adjacent fishing community said:

"We were never informed about the factory. No discussion took place with our fishing communities. I had four fishing nets worth 20,000 BDT each. Ships from TK Company ran over

my nets, dragging them away. Despite visiting their office multiple times, I received no compensation."

Observations:

- Industrial wastewater from the factory is expected to contaminate the coastal waters where local fishermen operate.
- The Feni River, which connects the Ichakhali and Bamansundar canals, serves as a crucial waterway for both local agriculture and marine biodiversity. Pollution from the factory could cause long-term ecological damage.
- Fishermen report declining of fish stocks already, indicating early signs of losing their livelihoods. They face financial losses due to the damages done to their nets by the TK Group ships.
- The Dabar Khali canal has been partially encroached upon for factory-related activities.
- Increasing traffic will cause air and water pollution which can be further escalated due to the pollutions from Samuda.
- Two sluice gates in the mouth of two canals stopped fishing community to take the boats near their villages which put them under security threat and mental anxiety. But it also compelled them to travel to their boat now by local Tuktuk (battery run three wheelers) that increased their living cost.

4.2. Environmental Impacts

A big chunk of mangrove was cleared up to prepare the economic zone by filling up of the shore of the sea and forests area; then strong dyke and a couple of sluice gates were put up by MEZ. According to local people, a road through the mangrove and a jetty in the sea areas were constructed by TK Group which technically and practically should be by Samuda.



Construction of Jetty inside the sea

Basudev, (a local fisherman interviewed during the visit) "If this factory operates, if a jetty is built, and if industrial waste is dumped into the sea, the water will be further polluted. Toxic waste will kill marine life, and fish will disappear. We have already seen fish are migrating away from this area."

Nepal Das, a leader of the fishing community said: “The damage is caused in this way—we use 'cork sheet (floats)' to set up nets. When these ships come, especially sand-carrying ships or other vessels, they cut through our nets. The nets get destroyed. Those who are aware or have money sell their nets and move on to do something else. But we, who are helpless, are neither getting anything from this side nor from that side. We are just surviving somehow.” He also stated that: “Even now, plastic bags, bottles, and all kinds of garbage get stuck in our nets. Only a few fish come up; the rest are just wastes and debris. There is another sluice gate further down in our zone. Hilsa fish used to breed here, but for the last two years, there had been no breeding. We believe this is happening because of the economic zone. Previously, we could see Hilsa eggs directly here, but now we do not see them anymore. We suspect that this change has occurred due to the zone.”

Sitakundu Coastal Forest Department officer Mohammad Hasan (Forest Beat Officer) stated: "Samuda Company never consulted us regarding their project. We fear their factory and jetty will negatively affect the mangrove forests in Sitakundu and Mirsarai coastal areas."

Observations:

- The mangrove forests along the coastal belt are at risk from industrial expansion that already impacted the biodiversity and ecosystem of that particular area.
- The coastal community in the adjacent villages are more exposed and vulnerable to the extreme weather patterns and salinity intrusion due to the impact of climate change.
- Key wildlife species are already affected and losing their habitats that include foxes, eagles, kites, herons, spotted deer, turtles etc.
- Sluice gates in the mouth of the canals will kill those natural water bodies and as a result those will be grabbed and filled up in near future.
- The smell and pollutants coming from the factory of Samuda can be responsible for drastic fall of fish population and displacement of the community people living nearby.
- Construction of dyke and jetty may bring significant changes in the hydrology of that area leading to erosion and serious ecological degradation.

5. Conclusion

The economic zone itself was a project heading forward with setbacks and lacking in many technical and policy matters and processes. Samuda on top that revealed as a supplement to the destruction of the ecology and livelihoods in and around the MEZ area. No evidence of any environmental assessment or mitigation measures from Samuda was reported by far and therefore, a third party, science-based, inclusive, transparent and comprehensive assessments of both MEZ and Samuda are a dire need to carry forward before any further construction and development activity.