

FARMERS MARKET

PILOT OVERVIEW & INITIAL LEARNINGS

Food Security Sector

February 12, 2020



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Overview

- 6 Cycles to date
- Average per day
 - 619 HHs
 - 3,022 Rohingya
- **BDT 250 / month (125*2)**
 - Avg. Daily spend BDT 602
- **13 Traders; 11 Farmers**
 - Avg. Transaction: F = BDT 103 / T = BDT 121
 - Avg. Income: F = BDT 7,219 / T = BDT 20,670
- **BDT 11,500,000+ income to Traders & Farmers**



Trader & Farmer Management: Who are they?

Traders:

- **Identified from Kutupalong & Balukhali Markets**
- **Criteria:**
 - **Ability to ensure adequate supply** – RI determined this by both determining source of wholesale purchase and approximate daily income, evaluating whether or not it is sufficient to extend over 24 hrs. to allow resupply for next day.
 - **Ability to physically access the market** – Preferably resident of Ukhiya.
 - **Maintain agreed upon standards** – Once approved, sign MoU agreeing to follow humanitarian standards and labour laws, charge fair prices, sell only fresh goods that that do not contain chemical or pesticides and are prohibited from forming syndicates
 - **Pass watch list vetting** – USG terrorist watch list to assess any financial misbehavior.

Trader & Farmer Management: Who are they?

Farmers

- **All are participants in WFP and FAO livelihoods/capacity building programmes**
 - Once determined they have adequate supply, they are recommended to RI to join the market.
- **Gradual integration; measure ratio anticipating seasonal harvests**
 - In order to ensure competitiveness and availability of profit for all shops, RI is careful to measure the number of shops for a given product so as each trader and farmer has sufficient opportunity to earn income. RI also understands availability of certain products will change and therefore inclusion of certain products may reflect seasonality.
- **Quick to learn, minimal capacity building required to succeed**
 - Training on SCOPE system provided prior to entering the market, followed by on-the-job training by RI staff and continued support to ensure smooth integration. All farmers have demonstrated ability to learn the SCOPE process within their first morning at the market.

Prices

- **Utilizing a Point of Reference Market for most logical price comparisons**
 - Market analysis is conducted every week using the nearby Kutupalong Market
- **Setting price maximum, not minimum**
 - Ensures consumer protection but allows for healthy competition among retailers.
 - Prices are displayed on fair-sized price tags in Bangla and Myanmar.
 - Ensuring compliance with price fairness and visibility requires supervision from market staff.
- **Average Prices comparison**
 - RI initially provided visible prices from Kutupalong market for transparency sake, however this led to confusion in comparison to maximum prices.
 - RI adjusted to display only the maximum price that could be charged and is examining ways to bring back averages potentially in a different location with more clear guidance.

Lessons Learnt

- Only food items with nutritional value and that contribute to food security are permitted to be sold by Farmers & Traders.
- Food items included in the WFP in-kind food basket such as rice, oil and lentils are not permitted.
- Retailers are also prohibited from selling anything classified as a narcotic such as betel nut or betel leaves.

Lessons learnt

- **As Farmers and Traders who participate in the Farmers Market are from the private sector, extensive vetting is needed to ensure responsible practices and safety of the market, staff and key stakeholders.**
- **Only Bangladeshis with an approved NID are permitted to sell or operate shops in the Market.**
- **As part of this selection process, and ultimately agreed upon in an MoU with RI, Farmers and Traders vow not to engage in child labor, nor Rohingya labor per Government of Bangladesh regulations.**
- **Because many participating are new to operating under humanitarian standards, it is essential to work closely to build capacity and ensure no children engage in work and minimum wages are paid.**

Lessons Learnt

- **Farmers and Traders are prohibited from forming partnerships/syndicates with other retailers in the Market, or external actors who have not been vetted by RI.**
- **Doing so avoids creating an unfair advantage over other retailers and ensures collusion over price fixing does not take place.**

