

# Promoting Agricultural Markets in Bangladesh

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***6<sup>th</sup> Annual ILO Seminar***

***From "BDS Market Development" to "Making Markets Work for  
the Poor" How broad should we go?***

***Turin 2005***

# [ Content ]

- Vegetable sector for KATALYST
- Key constraints and promotional strategy
- Interventions and outcomes

# Vegetables in Bangladesh

- 3.6% of GDP, 10 million farmers 34% of labour force & 28% of population involved
- Annual production of 1.5m MT vs. demand of 10m MT; Area under cultivation 1.79% & low yield of 1 MT/ha; low rates of productivity increase
- Per capita consumption of 60g/head/day instead of required 200g/head/day

## Vegetables in Rangpur

- 1.6 m farmers - 45% in commercial production with an additional 50,000 in the value chain
- Major crops; tomato, pointed gourd, bitter gourd, cauliflower and cabbage
- Production of 67,000 MT

## Vegetable Exports

- US\$13 million in Middle East, Europe
- Main exports: French bean, bitter gourd, yard long bean, stolon of taro and okra

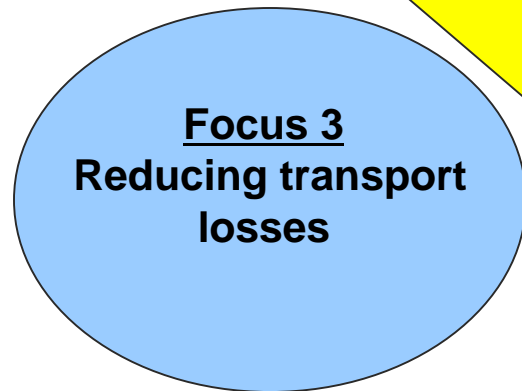
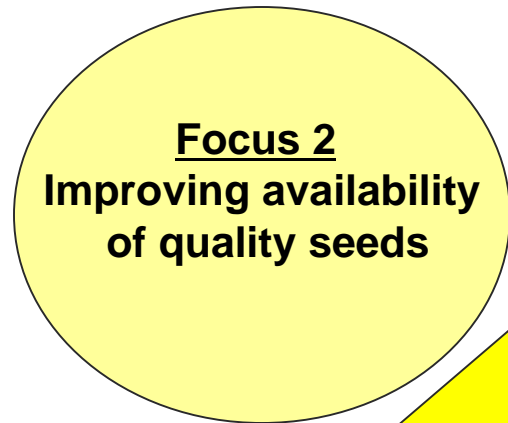
# [ Questions for KATALYST ]

- How is this sector, and parts of it, changing?
- What are the critical constraints and opportunities?
- How can business services address these?
- Who could be potential partners and what are the incentive mechanisms?

# Key Constraints in Vegetables

<i>Input related constraints</i>	<i>On-farm production constraints</i>		<i>Output related constraints</i>
<b>Limited access to hybrid seeds</b>	<b>Inadequate knowledge on use of inputs of farmers</b>	<b>unhealthy use of colors in vegetables (SRB issues prominent)</b>	<b>High wastage in transport</b>

