

**Agro-based Industries and Technology Development
Project-Phase II
(ATDP)**

**ANNUAL REPORT 2003
(October 2002-September 2003)**

Prepared by



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October 2003

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Executive Summary

Agro-based Industries and Technology Development Project-Phase II (ATDP) is the second phase of a project that completed its initial work in June 2000. Primary funding for the project is provided by the United States Agency for International Development (USAID). Some local funds are provided by the Government of Bangladesh (GOB). The project is managed by The Louis Berger Group, Inc., a private US business and economic development consulting company. Project partners are Cargill Technical Services, a branch of Cargill Inc., the world's largest private agribusiness company, and Land O' Lakes, the largest cooperative in the United States.

Developing competitiveness is the basis of the project's goal of promoting the growth of privately owned agribusinesses that can succeed in an open, competitive market environment. The project's objectives are to:

1. Provide direct enterprise assistance to selected agribusinesses;
2. Strengthen key financial and non-financial agribusiness support institutions;
3. Achieve improvements in relevant policies, laws, regulations, and standards through both government and industry-level interventions.

Economically the project is charged with:

- Increasing domestic agribusiness sales by US \$154 million;
- Increasing export sales by US \$59 million.

At present, ATDP works in the following subsectors: Finfish, Poultry, Grains, Horticulture, and the Shrimp Seal of Quality program.

In its capacity as a consulting firm, to date ATDP has provided business services to over 100 clients in such areas as pre-investment business studies, business plan writing, new product development, improvement in production technology, marketing, sales, accounting and financial management, market research, troubleshooting, and other management practices. These services are provided at Agribusiness Centers for Excellence established in Dhaka, Chittagong, Bogra, and Sylhet. All clients paid for the services.

ATDP has set up a separate Shrimp Seal of Quality (SSOQ) office at Khulna. The SSOQ program is designed to assure buyers that products marked with the seal meet the highest sanitary, environmental, human rights, and labor standards. The ultimate objective of the program is to improve the competitiveness of Bangladeshi shrimp in world markets. So far, the program has worked to develop codes of conduct, train extension workers and certifiers, and develop disease-free model farms. As a result of ATDP's initiative, an independent Bangladesh Shrimp Foundation has been developed to promote leadership, service, and support to the Bangladesh shrimp industry. With the facilitation from ATDP, the Bangladesh Shrimp Development Alliance has been formed to unite all the previously fragmented groups and sectors involved in the shrimp industry.

From this year, ATDP has changed it's annual reporting period from calendar year to USAID financial year.

I. Annual Report 2003 in Charts

A. Increased Sales

INCREASE IN DOMESTIC SALES AND EXPORT SALES					
Subsector	Achievements in 2003			USAID Target for 2003	
	Increase			Increase	
	Domestic Sales (Million US \$)		Export Sales (Million US \$)	Domestic Sales (Million US \$)	Export Sales (Million US \$)
	Direct	Indirect			
Finfish	6.79	2.11	-		
Poultry	23.03	12.63	0.15		
Grains	11.12	7.11	-		
Horticulture	0.24	0.36	2.05		
Other	0.02	-	-		
Total	41.20	22.21	2.20	38	15
Grand Total (Direct + Indirect)	63.41		2.20		

The table above shows that the total increased domestic sales facilitated by ATDP in FY 2003 is approximately US \$63 million, of which US \$41 million is directly from the clients; the rest resulted from the increased demand in the supply chain created by the clients. This represents a 166 percent achievement of the target of US \$38 million.

Total increased export sales created by the clients is approximately US \$2.20 million, of which US \$2.05 million is from clients in the horticulture subsector; the rest is from a client in the poultry subsector.

B. Number of Clients Adopting New/Improved Technologies or Management Practices

NUMBER OF CLIENTS ADOPTING NEW/IMPROVED TECHNOLOGIES OR MANAGEMENT PRACTICES		
Subsector	Achievement in 2003	USAID 2003 Target
Finfish	12	45
SSOQ	03	
Poultry	13	
Grains	07	
Horticulture	10	
Other	03	
Total	48	

The table above shows that 48 clients have adopted improved management practices, a 107 per cent achievement against the target of 45 clients.

C. Number of Clients Entering in New Geographic Markets

NUMBER OF CLIENTS ENTERING IN NEW GEOGRAPHIC MARKETS		
Subsector name	Achievement in 2003	USAID 2003 Target
	Number of Clients	
Finfish	11	30
Poultry	13	
Grains	07	
Horticulture	02	
Other	00	
Total	33	

The table above shows that 33 ATDP clients entered new geographic markets in FY 2003, a 110 percent achievement against the target of 30 clients.

