

Increasing cropping intensity by utilizing private lease land

Intervention Brief: Vegetable



Background

Commercial vegetable production is becoming a popular income generating activity among farmers in Bangladesh. Yet there remain some constraints which preclude small, marginal or a landless farmer from producing vegetable on commercial basis or often impede them to generate profit from it. Many small, marginal and landless farmers lack sound knowledge on vegetable based cropping patterns and their proper cultivation techniques. They still lack access to quality inputs like seed, fertilizer and pesticide. However, their problems are compounded when these farmers with little own land or no land cannot get enough land (private) as lease for vegetable production due to financial constraints. To benefit such farmers, Katalyst envisioned a model where an NGO can provide farmer credit facilities to lease private land along with the technical know-how on vegetable production while input companies can provide quality inputs to the farmers in a concerted way through the NGO.



Study reveals that 80% of small and marginal farmers hold only 38% of the total cultivable land in Greater Rangpur and Dinajpur region. Leasing is a common concept to these farmers but access to finance has always been a constraint. SHARP (Self-Help and Rehabilitation Program), a local NGO in Northern Bangladesh established in the year of 1994 with a beneficiary base of 0.1 million (out of which 50% are marginal, small and landless farmers and 30% are female beneficiaries) showed interest to work with Katalyst to pilot the intervention. SHARP agreed to provide credit facility in taking lease and technical support to demonstration farmers and to supervise the linkage between the input company and farmers. Golden Valley, a seed company established in January 2007 with coverage in 15 districts also showed interest to be a partner in the intervention as it would allow them to expand their business in a new area.

Target beneficiaries

Small, marginal and landless farmers are expected to be the beneficiaries of this intervention. For the pilot program, initially 39 farmers who are using lease land for their livelihood were selected for the demonstration. Among them, 15%, 60% and 25% were small, marginal and landless farmers respectively.

Locations

The pilot intervention took place at two upazillas in Niphamary District, namely Sayedpur and Kishoreganj.

Major activities

Katalyst assisted SHARP in the procedures of providing the small, marginal and landless farmers with credit facilities, technical support, acquiring lease lands from land owners and information on profitable cropping patterns. Golden Valley was introduced to provide quality seeds to the farmers. A linkage between the NGO and the input company was thus

established. 39 pilot farmers were undertaken in Kharip 1 (summer) season, followed by 9 high value crops specific trainings with 2 follow up refresher trainings. 40 farmer field days and 20 farmer meetings were undertaken to disseminate the information regarding the model and profitable cropping pattern. A local level workshop was held with local NGOs, input companies, senior DAE officials, retailers, land owners and lease farmers to share the findings of this model.

Key achievements

The concept of financing the marginal farmers to lease land for vegetable cultivation is new for any NGO in Bangladesh. Through this program the demonstration farmers received a package of services from the NGO leading towards an ensured profit for them. The package included finance to take lease of appropriate land for vegetables, access to quality inputs, technical knowledge on cultivation. The demonstration farmers were convinced of the model's ability to ensure greater profits from lease lands through profitable cropping pattern. On an average the farmers received a profit of BDT 5000 per 19 decimal of demonstration plot. So far through 9 farmers' field days about 900 other farmers who have observed the demonstration are highly interested in getting affiliated in the program.



SHARP from this model, has experienced a lower default rate when compared to its other beneficiaries and have also gained a better reputation amongst its beneficiaries as this model ensures higher profits and better utilization of land. Furthermore, they have already implemented a similar program in small scale targeting 40 farmers in two upazilas of Nilphamari district, Joldhaka and Domar, without Katalyst's support.

Golden Valley also gained from the program as they were able to penetrate into a new market building strong linkages with SHARP and its beneficiary base. Moreover, PKSf (Palli Karma Sahayak Foundation), who has been targeted as the scale agent for this model (due to its wider outreach and network potential), has shown interest in the concept. They are currently monitoring the model engaging a field agent in the field.

Way forward

Katalyst is in dialogue with other regionally influential NGOs so that they may internalize the model in their existing working area to ensure greater benefits to their target groups. Furthermore a national level workshop will be arranged to ensure dissemination of the effectiveness of the concept to trigger crowding in. As stated earlier, PKSf has been targeted as the scale agent for this intervention as they provide loans to NGOs for micro finance purposes already. Katalyst will showcase the benefits of this model for PKSf, so they may incorporate it into their lending criteria. This will ensure other numerous NGOs under its umbrella to adopt this model into their list of activities, therefore ensuring scale and sustainability for the intervention.

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