# KATALYST's Response

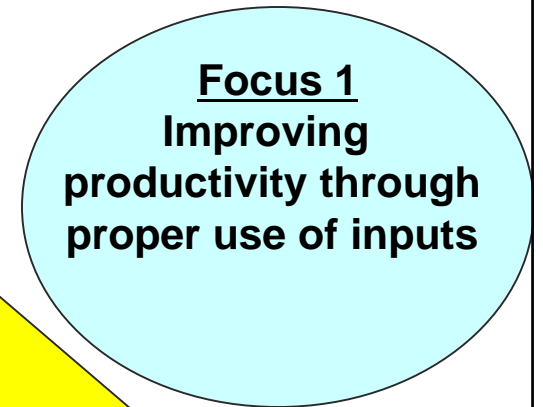


***High outreach interventions***

***Increased incomes to the  
poor as laborers, farmers or  
entrepreneurs***

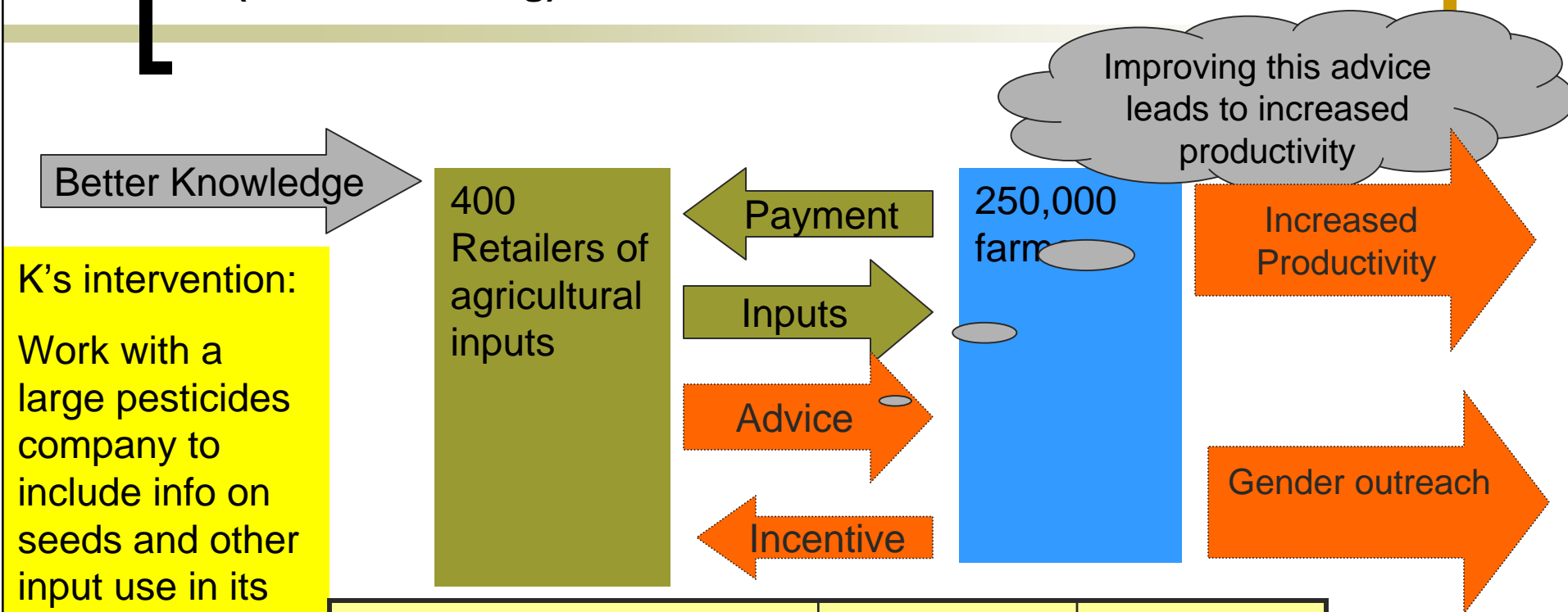
***Sustainability - a combination of  
embedded , transacted &  
public benefit  
services***

***With a view to making the  
sector more competitive***



# Focus 1: Improving input use

## V1 (Retailer training)



**K's intervention:**  
 Work with a large pesticides company to include info on seeds and other input use in its retailer training programme

Some Indicators	Intervention	Pre/Control group
Sales of quality crop protection	35% increase	15 %
Sales of quality seeds	108% increase	28%
Quality of advice to farmers	97% good	80%
Impact on farm profitability	97% high	80%

# Focus 1: Improving input use – V3 (Soil Testing)

Promote a service provider to develop a market & encourage crowding in

## K's intervention:

- Promote soil testing concept through promotional campaign (video show, folk song, rickshaw van procession etc.
- Provide trial grant to private soil tester to share initial risk

1 Private soil tester in one Upazilla (42 tests)

Payment

Advice

25000 farmers

Improved knowledge on soil content leads to optimum input use

Increased Productivity

Some Indicators	Intervention	Pre/Control group
Farmers reached	10% (2500)	0.168% (42)
Tests subsidized	1850	0
Tests after K's withdrawal	650	0
Total demand for service	US\$3200 (4000% increase)	US\$80
Number of soil testers	4 [1 + 3 new in adjacent areas]	1
Impact on farm profitability	Positive	
K's cost	US\$19,000	0