Challenges Faced

- **Majhi Influencing:**
 - Community sensitization activities are on-going to ensure that beneficiaries understand that they may buy from any Farmer or Trader of their choice within the Farmers Market.
 - Sensitization is also done with external stakeholders to understand that the Farmers Market is targeted assistance for those HHs on in-kind food assistance and for vulnerable HHs, and that Mahjis (community leaders) cannot influence who is selected for assistance.
 - Continued sensitization activities ensure that Mahjis have limited influence over whom beneficiaries buy their food items. Farmers and Traders are forbidden to request any personnel to direct beneficiaries towards their shop.

Farmers

- **Leg up**
 - Support provided to Farmers to build capacity and confidence in the Market to encourage continued participation. This includes:
 - Equipment such as scales, price signs, display baskets, etc.
 - Transportation reimbursement to ensure profitability on days of poor sales
- **Prime Real Estate**
 - Shops placed in high-traffic areas within the market to foster competitiveness
- **Product origin & diversity**
 - Determination of product origin case-by-case
 - Farmers are only permitted to sell items grown at their own farm.
 - Explore alternatives
 - To support farmers to offer greater diversity of items to compete yet without becoming traders themselves, RI can facilitate program linkages such as co-ops amongst other approved farmers (e.g. Connecting a chicken farmer with an egg farmer in order to offer both items.)

Ongoing Safeguards

- **Price Monitoring**

- **Weekly maximum price / Price Boards**
 - Each week a reasonable maximum price is set for each product based off of an assessment of nearby Kutupalong Market. The price list is distributed, and shops are then free to set any price so long as it does not surpass the maximum.
- **Frequent checking for compliance & price visibility**
 - Market staff to remain vigilant to ensure prices are clearly displayed and anyone who voices a complaint is heard.

- **Cleanliness**

- **Waste minimization**
 - As the market naturally generates waste a proactive approach is critical to ensure it remains a sanitary environment, including discouraging use of plastics.
- **Sensitization**
 - Prohibiting the use of various packing materials which generate large amounts of waste, and building the capacity of farmers and traders to maintain cleanliness within their space ensures collective responsibility in maintaining the market.

Positive Steps

- **Amount of shops**
 - **HH #s & Demand** - The amount of shops of each product should be reflected in the number of HHs mobilized & the demand for each product, ensuring profitability for each shop.
- **Segregation of Vegetables**
 - **Product diversity advantage** – It was observed that Traders offered a competitive advantage as they could provide popular items such as spices, garlic and onions.
 - **Increase Farmer competitiveness** - Vegetable Traders were segregated between those who could sell spices and complimentary goods, to those who only can sell fresh vegetables. Doing so has led Vegetable Farmers to become more competitive, yet has created other repercussions including lower sales to traders. However traders still tend to have higher transactions compared to farmers

Before & After Vegetable Segregation

Vegetable Farmers	Before	After
Avg. Transaction	BDT 74	BDT 68
Avg. Daily Income	BDT 6,616	BDT 8,835
% Transaction/ Income (P/A)	33% / 25% 17% / 18%	66% / 65% 23% / 15%
Vegetable Traders	Before	After
Avg. Transaction	BDT 111	BDT 70
Avg. Daily Income	BDT 17,583	BDT 10,797
% Transaction/ Income (P/A)	67% / 75% 35% / 42%	34% / 35% 12% / 8%
Spices & Complimentary	Before	After
Avg. Transaction	-	BDT 135
Avg. Daily Income	-	BDT 35,623
% Transaction/ Income (P/A)	-	100% 20% / 26%

Floor Plan

Product needs-based –

Certain products need special accommodation such as chicken and fish – both of which should be physically distanced from one another to ensure product safety.

High-demand vs. Needs support – Popular products such as chicken and eggs, dry fish and spices and complimentary items can be placed in poor-traffic areas, while other items with high competition such as vegetables should be in high-traffic areas.



QUESTIONS?

THANK YOU!



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