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## **GROUP SAVINGS ACTIVITIES MITIGATING THE ABSENCE OF FAVORABLE FI**

### *The need state & the Financial Institute Structure go in the opposite direction*

Access to finance is critical for small holder farmers to enable them further invest in dairy development. But due to lack of attractive financing options, farmers, who have less than three cows, are reluctant about seeking loans from financial institutes. The traditional financial institutes in Bangladesh are wary of the dairy industry in general for its exposure to various forms of risk. Dairy farmers need relatively larger loan than an average micro-finance loan and if held to the weekly or monthly repayment schedule like others, it becomes problematic to repay because dairy business does not become profitable in short time.

### *Many a little makes a mickle*

Since banks and other financial institutions are not interested in providing loan to the small producers in the bottom of the pyramid, SDVC is facilitating informal savings activities through clustering efforts; i.e. encouraging farmer groups in group savings mechanism. Group members are using the savings amount progressively starting from rotational distribution of a lump sum to en-

able a single member buy higher amount of feed to lessening the overall costs by enjoying the rebate from purchasing/ subscribing every necessities in bulk. Some times groups even provide loan to meet other emergency needs of group members etc.

Group savings mechanism has been an evident phenomenon for increasing resources for potential group or individual activities and hence facilitating independence. It serves as a form of "insurance against risk"; improving sense of group ownership and promoting group repayment discipline. Group savings is also facilitating access to outside loans (banks are more willing to give loans to groups that save) and lessening the costs of banking. As registration with a legal authority is vital for saving activities; SDVC is actively facilitating the registration process with government ministries like Youth, Women Affairs and Cooperatives etc.

Now every components are/on the way to be in place as a logical consequence of collaborative approach

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## NEWS BITS

### INTRODUCING DAIRY AND AGRO INPUT MICRO-FRANCHISE MODEL

In order to strengthen the dairy input supply businesses and to ensure that all project beneficiaries are able to access inputs in a sustainable manner, SDVC is going to establish a micro franchise model (within the existing Information Service Center's under SDVC) that will ensure timely and consistent access to quality dairy inputs and services by smallholder farmers in northwest Bangladesh. The model will be based on different learning from past and current projects implemented by CARE Bangladesh and other development partners and will draw on the experience of other organizations that have successfully established micro franchises around the world. The model is in its development phase. Looking forward, SDVC organized a learning session at CARE Bangladesh Head Quarter for management staffs and a two day long training session at CARE Bogra Field Office addressing field staffs of different CARE Projects. Objective of these learning session and training was to introduce them with the Micro-Franchise Model and get feedback and inputs on the concept to make the model robust.



### MORE EFFICIENT AI AVAILABLE TO MORE BENEFICIARIES

437 SDVC learning groups have been brought under Artificial Insemination (AI) services, and a total of 612 producers used AI for their cows By February 2011. To further strengthen AI activities, SDVC has recently targeted 50 potential AI workers to transform them into competent AI technicians to cover the operating areas of the project. Additionally, in order to ensure availability of good quality semen,

SDVC is developing linkages with BRAC and facilitating national dialogue about breeding policy and artificial insemination.

### SDVC -BRAC PAYS A JOINT-VISIT TO INDIAN DAIRY SECTOR AS PART OF COLLABORATIVE-REVIEWING OF THE PROCESS

SDVC, BRAC Dairy, and BRAC AI in a team of 4 visited National Dairy Development Board (NDDDB), AMUL Dairy, Mother Dairy, Centre for Analysis and Learning in Livestock and Food (CALF), Savarmati Ashram Gooshala, and Foundation of Ecological Security of India last month. The visit was quite informative, the team observed current dairy practices and activities of these Indian leading dairy and research organizations. The erudite lessons will be handy for next level interventions to develop our local dairy sector.



### FROM M&E DESK

SDVC Collectors' average milk collection and income from milk sales significantly increased since October 2010. The average milk collection in July 2010 was recorded as 72 liter/day and in October 2010 it was 80 liter/day, which increased to 92 liter/day in April 2011. Income from milk sales was recorded 1840 BDT/day in July 2010 and 2,223 BDT/day in October 2010 and it went up to 2,837 BDT/day in April 2011, which is a 27 percent add-on in collectors' income from milk sales.

## BOGRA TEAM PROFILE



SDVC project have a large spirited team that is contributing to strengthening the dairy value chain in 9 districts of North-West Bangladesh with utmost dedication. The effort behind each movement is unparallel with a quite large workforce. SDVC Mail is publishing their brief profile, accompanied by their photos to recognize their 'never say no' state of resilience and commitment- this attempt of familiarization with the dream-makers would continue in the next issues:



Md. Nazmul Huda Sarker  
Project Officer



Angur Nahar Beauty  
Field Facilitator



Dr. Md Abdus Salam  
Field Facilitator (Vet.)