D. Value of Financial Resources Raised by ATDP Clients from all Sources

VALUE OF FINANCIAL RESOURCES RAISED BY ATDP CLIENTS FROM ALL SOURCES		
Subsector	Achievement in 2003	USAID 2003 Target
	(million US \$)	(million US \$)
Finfish	0.21	3.00
Poultry	3.99	
Grains	0.12	
Horticulture	-	
Other	-	
Total	4.32	

According to data available up to September 2003, the value of financial resources raised by ATDP clients from all sources in FY 2003 is approximately US \$4.32 million, about 144 percent against the target of US \$3.00 million.

E. New Clients in 2003

Subsector	Contracts Signed in 2003
Finfish	04
SSOQ	18
Poultry	08
Grains	02
Horticulture	08
Other	-
Agribusiness Support Institutions	05
Total no of signed contracts	45

ATDP worked with a total of 45 new clients in the FY 2003.

F. Technical Assistance Provided

Subsector	Focus Area of TA/BS Provided in 2003					Total
	Operations	Marketing	Finance	Human Resources	Association Strengthening	
Finfish	37	09	05	05	06	62
SSOQ	03	-	-	-	03	06
Poultry	21	12	02	11	02	48
Grains	17	04	04	07	02	34
Horticulture	15	04	-	01	03	23
Other	02	01	01	-	01	05
Total	95	30	12	24	17	178

The table above shows the areas to which technical assistance or business services were provided. During the year ATDP provided its clients technical assistance or business services on a total of 178 occasions.

G. Formal Trainings Provided

Training Events	No. of Training Organized	Participants		Total Participants
		Male	Female	
In-country	39	692	120	812
Overseas	11	16	-	16
Total	50	708	120	828

The table above shows that in 2003, 50 formal training programs were organized which were attended by 828 participants. In addition, 227 women employed by the members of an association in Cox's Bazar were trained by an ATDP consultant on dry fish processing as part of our efforts to strengthen such associations.

H. Cost Sharing

Subsector	Cost Sharing %	
	ATDP %	Client %
Finfish	33%	67%
Poultry	35%	65%
Grains	52%	48%
Horticulture	36%	64%
Other	74%	26%
Total	41%	59%

Clients share the cost of the technical assistance or business services they receive from ATDP. The percentage of this cost sharing is decided based on the client's annual sales revenue; it ranges from 25% to 100%. This year clients of ATDP have shared on average 59% of the cost of services.

I. Media Coverage of ATDP Activities

Area of Work	Number of Articles
SOQ	225
Grains	25
Agribusiness Center for Excellence	167
Horticulture	26
Poultry	19
Fisheries	07
Editorials and Others	12
Total	481

ATDP activities were widely covered by the media. Leading Bengali and English language newspapers published 481 reports and articles on ATDP activities.

J. Major Documents

The following major documents were produced in 2003:

1. Business case study of 'Bangladesh Vegetable Export'
2. Feasibility study on 'Broiler Farm Extension and Meat Processing' for ATDP client
3. Political Analysis of Southeast Coastal Region of Bangladesh
4. Corn Study Report
5. SSOQ extension handouts 'What a Farmer Must Do to Build a Barrier Against the Virus' and 'SSOQ Farmer Assistance'
6. Leaflet on Infofish Shrimp Editorial- 'Doers Need of Hours'
7. Three-fold leaflet on ATDP
8. End of assignment report for two fisheries clients
9. English and Bengali versions of the SSOQ handout 'What the European Buyers, NGOs and Consumers Had to Say'
10. SSOQ alert notice- 'Competitor Information'
11. Annual Report 2002
12. Annual Work Plan 2003
13. Quarterly Report: January-March, 2003
14. Quarterly Report: April-June, 2003
15. Measuring the Performance of ATDP Clients Using Output and Employment Multipliers
16. Two Newsletters about the Shrimp Seal of Quality program
17. In total 29 news releases for the 'Global Shrimp Outlook' (A weekly shrimp news update published in the Financial Express)
18. A total of 27 press releases (Both in English and Bangla) published prominently in leading newspapers and one full page newspaper supplement on the 'Business Plan Competition'
19. Over 50 advertisements and six editorials were published in different Bangla and English newspapers
20. Four issues of the monthly bi-lingual Agora-ATDP newsletter 'Rakamari'
21. End of assignment report for the client 'Sylhet Dairy Milk'
22. Feasibility study to 'Set up a Poultry Pellet Feed Mill and Marketing in Bangladesh'
23. Broiler value chain study in Chittagong
24. Twelve training materials for the finfish sector
25. Training manual on 'Writing a Business Plan'
26. Mid term assignment report for Surma Bread and Biscuit Factory (Pvt.) by the biscuit and bread consultant

Major Accomplishments in 2003

A. INTERMEDIATE RESULT ONE: IMPROVED COMPETITIVENESS IN AGRIBUSINESS

GRAINS

Support to clients in this subsector has been provided on establishing market linkages, developing human resources, upgrading technology and improving technical know-how, procuring equipment and machinery, instituting quality assurance systems, developing new products, and improving packaging and operations. These interventions have contributed to increased domestic sales for the clients in amounts of approximately US \$11.12 million directly and about US \$7.11 million indirectly.

