Aggregation Centers and joint market linkages initiatives

23 May 2022
10:30 – 12:00

ISCG meeting room
Cox’s Bazar, Bangladesh

Photo: ISCG / Saikat Mojumdar
Meeting agenda

• Introduction of Participants
• Joint initiatives towards market linkages
• Sharing good practices:
  - VSO Bangladesh
  - UNDP
• Farm to Market (recommendations for operation optimalization): WFP Retail Unit
• Way forward
Introduction of Participants
Introduction of Participants

1. Food Security Sector
2. CNRS
3. FAO
4. Practical Actions
5. RIC
6. UNDP
7. UNHCR
8. Uttaran (for Helvetas)
9. VSO
10. WFP
Joint initiatives towards market linkages

1. **Aggregation Centers and Farmer Groups meeting**, 12 January 2022

2. **Maps update**, February 2022
   Aggregation/Collection Centres: 61 centres
   Farmer Groups: 1,200 groups

3. Joint field visits to Aggregation Centers and Farmer Groups:
   - 9 February 2022 in Teknaf (4 sites: WFP/Shushilan, UNHCR/CNRS, DCA, FAO/Shushilan)
   - 10 February 2022 in Ramu and Ukhiya (4 sites: FAO/Shushilan, WFP/RIC, Helvetas/Shushilan, VSO/Shushilan)

   Total number of participants: 52 from 19 different organizations

4 UN (FAO, UNDP, UNHCR, WFP), 8 INGO (BBC Media Action, Danish Church Aid, Helvetas, IVY Japan, Plan International, Solidar Suisse, Solidarites International, VSO Bangladesh), 7 NNGO (BRAC, CNRS, Meghna Social Health & Development Foundation, Mukti Cox's Bazar, Nowzuwan, RIC, Shushilan)
Joint initiatives towards market linkages

4. Lessons learned workshop based on field visits to aggregation centers and farmers groups, 23 February 2022

5. Cross visit between farmers (slides: 39 – 49, Helvetas/Shushilan and WFP/RIC)
Sharing good practices/ VSO
Bangladesh
WELCOME TO THE PRESENTATION ON HIGH-VALUE CROPS AND EXPERIENCE OF VSO

Dulal Chandra Biswas
Technical Lead, VSO
High-value crops and VSO’s experience

**Name of Project:** Safe food promotion project in climate-vulnerable areas

**The experience started in:** 2014 at Shyamnagar, Satkhira.

**Total primary actors:** 1550 (83% women)

The safe food promotion project replicated in Ramu, Cox’s Bazar in 2021

**Primary actors in Ramu:** 220
High-value crops and VSO’s experience

PROJECT OBJECTIVES

• To strengthen farmers skill on safe food production and promotion
• To improve awareness on climate resilient crops
• To improve market access of safe food
• To increase income of farmers family
• To improve youth leadership on promotion of Agroecology
The safe food promotion project focuses on the following areas:

- Promote women as the farmer
- Engage Government line department for skill transfer
- Produce and promote safe crops through Good Agriculture Practices
- Promote high-yielding mostly inbreed varieties
- Promote high-value crops
- Engage local youth volunteers as change makers
High-value crops and VSO’s experience

Promote Good Agriculture Practices-
- Use organic manure and bio-pesticides
- Use water-saving techniques and efficient irrigation
- Promote soil health
- Promote IPM
- Multiple cropping
- Enhance bio-fence
High-value crops and VSO’s experience

The market for High-value crop
- Conduct a market assessment
- List down the consumers
- Fix the supply chain
- Support to ensure supply chain

Consumer of High-Value crops
- Local People
- Army from Ramu Cantonment
- BGB of Ramu
- Restaurants at Ukhia, Cox’s Bazar
- FSS and other colleagues passing through the sales center
High-value crops and VSO’s experience
High-value crops and VSOB experience

Opportunities
- Safe and high value in the market
- Demand for safe food
- Good number of consumers in the project area
- Higher yield and higher return

Future Plan
- Increase Project Area
- Increase number of Sales Center
- Increase more women and girl
- Training more farmers
- Establish more voluntary youth club
High-value crops and VSOB experience
High-Value crops in Ramu, Cox’s Bazar
High-Value crops in Ramu, Cox’s Bazar
High-Value crops in Ramu, Cox’s Bazar
Thanks for your patience

For more Information
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Sharing good practices/ UNDP
Presentation on Market Collection Point/Aggregation center Under SHARIP project
<table>
<thead>
<tr>
<th>Upazila</th>
<th>No of MCP Established till to date</th>
<th># of CPs are Operating at least once in a week</th>
<th># of IFM-FFS linked to CP</th>
<th># of non-IFM-FFS farmers linked to CP</th>
<th>Weekly transaction in CP</th>
<th>Additional facilities provided by CPs</th>
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</thead>
<tbody>
<tr>
<td>Ramu</td>
<td>8</td>
<td>4</td>
<td>20 (300)</td>
<td>230</td>
<td>4000</td>
<td>80000.00</td>
</tr>
<tr>
<td>Ukhiya</td>
<td>4</td>
<td>1</td>
<td>6(100)</td>
<td>150</td>
<td>800</td>
<td>16000.00</td>
</tr>
<tr>
<td>Teknaf</td>
<td>4</td>
<td>2</td>
<td>10(120)</td>
<td>55</td>
<td>400</td>
<td>8000.00</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>7</td>
<td>520</td>
<td>335</td>
<td>5200 KG</td>
<td>104000.00</td>
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</tbody>
</table>
Good Practice

• Perfect place selection and maintain systematic process for collection point establishment

• Trader/Market actor Included in management and operation of collection points

• Transportation vans helps farmer to carry produces and retail selling on the van other than the market day.

