



- Title of project: Online **Market Linkage Program (MLP)**, *Connecting Farmers to the Market*
- Organization name, country: Bangladesh Institute of ICT in Development (BIID), Bangladesh
- Project manager name: Md Shahid Uddin Akbar

I. Background information

Farmer's in general are deprived and challenged to access to the formal markets due to various reasons and bulk buyers also depends on traditional trading channels which is less efficient in terms of competitiveness and efficiency.

- Agriculture sector employs 63% of total labor force in Bangladesh and represents a huge potential for Grameenphone which so far has prompted BIID in developing services like e-Krishok, 16250 and other services to offer extension to market information
- The service basket of BIID covered mostly extension related information and advisory services with a network of 150,000 plus farmers and 500 plus network of information centres
- To address the demands of farmers (e-Krishok members) for marketing (selling) their produces at reasonable price, BIID realized the need of a platform to facilitate the process

- The ongoing partnership with Grameen Phone, ACI Limited and Katalyst ignited the thought to formulate a strategic partnership among the organizations to foster the development of an ICT enabled trading platform to connect the farmers to the market
- Eastern Bank Limited joined the consortium as Bank partner for settling payment issues (as per regulatory requirement)
- Inspired by Telenor's e-Mandi project in Pakistan to remove trade barriers in the Agriculture value-chain, insight has been developed that reveals weaknesses in the Bangladeshi Agriculture Value chain:
 - Sellers at all levels are primarily price takers – have to accept prices offered
 - Uncontrolled supply driven system, no integrated production & harvest planning
 - Intermediaries' influence on price and procurement process
 - Uncertainty in product quality/grading
- In order to remedy parts of the weaknesses in the value-chain partners propose to create a virtual market place (Market Linkage Program) for players in the value chain including farmers, local traders and wholesale/retail traders:
 - Step 1: Start with market information
 - Step 2: Open up platform for direct upstream sales
 - Step 3: Establish an online market place and value added services for agri products

To verify the impact on the value chain, partners agreed to conduct a 12 months pilot using a customized version of the MLP platform developed for the e-Mandi project in Pakistan, but later on GP developed a new technical platform and BIID is serving as the Aggregator.

II. Goals & timeframe

Farmers get access to market and increase their income.

The MLP has set few objectives which are as follows –

- Unrestricted price information will ensure fair price at every levels.
- MLP demand-supply data will help forecasting production & harvest.
- Involving Intermediaries in MLP with defined value-addition role will bring transparencies and reduce their influence
- MLP grading system will ensure quality products.

The project was designed in 2011 and developed the technical platform in 2012. Now the service is at pilot stage and planned to launch the service as commercial service in 2014.

IV. Challenges

- Low awareness of the farmers on using ICT enabled solutions
- ICT integration within the value chain actors of agriculture
- Payment system is still to resolve
- Lack of resources for innovation
- Regulatory (Telecom, Commerce and Agriculture) issues may hinder the growth and expansion of the initiative
- Long term investment for developing the business model at primary level
- Lack of QC procedures for agri-produces
- Settlement of arbitration between farmers and buyers
- Awareness and readiness (ICT & HR) of stakeholders
- Mechanisms are not in place for collecting transaction fees

V. Relevance of the project to the respective Action Line

e-Agriculture is one of the Action Lines of PoA of WSIS

VI. Conclusion

MLP project will ensure value propositions for farmers by using ICT tools. This will make the agricultural value chain more efficient and competitive through an integrated approach.