Seven clients adopted new technologies or implemented improved management practices after receiving assistance from ATDP. Seven clients entered new markets.

The value of the financial resources raised by grains clients is US \$0.12 million. Two non-financial institutions have been assisted in this subsector during this period.

Major Activity Highlights

1. After a local ATDP consultant worked with Surma Biscuit & Bread Factory (Pvt.) Ltd. and Bashundhara Foods in Sylhet, both clients developed new products, improved existing products, ventured into new geographical markets, and significantly reduced production costs. Bashundhara also established a linkage with a flour mill in Dhaka to secure quality raw materials.
2. Market linkage was established between Doel Agro Complex and CP Bangladesh, a multinational feed company, by which Doel achieved sales of the total capacity of its first harvest of 4,000 MT of Maize.
3. A representative from Banoful & Co. Ltd. attended a course on Snack Food Processing at Texas A & M University and the SNAXPO 2003 fair in San Francisco, USA. ATDP assisted Banoful to locate and install Indian-made semi-automatic equipment for their new bread factory at Sylhet.
4. A study on 'Corn' provided the factual information needed to help present and potential ATDP clients and others in the corn industry make valid business decisions.
5. ATDP client North Bengal Maize Processing started selling corn powder, a new product now being used as starch by a local textile producer.

6. ATDP assisted members of Narayangonj Ata Mayda Mill Malik Samity (NAMMMS) to install customized, computerized accounts software for their daily accounts keeping.
7. Sifa Industries, Mitali Foods, and Banoful & Co. attended training sessions on recent developments in baking technology and flour lab equipment at the Center of Food Technology and Research Institute (CFTRI) in India.

SHRIMP SEAL OF QUALITY (SSOQ) PROGRAM

The Shrimp Seal of Quality Program provides shrimp entrepreneurs with an opportunity to meet global certification standards and thereby save the country's export industry, valued at US \$300 million. The program has been endorsed by the prime minister of Bangladesh.

Major Activity Highlights

1. An SSOQ team attended a seminar on AQUAMARKETS 2003 in the Philippines. Discussions revolved around the need for codes of conduct regarding food safety, human rights, and environmental issues, as demanded by buyers and consumers.
2. Forty entrepreneurs from various professional groups applied to receive certification services from SSOQ. Three shrimp farmers have been selected and provided with extensive technical assistance to develop virus-free model farms.
3. Bill More, Vice President and Director of the Aquaculture Certification Council (ACC) of the USA, visited Bangladesh to acquaint shrimp stakeholders with international codes of conduct.
4. Aquaculture Certification Council (ACC) and SSOQ collaborated to hold the first aquaculture certification training session in Asia at Cox's Bazar. Twenty participants from Bangladesh and abroad, along with 30 observers, government officials, donor representatives, and NGO leaders, attended. Eleven members of SSOQ were certified as ACC certifiers. A HACCP certification program was also held.
5. After a thorough review of training needs, the newly-formed training team prepared a detailed work plan and began providing optimum training support to the extension team and partners.
6. ATDP conducted meetings with industry representatives and donors such as the Department for International Development (DFID), Integrated Coastal Zone Management (ICZM), the Food and Agricultural Organization (FAO), and the World Bank to share ideas and views about the Bangladesh fisheries sector.

Extension Services

1. SSOQ organized meetings at 20 different venues in Khulna, Satkhira, and Bagherhat districts; about 500 farmers participated. Leaflets on the farmers' duty to prevent viruses and on SSOQ's role in support of Bangladesh shrimp farmers were distributed.
2. Nine SSOQ extension agents and three SSOQ technicians received hands-on training in current shrimp farm management technology and HACCP.
3. Extension agents made technical field presentations to farmers and industry groups in the Khulna division. They evaluated farms strategically positioned in satellite areas in the Khulna division and selected potential farms for introduction of virus control technology.

Human and Labor Rights Activities

1. An in-depth political analysis provided the team with a better understanding of the highly politicized dynamics underlying conflicts in shrimp producing areas of south-west Bangladesh.
2. A Memorandum of Understanding (MOU) and two implementing agreements were signed between SSOQ and the Coastal Development Partnership (CDP) to work jointly to raise awareness and develop a certification and monitoring system for human and labor rights and the environment. A grassroots network of 15 partner NGOs is being used for this purpose. A participatory review of draft codes of conduct being conducted with these partner NGOs initiated the process of extending ownership and acceptance of the codes by the civil society.
3. Meetings were held in Khulna with local Members of Parliament (MPs), government officials, Union Parishad (UP) chairmen and members, journalists, and local political and NGO leaders to gain local support and co-operation for the SSOQ program.