# Focus 2: Improving availability of quality seeds – v2 seed supply chain

Seed companies' feedback

**K's intervention:**

- Commission demand supply mismatch analysis study for quality seeds

Lack of awareness of the farmers on the alternative varieties of quality seeds produced by the companies and their failure to reach farmers

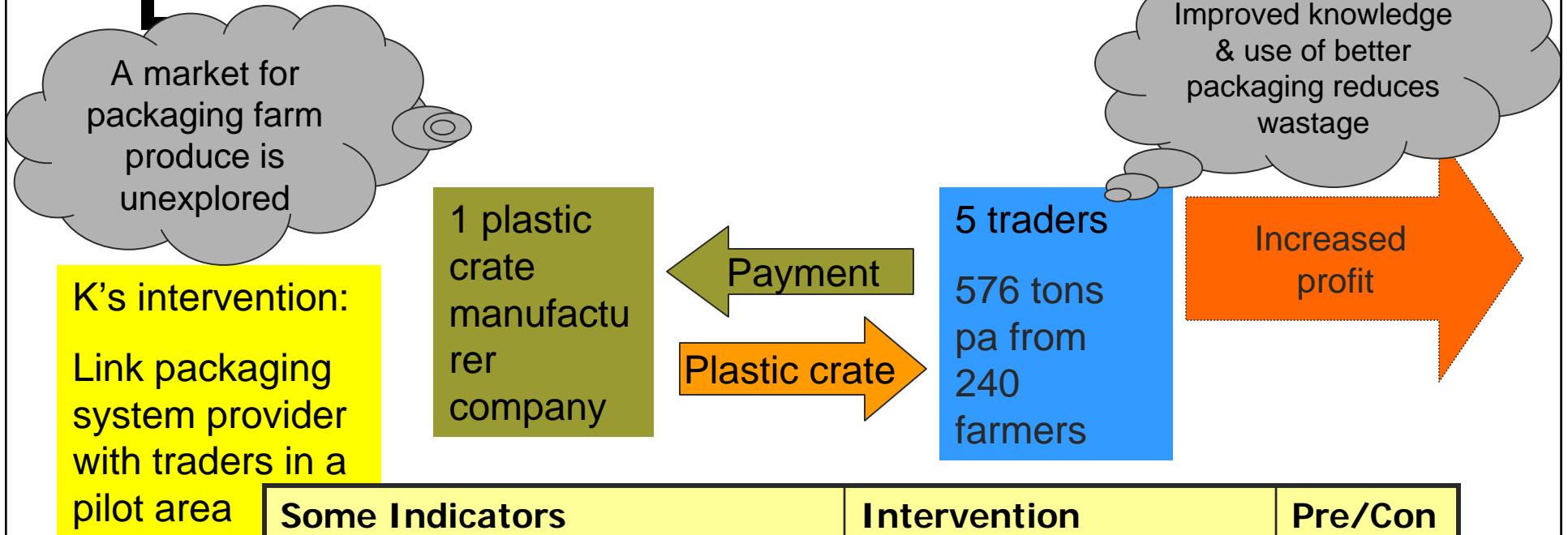
**K's intervention:**

- Develop the capacity of event organizers to target seeds

Series of seed fairs (20) at Upazilla level on a commercial basis

Some Indicators	
Expected trade participants in fairs	150
Expected attendance	140000
No. of event organisers	3

# Focus 3: Reducing transport losses – V4 Packaging Services



Some Indicators	Intervention	Pre/Control group
Numbers of traders use plastic crate	5	0
Investment on plastic crate	US\$1900	0
Impact on traders profitability	15% increase	
Expected Volumes in 1 year	11520 tons	
Expected Outreach in 1 year	100 traders serving 4800 farmers	

# Key Questions & Intervention Design

- How is this sector, and parts of it, changing?
- What are the critical constraints and opportunities?
- How can business services address these?
- Who could be potential partners and what are the incentive mechanisms?

## Interventions:

- reasons for it not happening
- the business case
- providers and processes
- opportunities for facilitation
- measuring impact