

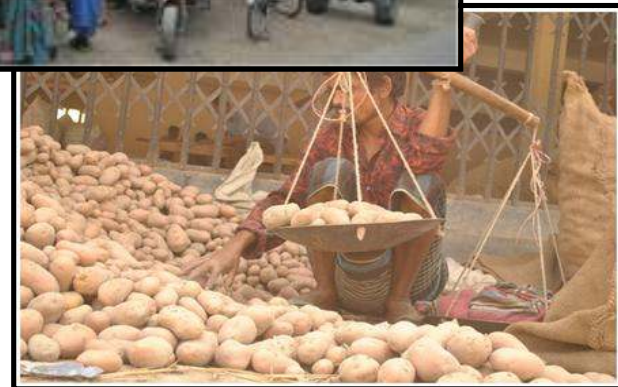
Learnings from the potato supply chain study

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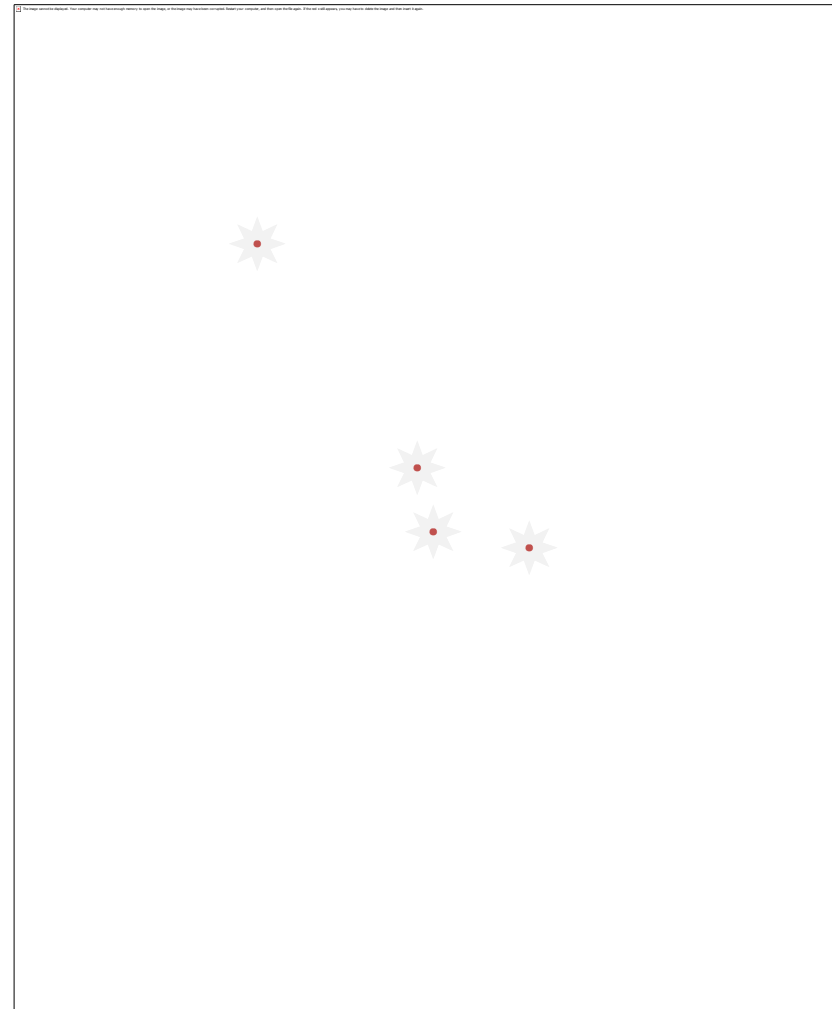
Outline

- Study methodology
- Our global position
- Growth trend
- Issues in the supply chain
- Potential solutions