Communication Activities

1. Through an open competition an SSOQ logo has been selected which will serve to indicate to buyers and consumers that the producers displaying it adhere to international codes of conduct regarding food safety, human and labor rights, and sustainable environmental practices.
2. Two newsletters and 29 news releases for the Global Shrimp Outlook were published.

GIS Activities

Maps showing the geographical distribution of shrimp industry units, including depots, feed mills, ice plants, and processing plants, have been developed.

FINFISH

Support has been provided to Finfish sector clients on improved technologies, the design and development of sustainable enterprises, hygiene and sanitation, record keeping, packaging, marketing, product diversification, new product development, quality assurance, and human resource development. As a result of these services, sales increased by approximately US \$6.79 million directly and about US \$2.11 million indirectly from the supply chain.

Twelve clients adopted new technologies or implemented improved management practices as suggested by ATDP. Eleven clients entered new markets. The value of financial resources raised by the finfish clients was approximately US \$0.21 million. Five non-financial institutions were assisted during this period.

Major Activity Highlights

With the assistance of ATDP, clients successfully undertook the following projects:

1. Niribili Fisheries Ltd. imported high-yielding genetically improved farmed tilapia (GIFT) fish. The client's staff members received training on induced breeding from the Bangladesh Fish Research Institute. Marketing linkage was established with a fry traders' organization in Bashurhat, Noakhali to sell a substantial quantity of post larvae (PLs) and mono-sex tilapia.
2. Galda Chingri Chashi O Matsha Chashi Malik Samabaya Samity introduced a brine solution for better quality galda production. They have produced and sold nearly 0.6 million galda seeds and expanded market activities to southwestern districts.
3. Naziertek Matshya Babosyee Bahumukhi Samabya Samity (NMBBSS) in Cox's Bazar is producing quality dry fish after being trained by ATDP. The client has added about 100 new members and helped them borrow funds from fish traders.
4. Motso Pona Baboshahi Kollayan Somoti in Mymensingh expanded their marketing activities to more than ten new districts. They developed an inexpensive technology of harvesting fish seeds while fry are still in the pond and introduced a portable aeration system to use when transporting fry.
5. Gazi Fish Culture Ltd. in Khulna initiated a process that retains the pure genetic line of an imported tilapia strain. The client has collected and stocked genetically pure F-6 tilapia strains from the Bangladesh Fish Research Institute.

6. Trinomool Manobic Unnayan Sangstha and Nari Uddug Kendra have arranged micro-finance credit for their members.
7. Al-Hossaini Integrated Fish Farm in Sylhet introduced appropriate new technology to integrate fish and duck farming.

HORTICULTURE

Support has been provided to horticulture clients on product formulation and quality improvement, improved technologies, business consultation, market development, post harvest technology, service and market information, and linkages between stakeholders. As a result of these interventions, clients increased sales by approximately US \$0.24 million and approximately US \$0.36 million from the supply chain. The increase in export sales was about US \$2.05

Ten clients have adopted new technologies or implemented improved management practices with assistance from ATDP. Two clients entered new markets. Two non-financial institutions were assisted the subsector during this period.

Major Activity Highlights

1. Based on a feasibility study conducted by an ATDP consultant, British American Tobacco-Bangladesh (BATB) signed an agreement with the project for help entering the vegetable growing and marketing value chain. BATB plans to use their existing infrastructure to grow quality vegetables. To enhance their performance in this endeavor, several meetings were organized with vegetable exporters and supermarket chains.
2. ATDP's consultants facilitated a market linkage between NRS Trade International and the Agora and Nondan supermarkets to supply frozen bean seeds. This is part of the project's continuing efforts to improve the quality of vegetables in local markets.
3. A training program on post-harvest handling of winter vegetables was organized for commercial farmers associated with the Organization for the Poor Community Advancement (OPCA). OPCA entered nine new geographic markets.
4. A refresher training course on fruit and vegetable processing was organized for the members of the Women Entrepreneurs Association of Bangladesh (WEAB).
5. Business services were provided to Rangamati Food Products Ltd. regarding new product development and the improvement of existing products. The client learned the technology of jack fruit canning and was linked with exporters to sell the canned fruit abroad.

6. Agro Fresh Ltd. received assistance in the development of new products. The client was provided with information regarding markets, sources of raw materials and quality machinery, and was introduced to appropriate new technology.
7. With support from ATDP, Ghoroa Food and Beverage Industries, Janata Food Products, Rangamati Food Products Limited, and OPCA improved existing technologies. Janata introduced spice paste as a new product, and both the Janata and Rangamati concerns are now using quality raw materials as a result of information provided by the ATDP consultant.