• Collection points are operating most of the day of week, where necessary.

• Collection point turned to storage and information exchange center. (Palong khali, Kocchopia, Daxin Mitachori)
Main challenge

• Lack of production of demand led products

• Unstable supply of products

• Small producer’s do not agree to sale their product to trader with wholesale rate

• Sometimes trader not agree to purchase their products from collection point due to limitation of product diversity.

• People have not willingness to give services to their society as like as previous

• Behavior change towards alternative
Opportunities

• Still we have unidentified suitable place for collection point
• Upward trend of demand for agricultural product due to tourism and many mega projects
• Growing demand of high value crop in hotel and restaurant (Capsicum, Curry leaf, mushroom, baby corn)
• Local improve breed of native chicken are available.
• Scope for production of perennial vegetable (Green Banana, Papaya, Maringa etc.)
• Trader and producers can easily reduce their marketing cost (Transportation, market toll and tax)


Way Forward

• Carefully maintain all steps for establishment of a collection point
• A trained community facilitator should be attached with each collection point
• Demand led agro product production should be increased through special attention (Native chicken, Native Duck, Banana, Local variety potato, French bean seed etc.)
• Incorporate more trader in collection point management and operation
Main steps for establishment of a collection point

- Place selection and large group discussion
- Rapid feasibility assessment
- Management committee formation
- Meeting between farmer and Trader
- Collection point management training
- Constitution development: purchasing of materials
- Inauguration and start Trading
- Monitoring and Regular follow up
- Periodic assessment and progress review
Thank you

Shaibal Barua
Market Development Specialist
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Farm to Market/
WFP Retail Unit
Farm to market project

Improve Access, Price, Quality and Service for the people we serve and the local communities through market linkage from farmers to retailers
Farm to Market project Objective

Farm to Market:

1. Improve the customer experience
   a) Giving access to fresh food to customers
   b) Increasing the freshness by reducing the lead time between farm to market.
   c) Increasing the quality by harvesting and packing closer to the customer demand.

2. Improve the farmers revenue by providing access to the market with limited intermediaries
“To support the creation of sustainable fresh food markets, we aim to identify and remove inefficiencies in the market system in order to improve Access, Price, Quality and Service for the people we serve and the local communities.

Main Developments

1. OFFSC starts from Customer expectations. Expectations are identified through market survey, customer survey and data collection (when available) ideally through MSA Fresh food extension.

2. Supply analysis is executed by expert in this field (FAO or other). Ideally, all farmers are integrated regardless of their supporting agencies).

3. Link farmers to market players include all commercial aspect to ensure fairness and business development between all partners.

4. The long-term development is based on production integration to market needs. (It can include new crops if necessary)
✓ Think customer first.
✓ Build up your project on market demands
✓ Build up your project on farmers capacity to answer to customer demands
Remove supply chain inefficiencies:

1. Remove the inefficiencies to build up trust and develop a sustainable business process.

2. Design a process based
   1. Fair pricing policy for all
   2. Solid and stable volume engagement
   3. Quality standard defined and controlled
   4. SOP agreed on which all are engaged and committed
Farm to Market (Price Optimization)

Price mechanism:

The price mechanism must ensure that the price is fair for all partners and is based on the reality of the market.

- The prices are the Wholesale prices.
- Price is based on wholesale market survey average
- Price collection is made by an independent partners from the stakeholders

Providing a high unrealistic price to farmers may be a short-term answer to farmers but is definitively **NOT SUSTAINABLE**
Volume engagement:

To ensure farmers have a stable market and retailers have an equally stable supply, all partners must respect the volume they have engaged in.

•Month -1 (seasonal): Retail team (based on sales history similar week the year -1) provide to Aggregation PIC the estimated volume needed for the month/season to come. Note that this mechanism could be applied for farmers production plan (6 months in advance)

1. Mobilisation per day
2. Volume per day sold same week year -1
3. Daily Estimated volume for each day for the month to come (30% of volume sold Year-1)
4. File sent to aggregation coordinator

•Week -1 (Saturday):
•Before 10 am: AC centre send to retailer the weekly product availability plan.
•Before 16 pm: retailer send back to AC his weekly volume engagement for the next week starting Monday finishing Sunday.

