FARMER-LED MARKET LINKAGE DEVELOPMENT IN BANGLADESH

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ABSTRACT

The purpose of this paper is to assess the Farmer-led Market Linkage Progress in Bangladesh and to suggest other useful methods that can be attempted in imparting knowledge to the farmers. Agribusiness throughout the world as presently growing is a very highly developed phenomena especially for the developing countries. Bangladesh being an underdeveloped country is still lying far behind the global agribusiness system in many ways. But due to present global free market concept there is no scope to be isolated from the system. All its resources, production and processing techniques and marketing potentials must enable the requisite environment. In an age of market liberalization, globalization and expanding agribusiness, there is a danger that smallholder farmers will find difficulty in fully participating in the market economy. To make the arrangements those farmers can come under the agricultural market; come forward from all our levels. Through this research, efforts have been made to highlight the position of the leadership of the peasants in the agricultural market.

Keyword: - Agribusiness, Linkage, Growth, Agricultural commodity, Agricultural marketing

INTRODUCTION

Agriculture is the oldest profession of human being. Agricultural production is the basic and primary production sector where the world life system became established. The community life of human initiated with the exchange of agro-commodities within families/groups which was marked as the milestone of the event “BUSINESS”. Agricultural products are the mother commodity of business. In the concept, as agricultural products are still occupying the major portion of the business being the first throughout the world, all the business originated its importance from the agriculture base. Any synthetic commodity may be produced anywhere in the world, but agro-commodities must be produced from raw materials which are ecology based. Thus the agribusiness which means production, transformation and sale of agro-commodities interlinked the whole world for its business giving it very high significance internally for the survival of the human being even for the time to come.

The experiences and outputs from ADB and other donor’s project in agriculture, micro and rural finance, horticulture, aquaculture, and livestock sectors in Bangladesh and other countries have given a very sound rationale for implementing the agribusiness development Project in Bangladesh. These are:

i. The sustainable development of business oriented commercial agriculture is highly dependent on private sector participation, but much more needs to be done for processing and extension (ADB 2001). The experience in successful development of agribusiness in India (Assam), Kenya and Thailand (Van Roekel et al. 2002) is adoptable here.
ii. Enhanced private sector roles in agricultural input and output markets are crucial for realizing the agricultural production potential, increasing private demand for commercial credit has been endangered by market liberalization, yet the NCBs are not prepared to serve the emerging needs of agriculture (ADB, 2004).

iii. The outreach of microfinance institutions and microcredit programs by the NGOs has more than the public sector Banks, but they still need support to meet the need of an important segment of rural entrepreneurs, i.e. ‘the middles’.

iv. Channeling a credit line through the Banking system requires examination of the capacity of the Bank and NGOs to act as financial intermediaries, the credit line should provide flexibility to Banks and NGOs inserting interest rates to reflect credit risks of the respective clients; there should be operating guidelines for the recycling of sub-loan repayments; and the use of credit facility for such recycling should be monitored to prevent uses for purposes other than those intended by the project.

v. The high cost of and limited access to capital of small business, and the prevalence of rural unemployment have impeded the ability of smallholders to capitalize from agribusiness, the challenge in the sector being to increase its competitiveness in a free market economy increasing employment.

vi. Hortex: As farming systems become more complex and market demand becomes increasingly sophisticated, agricultural extension systems need to become more decentralized to reflect location- and market-specific issues. Cooperation between a technical agency with access to international marketing experience and NGOs that have gained the trust of small farmers can be extremely useful in introducing new higher-value crops in a country dominated by small farmers. Agencies adopting a catalytic role (for example, HORTEX Foundation) should focus on providing critical technical services rather than making direct investments in infrastructure.

OBJECTIVES OF THE STUDY
1. To identify the market chain problems of the vital segment.
2. To prioritize the important market chain link component for higher output.
3. To develop a model Guideline for market chain development skill training.

METHODS AND MATERIALS
The present study was conducted to livestock Product Studies through market chain development maintaining quality in Bangladesh. For this reason several districts of Bangladesh were selected.