POULTRY

Support has been provided to poultry clients on business consultation, feed mill installation, developing business plans, conducting feasibility studies, feed formulation, market promotion and market linkage, processing, product development, disease management, hatchery management, and bio-security. Sales have increased approximately US \$23 million directly and US \$12.6 million in the supply chain. Export sales increased by about US \$0.15 million.

Thirteen clients adopted new technologies or implemented improved management practices with assistance from ATDP, and thirteen entered new markets. The value of financial resources raised by poultry clients was US \$3.99 million. Two non-financial institutions were assisted during this period.

Major Activity Highlights

1. ATDP organized a training session at BV Rao Poultry Institute at Pune, India for poultry technicians representing different clients. Participants received comprehensive theoretical and practical training on the principles of poultry and hatchery management. The participants are using this information to increase the overall profitability of their respective businesses.
2. An expatriate poultry consultant provided services to clients in Dhaka and Chittagong on least-cost feed formulation, nutrition management in feed mills, managing breeder farms, and training feed mill personnel. The consultant also conducted a separate, day-long market promotion workshop for one of the clients.
3. ATDP assisted one client to select suitable land on which to establish a duck processing plant. Waste feathers will be used in a feather factory and the meat will be sold to supermarkets in Dhaka. ATDP organized activities to promote the client's products.
4. ATDP conducted a workshop on commercial broiler management and marketing for Eurobangla Poultry in Sylhet. Over 100 of the client's buyers of DOC participated in the workshop, which addressed the problem of increased mortality of birds. On farm consultations were also provided to contract farmers to address the problem of lameness in commercial broilers.

5. A training program on Commercial Layer Disease Management & Bio Security was held for Gazipur Poultry Shilpa Malik Samity. Over forty members of the association were trained in two groups.
6. Eight marketing officers associated with Quality Feed Ltd. participated in a commercial broiler management training program and over 100 agents of the same client attended a workshop on pellet feed formulation.
7. ATDP conducted a feasibility study for Iqbal Poultry Complex Ltd regarding the establishment of a broiler meat processing plant in Chittagong. A business plan was also provided to this client for setting up a pellet feed mill and a broiler meat processing business. Consultancy was also provided to ensure bio-security and better farm management.
8. ATDP assisted Denm Poultry Complex Ltd. to visit Livestock Asia-2003 in Malaysia for sourcing raw materials and factory equipment and to gather technical information regarding a ready-to-cook chicken processing business.

OTHER

At present, ATDP is working with a limited number of dairy subsector clients, who have been provided with support in regard to the introduction of new technology, artificial insemination, dairy nutrition, feed formulation, and the marketing of pasteurized milk, cheese, flavored milk, and sweets. Sales have increased by approximately US \$0.02 million.

Three clients have adopted new technologies or implemented improved management practices with assistance from ATDP.

a) Dairy/Livestock

ATDP assisted Sylhet Dairy Milk to produce and market pasteurized milk and value added milk products, including mozzarella, cheddar, and feta cheese. In order to increase sales efficiency, the client has introduced its sales staff to the concept of working on commission. Personnel from Sylhet Dairy A.I. attended a training program in Kenya on artificial insemination, cow evaluation, customer care, sales and after sales services, and management of an artificial insemination business. Sylhet Dairy A.I is in the process of importing improved semen.

ATDP assisted Premium Seed Ltd. prepares a complete business plan on the basis of which they are now constructing a slaughterhouse to market packaged meat in domestic markets.

b) Other Interactions

A representative from ATDP participated the final steering committee meeting of World Bank consultants on the topic of “An Assessment of Agricultural Science and Technology for Development” in Budapest, Hungary and co-chaired one session.

MARKET RESEACRH, TRADE PROMOTION and INNOVATION UNIT

In order to enable clients to make knowledgeable business decisions and to develop their businesses more effectively, a new market research division has been established within ATDP, the Market Research, Trade Promotion and Innovation Unit.

Major Activity Highlights

1. The unit initiated a market research search engine designed to:
 - Convert agribusiness-related information into electronic/digital form and enter it into an easy-to-use search engine.
 - Compile and organize secondary market and technical information regarding ATDP subsectors.
 - Provide clients with professional, user-friendly electronic information centers.
2. The unit has initiated a primary marketing study to research the overall poultry market and identify the market demand for processed chicken.
3. The unit plans to promote Bangladesh agro exports by enhancing the country’s image and focusing on its high quality products through various exhibits.