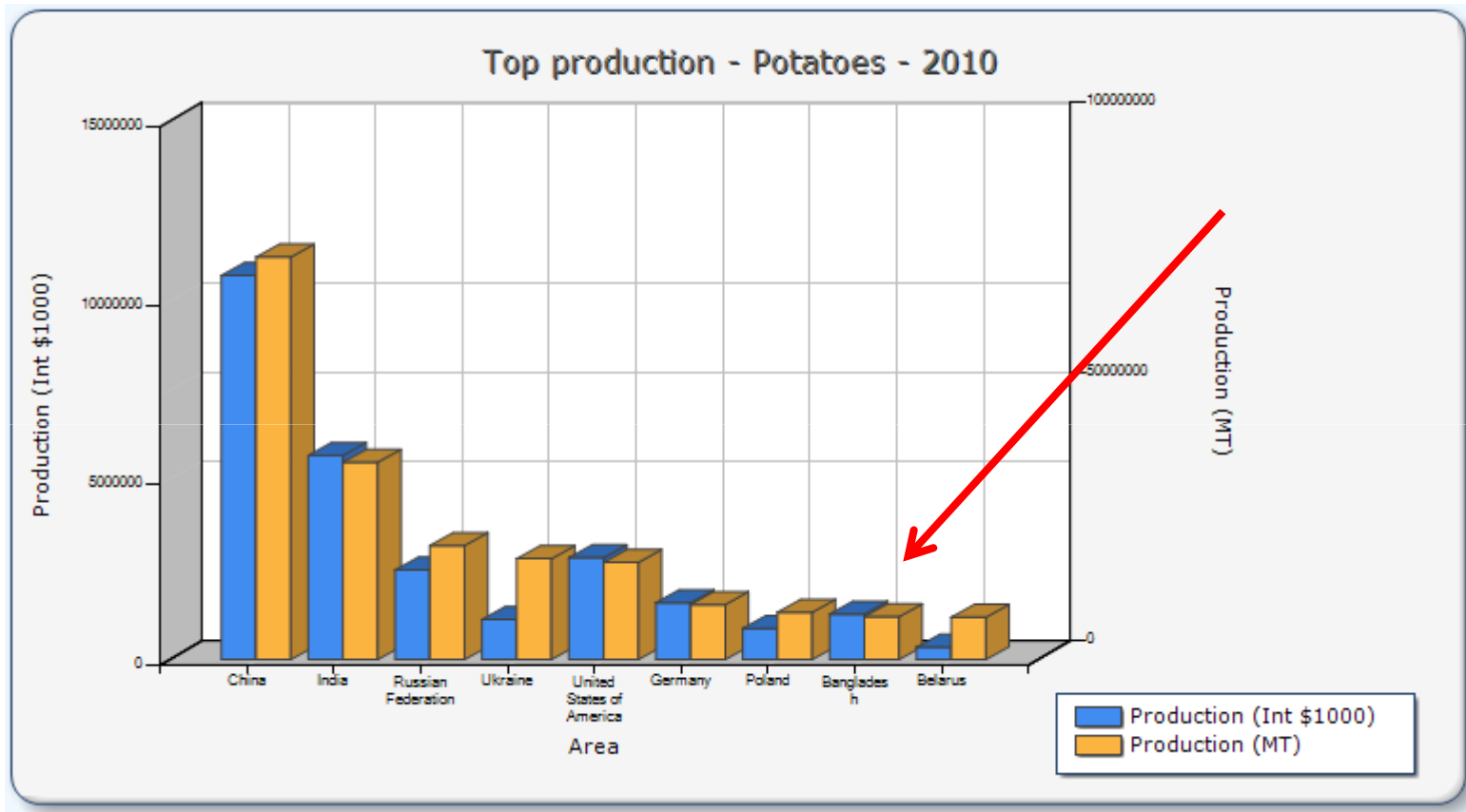


Study methodology

- Supply chain approach
 - Desk research
 - In-depth interview
 - FGD
- Field investigation took place during first quarter of 2011
 - 72 in-depth interviews with stakeholders
 - Respondents include all supply chain actors, support service providers, government institutions and NGOs
 - Geographical locations: Dhaka, Munshiganj, Comilla and Rangpur
 - Three FGDs with smallholders

