

Farmers Market Pilot Overview & Initial Learnings

World Food Programme

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Overview:

The WFP Farmers Market pilot project implemented by Relief International is providing blanketed coverage for Rohingya refugees in Camp 7 with access to complimentary fresh foods sold by host community Bangladeshi farmers and traders. Utilizing their existing SCOPE cards, Rohingya households (HH) receive a “top up” of BDT 250 per month per person to support the purchase of fresh vegetables, fruit, chicken, eggs, live and dry fish, spices and other items. The BDT 250 is split between 2 cycles each month, meaning BDT 125 per person is topped up onto each HH SCOPE card every two weeks.

Currently the market features 13 traders at any given time and 11 farmers who rotate in and out depending on product availability. Through daily examinations of market data including the number of transactions and income generated by each shop, RI is able to assess the competitiveness of farmers among the more experienced traders. While traders currently receive higher prices per individual transactions and receive over twice the average daily income compared to farmers, this gap has narrowed significantly since farmers were first integrated into the market. This gap was initially attributed to more experience and greater product diversity amongst traders, but further monitoring continues to examine other factors.

Trader & Farmer Management:

Traders:

One of the very first activities of the project was to map out potential traders who could take part in the Farmers Market. RI assessed over 100 existing petty traders in Kutupalong and Balukhali markets, assessing them on a set of criteria including, but not limited to, the following:

- **Ability to provide a sufficient supply each day:** The reliability of a trader's supply was determined by examining their sources of wholesale purchase and how often they restock, what goods they offered in which quantities and at what seasons of the year, and their approximate daily income. RI then evaluated whether these factors were sufficient for the trader to operate for at least 24 hours before being compensated, while still capable of resupplying for the following day.
- **Ability to physically access the market:** Traders had to be able to provide their own transportation to the market, and be counted on to be there on all market days of operation: Sunday through Thursday.
- **Ability to abide by agreed upon standards:** Traders had to agree to a set of principles represented in a Memorandum of Understanding (MoU). These included not facilitating Child or Rohingya labor, charging

fair prices in their shop and not fixing prices in coordination with other shops, selling only fresh goods free of pesticides, and more.

- **Ability to pass a vetting process:** All traders were required to be citizens of Bangladesh with official National ID cards. Their names were then submitted through the US government's terrorist watch list vetting process to ensure they have not been flagged for suspicious financing.

Farmers:

The farmers who partake in the program are all participants in existing WFP and FAO capacity building and livelihoods initiatives. Those who express the desire to partake in RI & WFP's Farmers Market and can prove their ability to provide a sufficient supply of fresh food goods are recommended for the program. When notified of a farmer eligible to participate in the market, RI assess the current demand for the product in question to see if it is suitable to add an additional shop without risk to diluting the market value. As the goods sold by farmers often depend on a seasonal availability, their insertion into the market may increase or decrease depending on the time of year.

The farmers who have taken part to date have demonstrated an impressive ability to quickly adapt to the market atmosphere. An introductory training on the SCOPE payment modality including the operation of the mobile Point of Sale (mPOS) device, accompanied by on-the-job training has proven effective in ensuring the farmers' ability to confidently compete. RI provides a designated staff member to serve as a resource for farmers in the market, capable of reacting to any issues that may arise and providing technical support and training when needed.

Prices:

RI determined that the most logical reference point of comparison for the Amtola Market is the nearby Kutupalong Market as this is a common place of business for the participating traders and where many Rohingya households shop as well. With the goal of facilitating a natural marketplace environment, RI does not fix prices so as to allow bartering between retailers and customers and competition amongst retailers. However, in order to ensure consumer protection, RI sets a maximum price level for each item based on retail and wholesale prices assessed each week in Kutupalong Market. To provide transparency for Rohingya shopping in the market, RI staff and volunteers ensure acceptable prices are visible in each shop in both Bangla and Myanmar languages.

***Lesson Learned** – RI displayed the average price collected in Kutupalong Market each week on large display boards featuring each product. However, doing so was observed to cause more confusion than it did to help. The displayed prices were frequently mistaken as the maximum instead of the average, led to misunderstandings as to why there were two different maximums. RI adjusted this by switching the boards to show the actual price maximum, and is exploring alternative options on displaying average prices.

Guiding principles:

- Only food items with nutritional value are permitted to be sold in the market. Farmers in particular are restricted from selling any items which they themselves do not produce, excluding those sold as part of a cooperative. Non-fresh items in WFP's in-kind food basket such as rice, oil and lentils are also not permitted. Any item classified as a narcotic such as betel nut or betel leaves is strictly forbidden and farmers and traders who sell are susceptible to suspension from the market.
- Only Bangladeshis with an approved National ID are permitted to sell or operate shops in the market. As part of this selection process, and ultimately agreed upon in the MoU with RI, farmers and traders agree not to engage in neither child nor Rohingya labor per Government of Bangladesh regulations. Because the farmers and traders

do not face these regulations outside of the market, continued sensitization on this issue is critical. Any Farmer or Trader found to be engaging with child or Rohingya labor are promptly removed from participating in the Market.

- Farmers and traders are strictly prohibited from forming partnerships (i.e. syndicates) with other retailers in the market. This also extends to external actors who have not been vetted by RI, and therefore are not eligible to partake in the market. Partnerships can create an unfair advantage over other retailers, fostering collusion over price fixing and other misbehavior.
- Community sensitization activities are critical for beneficiaries to understand that they may buy from any farmer or trader of their choice without external influence. Sensitization also occurs with Majhis to increase awareness on the importance of the program and the presence of free choices when it comes to purchasing. As per the MoU, farmers and traders understand that requesting any personnel to influence or direct beneficiaries towards their shop is strictly forbidden.

Sensitization regarding how households are targeted for farmers' market assistance is also critical. The refugee community as well as majhis, CICs, and other stakeholders are informed that farmers' market assistance is targeted assistance for households receiving in-kind food assistance as well as households deemed extremely vulnerable including child head households, elderly head households, female headed households and households with person(s) with a disability.

Farmers:

In order to ensure that farmers continue to build their confidence and capacity, a reasonable level of support is provided to encourage their continued participation in the market. This includes the provision of equipment such as scales, price signs, display baskets and other necessary equipment depending on the product, as well as reimbursement for transportation to and from the market to maximize profitability. Farmers are also offered ideal physical spaces in the market, specifically areas of high levels of foot traffic to increase business opportunity.

Product origin and diversity: When the origin of a farmer's food item is in question, RI may visit the farm and vet if the product is original or not. To avoid such behavior and allow farmers to offer a more competitive display, 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 – Frequently setting and subsequently monitoring the maximum prices set for each week is critical to supporting fair market practices. When farmers and traders are observed or reported to be charging unfair prices, they are investigated and risk getting their mPOS machine confiscated for a period of time, and if repeatedly charging above the maximum price, they can be suspended from the market.

Market Hygiene – Ensuring cleanliness and minimization of solid waste is crucial to facilitating a healthy market environment where consumers can confidently purchase safe food items. 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.