Research Design
Study Sites:

A. Sites:
   1. Dhaka -Savar
   2. Narayonganj -Sonargaon
   3. Narsingdi -Shibpur

B. Product type:
   1. Fruits
   2. Vegetables
   3. Spices
   4. Ornamentals

C. Respondents:
   1. Garden owner
   2. Nurseries
3. DAE Agents
Total interviewee-150-200, 50 persons from each category

Methods:
1. Technical Survey with one questionnaire guideline
2. Group discussion on training manuals and materials
3. Market visit with check list

Questionnaire Guidelines
A. Personal information
   Name…………………………………… Age…………………………Gender…………………………
   District…………………………….. Upazila…………………………..

Survey Questions
1. Type of Products of the varieties facing marketing problems: (Give tick to any main 2)
   a. Local varieties
   b. Local improved varieties
   c. NARS developed varieties
   d. Exotic varieties
   e. Imported products

2. What is the productivity status of the items target output 50-70%?
   a. Fruits
   b. Vegetables
   c. Spices
   d. Ornamentals
   e. Others

3. Which component of market chain is most profitable: Give tick mark to any 4
Study Area:

Dhaka-Savar, Narayangonj-Sonargaon, Narsingdi – Shibpur.
RESULTS AND DISCUSSION

The results obtained from the studies are presented and interpreted here.

![Graph showing percent responses as per graph](image1.png)

Fig. 1: Percent responses as per graph

<table>
<thead>
<tr>
<th>Sites</th>
<th>Fruits</th>
<th>Vegetables</th>
<th>Spices</th>
<th>Ornamentals</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhaka Savar</td>
<td>32</td>
<td>29</td>
<td>19</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>Nganj Sonargaon</td>
<td>70</td>
<td>48</td>
<td>70</td>
<td>33</td>
<td>55</td>
</tr>
<tr>
<td>Narsingdi Shibpur</td>
<td>45</td>
<td>23</td>
<td>42</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Mean</td>
<td>49</td>
<td>33</td>
<td>43</td>
<td>34</td>
<td>39</td>
</tr>
</tbody>
</table>

Table 1: Percent responses in favor of products facing marketing problems as per site

![Graph showing percent responses as per graph](image2.png)

Fig. 2: Percent responses as per graph

<table>
<thead>
<tr>
<th>Varieties</th>
<th>Fruits</th>
<th>Vegetables</th>
<th>Spices</th>
<th>Ornamentals</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local impro var</td>
<td>40</td>
<td>47</td>
<td>67</td>
<td>38</td>
<td>48</td>
</tr>
<tr>
<td>NARS var</td>
<td>61</td>
<td>65</td>
<td>74</td>
<td>48</td>
<td>62</td>
</tr>
<tr>
<td>Exotic varieties</td>
<td>14</td>
<td>57</td>
<td>21</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>Imported products</td>
<td>13</td>
<td>27</td>
<td>27</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Mean</td>
<td>32</td>
<td>49</td>
<td>47</td>
<td>31</td>
<td>40</td>
</tr>
</tbody>
</table>

Table 2: Percent responses in favour of products facing marketing problems as per products
Fig. 3: Percent responses as per graph in favour of products facing marketing problems

<table>
<thead>
<tr>
<th>Varieties</th>
<th>Gardener</th>
<th>Nursery</th>
<th>DAE</th>
<th>NGO Others</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local impro var</td>
<td>60</td>
<td>53</td>
<td>35</td>
<td>68</td>
<td>54</td>
</tr>
<tr>
<td>NARS var</td>
<td>66</td>
<td>70</td>
<td>27</td>
<td>78</td>
<td>60</td>
</tr>
<tr>
<td>Exotic varieties</td>
<td>19</td>
<td>68</td>
<td>21</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>Imported products</td>
<td>45</td>
<td>56</td>
<td>24</td>
<td>19</td>
<td>36</td>
</tr>
<tr>
<td>Mean</td>
<td>48</td>
<td>62</td>
<td>27</td>
<td>48</td>
<td>46</td>
</tr>
</tbody>
</table>

Table: 3: Percent responses in favour of products facing marketing problems as per Professionals

Fig. 4: Mean response score % by Gardener on the Profitable component of market chain links

<table>
<thead>
<tr>
<th></th>
<th>Mean score%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer</td>
<td>Retailer</td>
</tr>
<tr>
<td>Farmer</td>
<td>Local trader</td>
</tr>
<tr>
<td>Farmer</td>
<td>Aaratdar</td>
</tr>
</tbody>
</table>
SUMMARY