B. INTERMEDIATE RESULT TWO: IMPROVED AGRIBUSINESS SUPPORT INSTITUTIONS

In 2003, the focus of the project’s Policy, Agribusiness Support Institutions (ASI) and Government Relations Unit was to coordinate and drive ATDP’s work in policy related matters and to provide assistance to institutions supporting agribusiness development in Bangladesh. Because this unit works with the subsector consultants, many of its activities have already been described in the subsector activity highlights. The unit’s work with 16 agribusiness support institutions is described here.

Major Activity Highlights

1. Necessary support and assistance has been provided to the Maize Association Bangladesh to advance association activities, including its first annual general meeting, the election of its first Board of Directors, hiring an office executive, and developing the association profile.

2. A contract has been signed with the Shrimp Hatchery Association of Bangladesh (SHAB) to work together in regard to the SSOQ and to strengthen their organizational capability.
3. With support from ATDP, the Bangladesh Shrimp Development Alliance has been formed to unite fragmented groups and sectors related to Bangladesh's shrimp industry.
4. ATDP has supported the approximately 100 new members of the Nazirertek Motsha Babosyayee Bahumukhi Samabay Samity by arranging loans for them from aratdars (money lending traders).
5. Several round table conference were organized for CEOs from different private sector organizations to get industry input on Agri MBA and to discuss the development of an executive development course and the topics it will cover.
6. ATDP organized two separate business plan competitions designed to create general awareness of the scope and potential of agribusiness in Bangladesh and to develop the skills needed to prepare agribusiness and financial plans for successful project implementation. The first competition was for the general agribusiness community; the second was for women agripreneurs. Both were the first of their kind in Bangladesh.

C. INTERMEDIATE RESULT THREE: MORE MARKET ORIENTED POLICIES, LAWS, REGULATIONS AND INDUSTRY STANDARDS

ATDP's policy initiatives are demand driven, by both the clients and the industry. At present, ATDP is addressing different policy issues focusing on clients' existing problems and opportunities in the subsectors.

Major Activity Highlights

1. **Shrimp Seal of Quality (SSOQ):** Shrimp exports from Bangladesh are declining for a variety of reasons, including a failure to ensure quality and a world-wide recession. To ensure the quality of shrimp from Bangladesh and instill the buyers' confidence in the product, a seal of quality (SSOQ) has been developed. Several SSOQ papers have been presented to industry and government. Officials and codes of conduct have been developed. The SSOQ organization unites the entire shrimp industry to meet global certification standards. SSOQ has been endorsed by the Ministry of Commerce and a task force on export diversification headed by the Prime Minister.

2. **Agribusiness Human Resource Development Policy Initiative:** Absence of qualified personnel is one of the major constraints to the rapid expansion of agribusiness in Bangladesh. To address this problem, a feasibility report on an Agribusiness MBA and Executive Development Program was completed and submitted to the Government of Bangladesh. ATDP, in association with the American International University of Bangladesh (AIUB) and several US education institutions, including the University of Wisconsin, the University of Rhode Island, and Harvard University, has developed an Agribusiness MBA program. The program was approved by the GOB's University Grants Commission and was launched in September 2003. As a part of this effort, ATDP has taken the lead in developing case studies on local agribusiness for the first time in Bangladesh. The first case study published was on a local poultry company.
3. **Quality Control System in Flourmills:** The objective of this effort is to assist stakeholders in establishing a private quality control system for the flour milling industry. The initiative promotes the establishment of trusted private laboratories to test flour quality and will advocate, as appropriate, for the Government to remove the duty on laboratory equipment. ATDP is working with members of the flour millers association and other clients to implement the proposed policy initiative. The quality control issue in flourmills has been identified and analyzed, and an education campaign is underway within the industry. Some industry members are taking steps to procure and install laboratories.
4. **Artificial Insemination Policy Reform:** The dairy industry in Bangladesh is not profitable, in part because daily milk production per cow is very low compared to the US and African countries. Proper breeding techniques and private delivery of genetic and artificial insemination services and training could improve the situation. After conducting a study, a policy reform proposal on Artificial Insemination (A.I) was prepared and submitted to the concerned ministry of the government for their consideration. Efforts have been taken to enable private sector entrepreneurs to introduce A.I with imported, improved semen.
5. **Policy for Maize Industry Development in Bangladesh:** The production and processing of quality maize is poor in Bangladesh. Maize growers and sellers are not organized and as a result have little bargaining power and are unable to obtain higher prices. To address these issues, it has been decided that all those connected with the industry should be united in the Maize Association of Bangladesh (MAB). In future, the association will address policy issues related to quality maize processing and marketing.
6. **Amendment of Circular Outlining Policy Guidelines for the Operation of the Agriculture Credit Fund (ACF) by Bangladesh Bank:** The original circular by Bangladesh Bank on policy guidelines for the operation of ACF did not cover most of the eligible agribusiness activities or industries. Therefore, some of the ACF operating banks approached ATDP to consider their suggestions for amending the cir-

cular. Accordingly, it was taken up with the Ministry of Agriculture and the circular of Bangladesh Bank was amended.