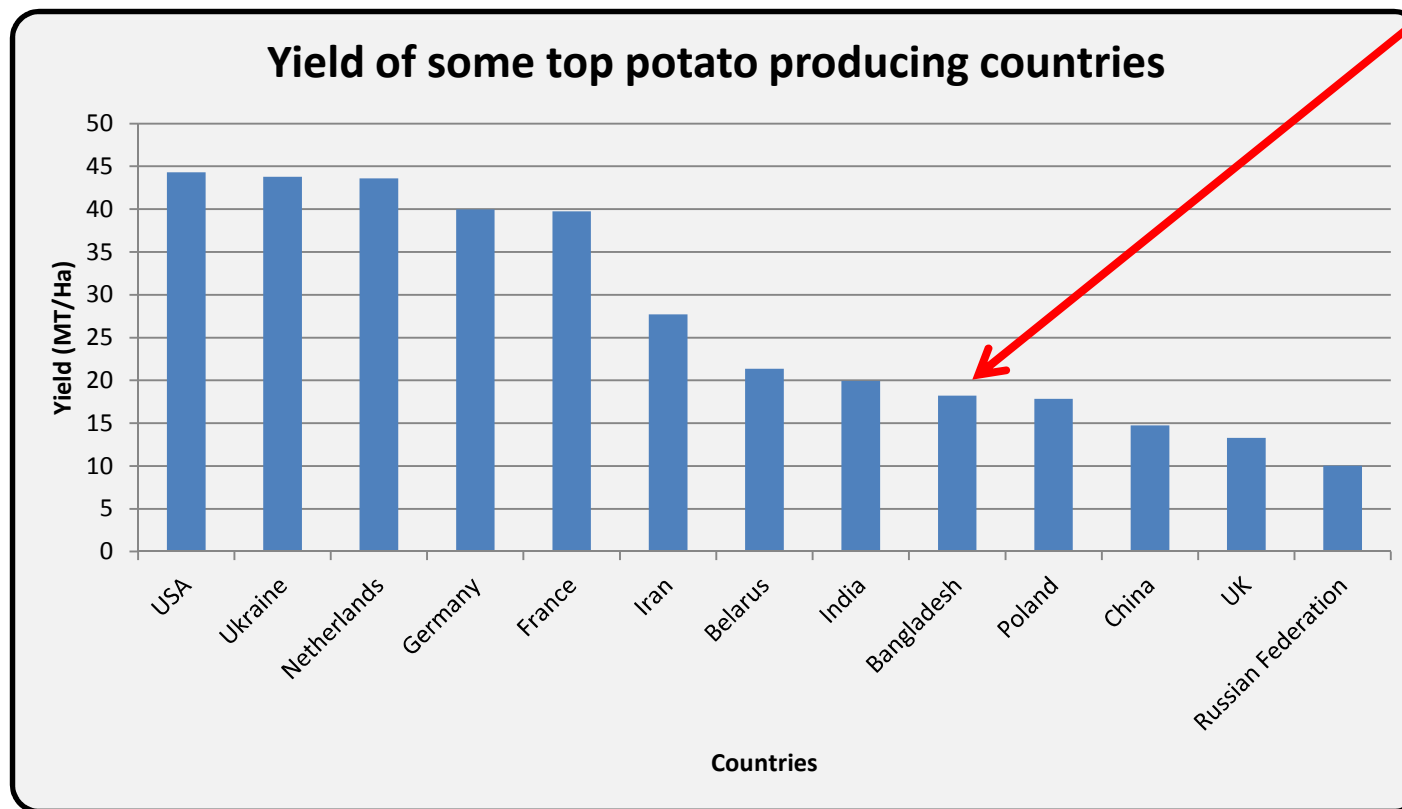


Our global position



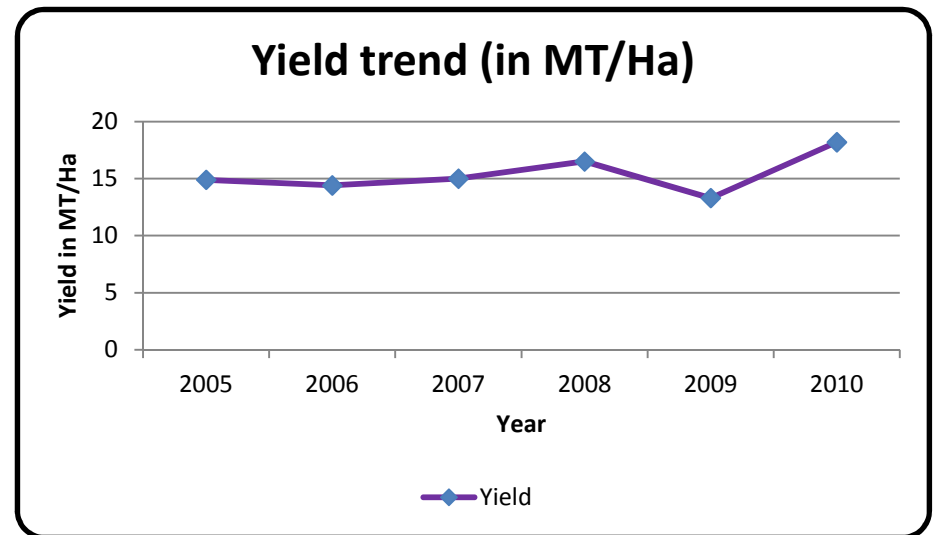
