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Swiss Agency for Development and Cooperation SDC



Intervention Area Brief: Output Market and Post-harvest/Processing Services

Between 2012-18,

37,000 char households accessed output market and post-harvest/processing services, and increased income

by BDT 160 million.

Background

Northern chars¹ have been little known for agricultural produces because of low production volume and substandard quality. This was largely triggered by the absence of necessary production facilities, post-harvest management, processing services and the missing linkages to "high value, high price" markets. Moreover, chars have always been susceptible to climatic hazards like floods, river erosions, hailstorms, cold waves etc. The remote geographical position, difficult communication system, high transaction costs and unavailability of sufficient quality produce made it commercially unviable for the large buyers and traders to establish businesses with the char-dwellers. Procuring from mainland or importing were better alternatives for the agro-processors than investing in improving the qualities of the char produces. Therefore, despite having natural endowment and substantial potentials, char-dwellers had remained as "low volume, low quality, low price" producers of agricultural produce which made it almost impossible for them to rise above the poverty cycle.

M4C's Approach

To improve quality and strengthen the supply chain, M4C approached the national/local agro-processing companies for collaboration; but due to the associated difficulties they hesitated. Although the large traders were keen on strengthening linkages with char-farmers and large buyers, they lacked capacity to improve quality of the produce. M4C, therefore, developed training materials and supported the char-traders to train the farmers on post-harvest management techniques. Some traders came forward to initiate out-grower schemes which linked them to agro-input companies, large buyers, agricultural service providers and microfinance institutions. Initially the scope of the out-grower scheme was limited to maize and groundnut, but eventually it included other crops. As the intervention fostered uptake of various agro-inputs and services as well as improved practices, a similar intervention was designed for bull fattening. In addition, M4C worked with public agencies for extension of good agricultural practices, and supported development of host of local service providers for shelling, drying materials, household storage etc.

¹Chars are riverine land, susceptible to erosion and soil deposition, which remain disconnected from the mainland either seasonally or throughout the year.

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Partnerships and Key Achievements

- To improve quality and increase volume of agricultural produce, and to ensure better returns for farmers, traders and local service providers, since 2012 M4C is supporting 500 plus traders and 400 plus local service providers e.g. shelling service providers, drying material sellers, storage service providers, to provide value added services and to promote outgrower schemes.
- M4C collabortated with PRAN Agro Business Limited; Oilseeds Reseach Center (ORC) and Spices Research Center (SRC) of Bangaldesh Agricultural Research Institute (BARI), Bangladesh Jute Research Institute (BJRI), Department of Agriculture Extension (DAE) and Department of Livestock Services (DLS) for developing training materials and capacity of farmer, traders and service providers.

Partner/ Service Providers	Rartnership Duration	No. of Service Providers	Number of Households Reached	Average Income Increased per HH (BDT)
Trader-Outgrowers (Crops)	2012-18	215	21,500	1,800
Trader-Value Added Services	2012-17	300	30,000	600
Shelling Service Providers	2012-18	129	26,000	1,300
Drying Material Sellers	2012-18	93	20,000	700
Storage Service Providers	2016-18	18	175	3,000
Trader-Outgrowers (Livestock)	2016-18	79	3,000	5,500

Lessons and Way Forward

- The strategy to work with the char traders and the local service providers to improve quality of production was beneficial. The improved quality attracted new buyers and created access to new markets, which in turn encouraged farmers to invest or expand production of crops and livestock. While impact was evident and sustainable, replication was necessary to achieve scale.
- Between 2015-2017, M4C conducted several area/output market assessments which identified the total volume of production, major haats/bazars connecting the char-dwellers, small and large traders connected to these haats/bazars, major agro-processing companies and their agents etc. Using the information obtained, M4C will bring out publications titled Char Information Book, Char Traders Database etc. which will be widely disseminated by and archived at Char Development Research Center (CDRC).
- To disseminate relevant information, strategies and lessons as well as to showcase the char potentials to the prospective traders and large buyers, M4C plans to organise a series of Char Business Fairs and Regional Traders Meets.

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