Anwar Hossain  
Field Facilitator



Shanzab Baby  
Field Facilitator



Mst. Mohsena Parvin  
Field Facilitator



Md. Raquibuzzaman  
Field Facilitator



Md. Ahashan Arif  
Field Facilitator

33 Villages under 7 Union of 2 Upzilla in Barga District & 3085 participant households in 98 groups are their inspiration of creating unprecedented impact upon care & empathy.

### THE PRIVATE SECTOR PARTNERSHIP ATTEMPT GEARED UP WITH THE LATEST COLLABORATION WITH NOVARTIS

SDVC and Novartis (Bangladesh) Ltd. will work together to conduct advance level training for capacity enhancement of 171 Livestock Health workers with a view to enhance their capacities on animal health, feeding, Artificial Insemination and basic farm management in Northwest Bangladesh. As per the proposed collaboration, around 10 advanced level day long training will take place for the existing 171 Livestock health workers of SDVC.



## IFPRI EVALUATES SDVC FOR THE MID TERM TO ENLIGHTEN THE PROJECT WITH A THIRD-EYE VIEW

Recently, International Food Policy Research Institute (IFPRI) was entrusted to conduct a mid term evaluation of SDVC project. According to the report SDVC project has made momentous strides in improving the access of producers and LHWs to inputs. Milk production has stepped up. Milk collection system has improved in quality and quantity when financial transactions from producer to processor operate smoothly. The project has to set its focus on improving profits from milk sales, to effectively improve the Artificial Insemination service and most importantly advocate for pro-dairy policies and practice.

### THEY STRIVED TO JUSTIFY THE NAME OF THEIR VILLAGE "SANGRAMPUR" (STRIVERS' LOCALE)

Sangrampur (in Bangla means Strivers' locale), a remote extreme poor village in Balar-Hat Union under Mithapukur Upazila of Rangpur District. A group of 30 winning women of the village refused to admit defeat to poverty and with unquenchable thrust, promoted anything can be done through hard labor and positive compliance. In August 2008, the invigorating group engaged themselves with SDVC when they had very low milk production and skinny cattle out of lack of efficient farm management knowledge, feed, fodder, treatment service, breed improvement resources, and finance to avail these services. Moreover, they were unaware about the growing milk market at their surrounding which was downplayed by the local milk collectors.

In the transition, they formed a milk producing and marketing group called "Sangrampur Milk Producing and Marketing group". They selected a group leader who received training from SDVC to undertake the responsibilities of the group. In the first group meeting three major steps, taken initiated the momentum: 1) They selected a milk collector who would collect and sell milk in the chilling center or local market wherever the price is competitively high; 2) Nominated one of the fellow members as livestock health worker, who would be trained by SDVC and ensure cattle health service; 3) Selected another 2 teammates as feed and fodder sellers to ensure supply of cattle feed at reasonable price. Within short period they started rotating the wheel of fate. Now they get higher price of milk through collective selling and the collector also secures his livelihood. The feed sellers have been able to create significant demand of concentrated cattle feed within the group and for increasing the milk production one of them began to produce and sell Urea Molasses Block as prescribed by SDVC. They cultivate fodder for their own use and the livestock health worker (LHW) can guarantee the cattle health service consistently again with the help of SDVC.

To remove financial hurdle against their growth, they introduced group saving mechanism (with the support of SDVC) and succeed. Within two years they totally changed the scenario and emerged themselves as the Change Makers in the village. Now they got the courage out of self-reliant to tie themselves directly with the market by opening up own milk shops at local markets. Their success reflects in the voice of the neighbors; *"we are surprised to see the revolution they brought in these two years. They familiarized all dairy related input services in the village, built a better marketing system for milk and savings to meet their in crisis. None can ignore, they justify our village's name Sangrampur"*.

The table beside depicts their winning story with figures:

Progress of Sangrampur group		
Activities/Progress	2010 May	2011 May
Number of cows	90	103
Group's owned cows (Bought from savings)	2	8
Number of cross breed calf	3	8
Milk production/day	35	85
Monthly savings (BDT)	1600	3200
Total savings (BDT)	35000	110000
Average milk price per liter (BDT)	25	30
Silage production (kg)	5	40
UMB sales (Unit/month)	48	80
LHW's income per month (BDT)	9000	15000
Collector's income per day (BDT)	300	700
Feed sellers income per month (BDT)	500	15000
Number of producers have model cowshed	2	8
Number of producers adopted fodder	12	30
Number of fodder plot	6	10
Milk bar/nutrition center's income/month	0	12000

Supported by the Bill and Melinda Gates Foundation, the Strengthening the Dairy Value Chain project aims to double the dairy-related incomes of 35 000 smallholding and landless farmers in North West Bangladesh.

If you would like to learn more about the project, please contact



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