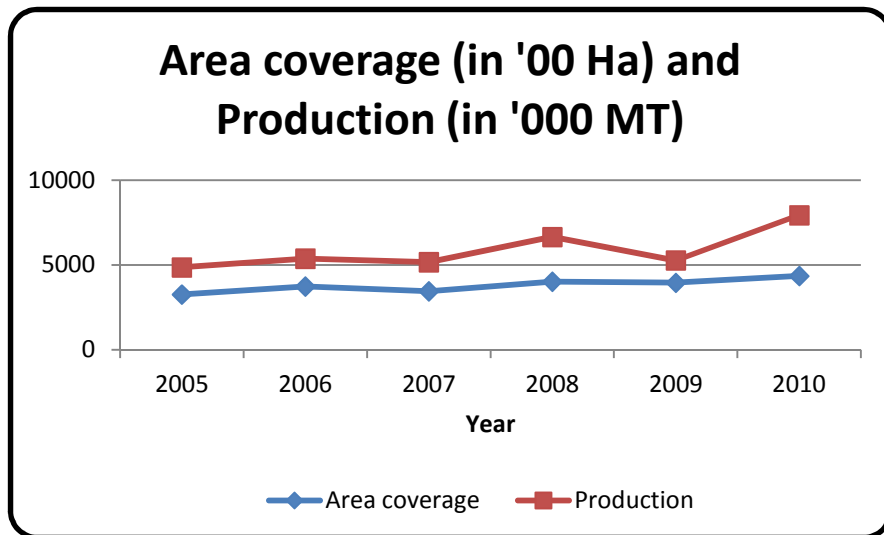
In terms of production Bangladesh's rank is 8th in the world
Source: FAO, 2010