Percent dependent on the activity for livelihood: About 36% respondent score as highest for market agent followed by dairy owner & processor (34.4%), while the lowest mean score was recorded as 29.6% for transport & storage. Highest score (54%) dependence on the livelihood was found to be the dairy industry within the range of 40-60%. It indicates that most of the professionals are interested for being market agent instead of primary production; still then they could not rely on the business fully.
Productivity status of the farms as per total target output: About 31% respondent highest scored for market agent followed by transport and storage 30%, while lowest mean score was recorded as 24% for dairy owner & processor. About 49% respondent told that their achievement was within the range of 20-40%. Dairy owner and processor could not achieve in the targeted output due to lack of integrated processing system with the market price.

Market component facing serious problem: Skill development (73%) scored highest as facing serious problem followed by transportation (70%), while lowest mean (30%) score was recorded as for need analysis; which was not their function, as they told. About 62% respondent scored that they are facing serious problem of milk marketing. Due to lack of need analysis market and government polices failed in contributing to the system positively.

Market chain segment more profitable in Bangladesh: Skill development (73%) scored highest segment followed by transportation (70%), while the lowest mean score was recorded as 30% for need analysis. About 62% respondent score as highest that they are interested for doing business with milk. It indicates that milk processing (lack of documentation as regards imports, border cross marketing and poor instrumentation for quality control) is irregular and have administrative complexity (powder milk and milk powder).

Market chain segment preferred to start: Skill development (72%) scored highest segment followed by transportation (69%), while the lowest mean score was recorded as 30% for need analysis. About 62% respondent scored as highest that they are interested for doing business with meat. Still now meat market seemed more acceptable than the complex milk chain market. Milk marketing system in Bangladesh is not uniform.

Component deserving immediate attention by the DLS: Skill development (82%) scored highest component followed by treatment medicine score (69%), while the lowest score was recorded as 48% for storage of products. Meat response scored highest (69%) as component deserving immediate attention by the DLS. Professional skill development is more needed which can only be done by DLS. Skill development training for meat processor in the contest of current use was also important specially for short term preservation in non-chemical way.

Component deserving prime attention by the MOFL: Skill development (89%) scored highest as component followed by need analysis (85%), while the lowest mean scored was recorded as 37% for feed production and analysis. Milk processing response scored highest as component deserving prime attention by MOFL. MOFL should provide skill development policies for milk processing or value addition activity through formulation of value chain principles under specific regulation.

RECOMMENDATIONS
1. Market agent should be attached to primary production farms.
2. Milk and meat processing should be strongly in-built in the value chain market system.
3. Need analysis for milk consumption and value chain segment must be done by ministry of fisheries and livestock and their respective consultancy which will reduce the crises of milk marketing.
4. Quality control labs should be established nationally and regionally by DLS.

Similarly under the supervision and direct assistance skill development (treatment, instrumentation, processing) should be strengthened by Department of Livestock Services (DLS) specially in digital modular methods for less literate farmers.

6. REFERENCES


Densley, B. 2004. A workshop output on about the marketing training manual.


**BIOGRAPHIES**

Dr. Md. Shahtab Hossain is the Managing Director, *Proshika Integrated Agricultural Farm Trust, Dhaka, Bangladesh*. Dr. Hossain is engaged in Production, marketing and research activities throughout his academic career more than 25 years and has published many research papers, participated international conferences. He is a member of General Body, Proshika Manobik Unnayan Kendra and Hope for the destitute Women and Children. He is a Life Time Member of the Krishibid Institution, Bangladesh as well.

Dr. Md. Ahsan Ullah is a Consultant, *Pest Risk Analysis (PRA), and Strengthening Phytosanitary Capacity in Bangladesh Project* at Department of Agricultural Extension, Government of the People’s Republic of Bangladesh. He has been working for Plant Quarantine and Phytosanitary Services in the Bangladesh since 2007. Mr. Ullah is engaged in research activities throughout his academic career more than 10 years and has published many research papers, participating international conferences. Mr. Ullah is a Life Member of the Krishibid Institution, Bangladesh.