7. **Establishment of the Bangladesh Shrimp Foundation (BSF):** The Bangladesh Shrimp Foundation has been developed to provide leadership, service, and support to the shrimp industry and to foster a national dialogue regarding the industry. At present, BSF is opposing antidumping rules and is working closely with stakeholders to address this issue as well as others, including bio terrorism. These issues have been taken up with the Ministry of Commerce, BFFEA, and others concerned in identifying the position to be taken by Bangladesh regarding these issues.

LEVERAGING OTHER SOURCES

ATDP's impact and results have been enhanced by contacts with other donors, including the Department For International Development (DFID), the Dutch Development Agency, Swiss Contact, the American Soybean Association, and the European Commission. Through the Seal of Quality Program, ATDP has regular contact with most of the donors working on technical and environmental issues, including DFID, the Food and Agricultural Organization, the Danish International Development Agency (DANIDA), the European Union (EU), CBI (a Dutch NGO), the Network of Aquaculture Centers in Asia-Pacific, Info Fish, the World Bank, ACC, Win rock, Caritas, Save the Children (UK), Oxfam UK, the Ethical Trades Initiative, JOBS, USAID, the Bangladesh Fish Research Institute, CABI Bioscience, CP Aquaculture, Crop Life, International Fund for Agricultural Development (IFAD), Consumers Union, the Global Aquaculture Alliance (GAA), and the World Wildlife Fund.

ATDP has used Win rock volunteers to deliver technical assistance to the grains and poultry sectors. The grains consultant has held discussions with the International Maize and Wheat Improvement Center on maize drying and assisting contract maize growers.

This year, ATDP participated in the American Week Program in Sylhet, a US Embassy sponsored event highlighting current US development activities in Bangladesh. The American ambassador to Bangladesh visited a client of ATDP, Sylhet Dairy Milk. ATDP was awarded the first prize from USAID as "The Most Popular" participant in the program. The event generated interest in ATDP activities and attracted new potential clients.

Annex: PROGRESS ON POLICY ISSUES (October 2002-September 2003)

Score	Scale	Brief Description of Work								
		Seal of Quality Program for Shrimp Sector			Quality Control Systems in Flour Mills	Agribusiness Human Resources Development Policy Initiative	Artificial Insemination Policy Reform	Policy for Maize Industry Development in Bangladesh.	Amendment of circular issued by Bangladesh Bank for utilization of ACF fund	Establishment of Bangladesh Shrimp Foundation
		Shrimp Seal of Quality	Formation of Shrimp Hatchery Association	Working with Farmers Group						
10 points	Identification of economic growth problem and analysis of situation.	Shrimp exports from Bangladesh are declining. The reasons identified are 1) Failure to ensure proper quality, and 2) World-wide recession.	Shrimp hatchery owners have the following problems: -Lack of adequate knowledge on quality standards. -Absence of quality testing laboratories	Shrimp farmer groups have the following problems: -Poor pond management -Not aware of international codes and conduct -Follow old traditional culture	Initially it was stated that it is necessary to import laboratory equipment to introduce quality control systems in flour mills. Therefore, Assn. wanted tax exemption or tariff reduction. Now further investigation has found that the fundamental problem is educating the members better on the need to set up quality labs with or without a tax exemption.	Absence of qualified agribusiness personnel has been identified as one of the major constraints on rapid expansion of agribusiness. A feasibility study on introducing an MBA in Agribusiness was completed.	The dairy industry in Bangladesh is not profitable, partly because daily milk production per cow is very low. There is scope to improve the situation with proper breeding and private delivery of genetic and artificial insemination services and training.	Discussions are being held with representatives of the Maize Association of Bangladesh to identify their needs. They have been requested to formulate a concrete proposal to ATDP.	Based on circular of Bangladesh Bank, ACF operating banks stated a number of problems in getting refinance against the amount sanctioned as loan to their agribusiness clients. They asked ATDP's help in solving those problems.	The shrimp industries are disorganized with thousands of fry collectors, shrimp growers as well as hatcheries, nurseries, depots and processing plants. To survive in today's highly competitive market place, the industry must unite