Our global position



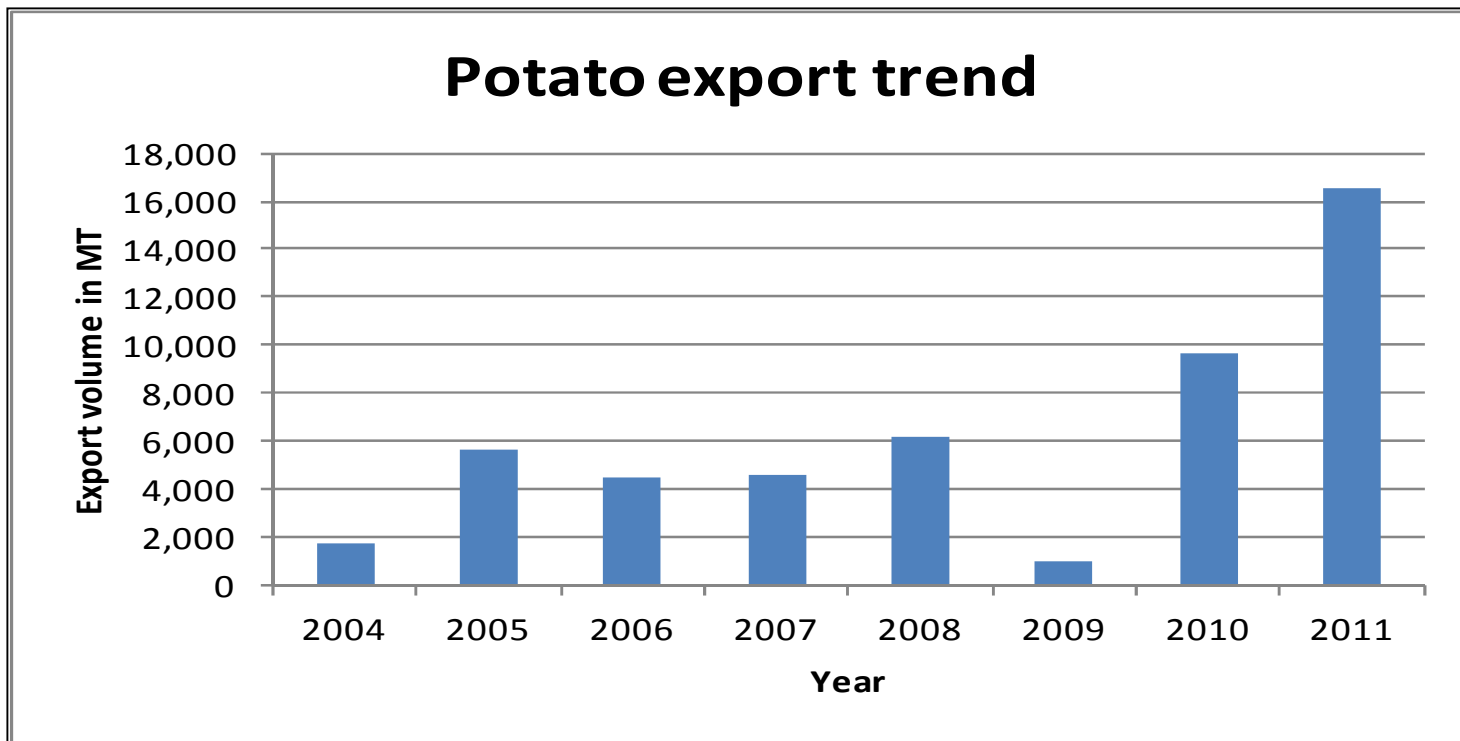
**In terms of average yield of potato, Bangladesh is ranked 9th.
Source: FAO, 2010**

And internally.....



Source: FAOSTAT

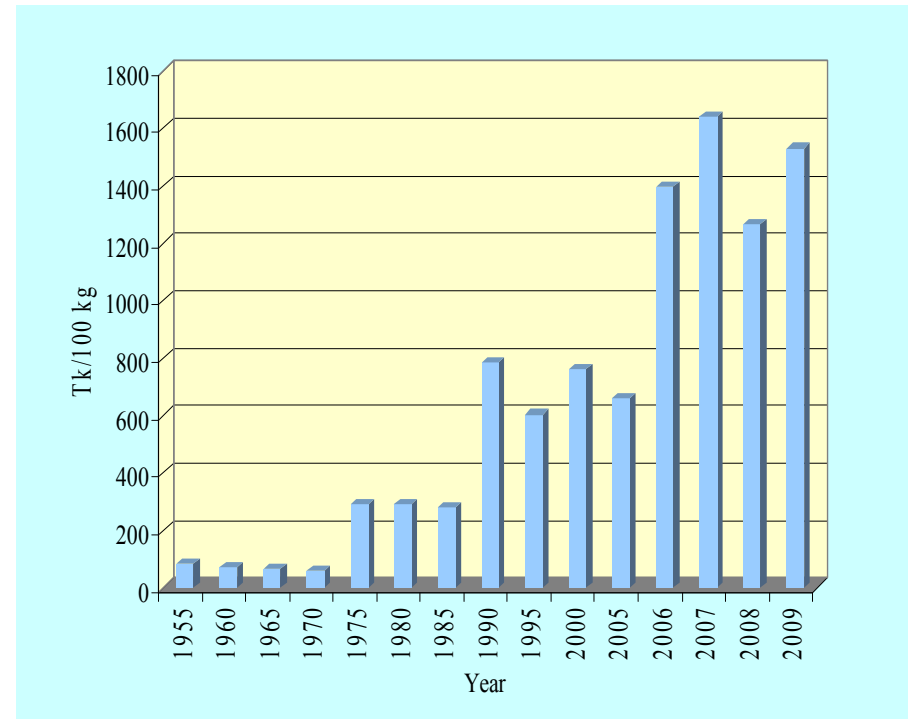
In exports....