Note that the volume can be reviewed the day before the delivery (max 2pm) the order modification can not exceed 10% in order not to compromise the farmers harvesting plan too much.
Supply chain & logistic:

To ensure a regular and stable supply to the retailers, each partner must engage in a process with the following steps.

Supply chain is designed to bring freshness and quality to the customer

There are 2 options for the farmers to prepare their goods for the market. It can be either prepared:

Farm to AC
- Option 1: Farmers harvest and pack according to WFP Standards (morning starting 5 am). Once packed, vegetables crates and bags are shipped to AC before 6.30 am (AC receiving max 7.00am) for consolidation and quality control. (high risks goods arrive at AC late).
- Option 2: Farmers harvest and pack at 4.30 pm when temperature is colling down. The crates and bags are stored in farmers group cool shaded area overnight. Crates and bags are shipped before 6.30am (AC Receiving max 7.00am)

AC to retailers
- 7.30 am the products are loaded to transport to be delivered to retailers
- 8.00 am all products must be delivered to retailers, controlled and invoice validated

Payment must be made every 2 days via Bcash
Quality control & return policy:

To ensure quality is adapted to WFP retail standards, products packed by farmers must be controlled at different stages:

* Products must be packed according to WFP specification standards
* Product must be controlled at aggregation centre before they are shipped to retailers
* Product must be controlled at retailer receiving yard

If the products quality or packing is not corresponding to the standards the product can be rejected (tolerance 5%) at receiving. No products can be returned to the AC after being accepted upon receiving.

Market linkage team in collaboration FAO team will define a tool kit of good harvesting and packing practices to ensure farmers comply with WFP standards. FAO will be in charge to diffuse the good practices to farmers through his own channel.

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### Tomato

<table>
<thead>
<tr>
<th>Standard</th>
<th>Tolerance</th>
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<tbody>
<tr>
<td>Appearance Sound, fresh, round, oblong, or elongated.</td>
<td>&lt;2% of total quantity</td>
</tr>
<tr>
<td>Color Green to red</td>
<td>&lt;2 of total quantity</td>
</tr>
<tr>
<td>Size same origin, variety or commercial type, quality and size &gt; 5 cm long and &gt; 3.5 cm wide (range of length and width)</td>
<td>&lt;5% of total quantity</td>
</tr>
<tr>
<td>Skin &amp; others Free from fungus, mold growth, scare and bruises</td>
<td>&lt;3% of total quantity</td>
</tr>
<tr>
<td>Firm inside meat (not translucent)</td>
<td>No tolerance</td>
</tr>
<tr>
<td>Contaminants Free from pesticides, preservatives or not contain any substance which may represent a hazard to health &amp; must certify the product is “fit for human consumption</td>
<td>No tolerance</td>
</tr>
<tr>
<td>Packaging Ideally 10kg plastic crate with interlayer rice straw or protection</td>
<td>No tolerance</td>
</tr>
<tr>
<td>Accumulated non conformity</td>
<td>&lt;10 % of total quantity</td>
</tr>
</tbody>
</table>

**Best practices of handling**

1. Product store in a cool, dry, well ventilated and in hygienic environment
2. Don’t mix with other foods in store room
3. Always do FIFO procedures at storage and display
4. Storage on pelette(or 14 centimeters from the ground)
Results:
1. As the AC propose their products available, the number of products purchased by retailers have increased (from 6 to 12)
2. As the Volume available is accessible to retailers, the transaction volume per items has increased (2.5 tons to 3.7 tons)
3. As the information flows between retailers and AC, the supply chain is stable on number of items and volume.
4. The price mechanism established is accepted by all and recognized as fair.
5. The Freshness and quality of vegetables delivered by AC is recognized better
6. Pilot has been extended to FAO AC

Yet:
1. The daily operation still required a heavy involvement of WFP retail team & AC cooperating partners (quid if EFSN funding stops)
2. The retailers can have access to better prices in Chakaria market. (as we supply direct from farm (no intermediaries), the AC prices should be more competitive)
3. Transportation tools is not adapted to volume and distance (tom-Tom)
4. Scaling up is limited to small production capacity nearby by the local community (marginal farmers) and AC availability.
5. Quality and freshness optimization is subject to agricultural expertise that WFP does not have. (GAP, Harvesting, Packing technic)
Key success factors:

1. Engagement from all partners
2. Independent coordinator
3. Set up a pilot prior to scale up (trust build up period)
4. Be as transparent as possible to all stakeholders (no unrealistic promises)
5. Ensure farmers and AC have quality controlled, volume and delivery schedule respected
6. Retailers commit to fair receiving practices & prices.
7. Farmers group expect realistic prices based on market prices.
Way forward
Way Forward

- WFP is piloting a project of linking ACs with GFA distribution points in camps. Linking:
  - Capacity of production by ACs
  - Capacity of distribution at GFA points

- Partners are requested/encouraged to participate in this linkage exercise – by providing your AC production capacity.

- FSS will circulate the template.
Action points

- Organize a follow up meeting to share the initial findings of the pilot (FAO and WFP)
  Who: FSS
  When: July 2022