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10 points	Elaboration of proposed intervention to address problem	To ensure quality shrimp and the confidence of buyers, a Shrimp Seal of Quality (SSOQ) is being developed	ATDP has been discussing with SHAB to set up quality testing laboratories to address this issue	Provide hands on training to the farmers mainly on good pond management, good management practice, improved method of shrimp culture, international codes and conducts, etc	ATDP has been assisting their clients to set up quality lab to test their products and thereby can control quality. Two entrepreneurs working in baking area visited USA with the support from ATDP to gather knowledge on new technology, quality lab, equipments so that they can set up their own quality	Consultant submitted report on the selection of local partner university, funding proposal, local CEOs view on the proposed MBA etc. Work has been going on with AIUB and several US education institutions to put together an Agribusiness MBA program	Discussions with officials of the concerned Ministry about introducing AI by importing proven high quality semen, eliminating traditional bull studs and privatizing breeding and A.I. services. A policy paper has been written. Efforts have been taken so that private sector entrepreneur can introduce A.I.	A study has been conducted to examine if there is any opportunity to develop maize based food and non food processing industry in Bangladesh. A nation wide association has been formed. This newly formed organization is expected to represent the maize sector.	The problems were examined by ATDP and it appeared that major changes in the policy guidelines for operating ACF issued by Bangladesh Bank was necessary. Accordingly, a proposal was prepared suggesting some major changes in the ACF operating guidelines with justification. The proposal was submitted to the Ministry of Agriculture (MOA) for consideration. MOA placed the proposal before the Pro	Addressing this problem, the Bangladesh Shrimp Foundation has been developed to promoting leadership, service and support to Bangladesh Shrimp Industry

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					laboratory. Another group of entrepreneurs visited India to gather knowledge on flour quality.		duce A.I with imported improved semen		before the Project Coordination Committee (PCC).	
									After elaborate discussion, careful examination and scrutiny in the PCC meeting, the PCC considered the proposal quite reasonable and acceptable.	

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10 points	Dialogue and communication efforts (advocacy)	As a follow up of meeting with the minister of Commerce, Secretary of Fisheries and Livestock, an all industry work shop was organized to secure the support and commitment of all concerned to SSOQ.	Steps have been taken by SHAB to gather information about international and national organization working in this area.	ATDP extension team is working in the field with the farmers.	Dialogues continue with other private sector entrepreneurs to promote them having individual quality testing laboratory. One client has already started installing his own lab to test his product.	Dialogue initiated and concluded with several US universities and local businesses	A short term expatriate consultant provided hands on training to one of our client under livestock sub-sector on AI. Two representative from Sylhet Dairy visited Kenya with the assistance from ATDP to gather knowledge on AI.	Continuous dialogue and communication has been going on with the association in different areas	The PCC members agreed with ATDP's recommendations for amending the Bangladesh Bank's Circular as proposed by ATDP and then requested Bangladesh Bank for amending the circular incorporating changes.	The Foundation serves as BIG TENT under which stakeholders with different views can come together to discuss and debate ideas. BSF is actively involved in opposing anti-dumping rules and working closely with the stakeholders in the industry to address this issue.

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20 points	Clients and/or Govt. changes approach, policy, law or regulation	<p>A separate SSOQ office has set up in Khulna.</p> <p>Several SSOQ papers were presented to industry players and Govt. players.</p> <p>SSOQ code of conducts has been developed.</p> <p>Training on certification with the help of ACC has also been arranged for future certifiers.</p>	Article of memorandum for the organization has been developed	Extension application have been written and agreed by the farmer group.	Client of ATDP has started installing the quality lab to test his product.	AIUB and collaborating universities have agreed to implement agribusiness MBA program	The client has started working to set up the business and to import US genetic. He is now in the process of putting the order together with ABS global in the US.	A new type association named Maize Association of Bangladesh (MAB) has been formed with the support and assistance of ATDP	According to the request from PCC, Bangladesh Bank issued a revised circular incorporating changes suggested by ATDP.	The foundation started dialogues with different stake holders (Ministry of Commerce, BFFEA and others) on different policy issues like anti-dumping, bio terrorism etc. The foundation will undertake small R&D projects and will collaborate with others.

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25 points	Adoption of new policy	SSOQ has been accepted by Ministry of Commerce.	The shrimp hatchery group has agreed to adopt the article of memorandum for the organization of a 'new type'	The farmers group has submitted applications to participate in the SSOQ program and a few of them are practicing in the field with assistance from the extension workers of SSOQ in Khulna		The University Grand Commission of Govt. has approved the Agribusiness MBA program			The amended circular is being followed by both Bangladesh Bank and different commercial banks.	Bangladesh Shrimp Foundation has been working closely with Ministry of Commerce (MOC) and the MOC extended its support to BSF on its stand to protect Bangladesh's interest against anti-dumping and bio terrorism.

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25 points	Implementation of new or changed policies	Implementation of SSOQ has been taken up in the field on a Pilot basis. Bangladesh Shrimp Development Alliance has been formed to work in this area more closely				The program has been started.			The amended circular is now implemented.	The foundation is active and working with different stakeholders.
		100	75	75	50	100	50	50	100	100

Total Average Score: 700/900= 0.78 against target of 0.48