Source: FAOSTAT and DAE

Are we price competitive in the global context?

- C&F value to Singapore and Malaysia- USD 250 and 285 respectively in 2008
- Export incentive-20%
- Local wholesale market price varies from Tk. 5 to Tk. 20



Source: DAM, 2009

Issues in the supply chain

- Price is high
- Inappropriate varieties for processing/ exporting



Processors/ exporters

- Unavailability of good quality seeds
- High production cost
- Low price for their produce after harvest
- Insufficient cold storage space
- Wastage in cold stores



Smallholders

Underlying reasons

- Poor knowledge of producers on good quality inputs and their usage
- Poor harvesting and post-harvesting knowledge
- Poor knowledge on seed varieties and grading system
- Insufficient cold storage space: there is opportunity to improve the current utilization scenario

Poor knowledge of producers on good quality inputs and their usage

Background	Symptoms	Consequences
<ul style="list-style-type: none"> • BADC supplies 1%, private sector 2%, imported 3% and rest are farmers' own seed • Among crop protection materials, in only fungicides category there are 103 registered products in the market for late blight disease (DAE, 2008) • Concept of "soil testing" is not common 	<ul style="list-style-type: none"> • Seed application rate is higher than recommended (1.5 MT/Ha) • Farmers apply crop protection materials repeatedly to get desired results • Farmers apply more fertilizers than recommended (opposite in case of organic fertilizer) 	<ul style="list-style-type: none"> • increased production cost • Low return on investment

Poor harvesting and post-harvesting knowledge

Background	Symptoms	Consequences
<ul style="list-style-type: none">•During harvest there are incidents of wounded and/or disease affected potatoes	<ul style="list-style-type: none">•Do not sort, cure or grade before putting into cold stores	<ul style="list-style-type: none">• around 5% wastage or rotting during the storage period.•Affects good potatoes as well

Poor knowledge on seed varieties and grading system

Background	Symptoms	Consequences
<ul style="list-style-type: none">•Exporters need large, uniform, attractive in appearance and injury free potatoes•Most of the varieties available are not industrial or processing-type	<ul style="list-style-type: none">•Most of the farmers use traditional seed varieties•Do not grade the potatoes before selling	<ul style="list-style-type: none">•Low price at farmers end after harvest• Low volume of required potatoes available for exports or processing

Potential solutions to the smallholder issues

Problem	Recommendation
Poor knowledge of producers on good quality inputs and their usage	<ul style="list-style-type: none">•Promote ICT solutions to engage farmers to identify quality inputs and their usage•Improve regulatory system to address low quality inputs availability in the market•Strengthen and expand extension services through mobile solutions

Potential solutions to the smallholder issues

Problem	Recommendation
Poor harvesting and post-harvesting knowledge	<ul style="list-style-type: none">• Improve knowledge of farmers on post-harvesting techniques through strengthening extension services• Promote ICT based solutions involving farmers and cold stores to reduce post-harvest loss• Promote contract farming through private sector to enhance farmers' knowledge

Potential solutions to the smallholder issues

Problem	Recommendation
Poor knowledge on seed varieties and grading system	<ul style="list-style-type: none">• Make farmers aware of potato varieties suitable for processing/export market through strengthening and expanding extension services by mobile solutions• Educate farmers on potato grading to gain a better margin• Promote contract farming through private sector to make farmer aware of seed varieties and grading requirement.

Potential solutions to the smallholder issues

Problem	Recommendation
Insufficient cold storage space: there is <u>opportunity</u> to improve the current utilization scenario	<ul style="list-style-type: none">•Use information management system to better utilize existing cold store facilities•Make the information system available and accessible by farmers and traders

For more information:

www.lirneasia.net/projects/agriculture

search term: Agriculture, KBE

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