



## UNLOCKING THE POTENTIAL OF BANGLADESH'S SMALLHOLDER FARMERS

Smallholders make up 85 percent of Bangladesh's farming community and play a pivotal role in providing food for approximately 170 million people. Smallholder family farming is unique in the ability to integrate various aspects, reducing environmental impact while boosting resilience. However, the path for most smallholder farmers in Bangladesh is far from easy. They grapple with challenges such as limited access to finance, markets, essential value chain services, technology and critical information. Adding to this burden, climate change, rising input prices, gender inequality, and pressing food security and nutrition concerns further compound their struggles. These multifaceted issues demand solutions that are custom-tailored to the specific needs and context of each community. Harnessing the power of innovation in the GAFSP's Missing Middle Initiative (MMI), the project placed the empowerment of producers' organizations (POs) at the forefront. By adopting the transformative MMI approach, which combines capacity-building initiatives, investment grants, and a systematic guidance and monitoring framework, smallholders, working through their POs, have witnessed remarkable improvements in their livelihoods. Farmer and producer organizations have been empowered to lead the way in meeting the unique needs of their communities.



### WHAT DID THE PROJECT DO?

The project's ground-breaking approach centred around the welfare of farmers and played a pivotal role in reducing poverty among more than 10 000 smallholder farmers. Results showed an impressive 35 percent increase in the average annual household income for members of POs. The project also had a profound impact on household non-food expenditure, recording a remarkable 41 percent surge in monthly non-food expenditure in nominal terms. By the end of the project, 95 percent of POs had value chain projects or businesses generating revenue, and 98 percent were operating revolving loan funds from member savings. Access to finance was another critical factor in this success, mobilizing Bangladesh Taka (BDT) 110.58 million (approximately USD 1.1 million), in non-project financing for new or expanding initiatives. This showcases the strength of these institutions, as well as their attractiveness as social capital to banks, enabling them to secure loans.

### KEY FACTS

**Latest Approved Budget**

USD 3 701 000

**Duration**

March 2018–March 2023

**Resource Partner**

Global Agriculture and  
Food Security Program (GAFSP)

**Partners**

Sara Bangla Krishak Society (SBKS);  
Producer organizations (SBKS  
members); Ministry of Agriculture,  
Ministry of Livestock and Fisheries,  
Bangladesh Bank

**Beneficiaries**

Farmers and producer organizations.

## IMPACT

The collaborative effort among FAO, GAFSP and SBKS is a testament to the success in reducing poverty and elevating the livelihoods of smallholder farmers. Rooted in a spirit of true partnership and mutual respect, this achievement was the outcome of practical, business-centric initiatives, all underpinned by continuous support, capacity development and diligent monitoring. The impact of the project is further underscored by the strengthening of POs' business planning capacity, leading to the willingness of banks to finance their plans and the establishment of trust-based relationships between POs and external stakeholders. This has transformed the landscape for smallholder farmers, opening doors to new opportunities in the future.

## ACTIVITIES

- 54 POs have value chain projects/businesses that are generating revenues for POs, 56 are operating revolving credit from member savings and 54 increased income using their value chain projects.
- 55 POs created a service fee payment mechanism for the FBFs after the closure of the project.
- 50 POs generate net plus incomes after the first cycle of production with the MMI Grant and have transparent decision making and bookkeeping, including PO account management.
- 52 POs have an effective data collection system, enhanced organizational performance and were eligible to apply the MMI grant as a result of the pilot grant.
- 57 POs implemented collective business plans for new product, business or marketing arrangements.
- 74 percent of PO members adopted new production and/or value chain modality (e.g. community seed village, safe beef cattle production, community fish culture, safe vegetables).
- 55 virtual call centres are operational and 86 percent are linked with local output and input markets.
- 1 959 individuals from 51 POs submitted loan applications, 88 percent of which were approved by the lender.



### Project Title

Increasing access to finance for farmers organizations in Bangladesh

### Project Code

FAO: GCP/BGD/064/GAF

### Contact

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