



# Annual Report

## 2021-2022



**SARA BANGLA KRISHAK SOCIETY (SBKS)**

7/20, Block-B, Level-1 (Left side), Lalmatia, Dhaka- 1207.

## Abbreviations and Acronyms

|       |   |
|-------|---|
| AFA   | Asian Farmers' Association                              |
| BACT  | Barrier crop technology                                 |
| BADC  | Bangladesh Agricultural Development Corporation         |
| BDT   | Bangladeshi taka  |
| BPEA  | Bangladesh Potato Exporters' Association                |
| BSRM  | Bangladesh Steel Re-Rolling Mills Ltd.                  |
| CFC   | Common Facility Center                                  |
| CRR   | Covid-19 recovery revolving fund                        |
| DAE   | Department of Agricultural Extension                    |
| DLS   | Department of Livestock Services                        |
| DOC   | Department of Cooperatives                              |
| DVI   | Digital Village Initiative                              |
| DVSC  | Digital Village Service Centre                          |
| FAO   | Food and Agriculture Organization of the United Nations |
| FBF   | Farmer Business Facilitator                             |
| FO    | Farmer Organization                                     |
| GAAP  | Governance and accountability action plan               |
| GAFSP | Global Agriculture and Food Security Program            |
| GAP   | Good agricultural practices                             |
| IAPP  | Integrated Agricultural Productivity Project            |
| ICT   | Information and communication technology                |
| M&E   | Monitoring and evaluation                               |
| MMI   | Missing Middle Initiative                               |
| PO    | Producer Organization                                   |
| RLF   | Revolving loan fund                                     |
| SBKS  | Sara Bangla Krishak Society                             |
| SOP   | Standard Operating Procedure                            |
| VCC   | Virtual Call Center                                     |

## MESSAGE

*We are delighted to present you the Annual Report 2021-2022 of Sara Bangla Krishak Society (SBKS), which briefly highlights progresses made, services provided, advocacy conducted and policy formulated for the smallholder farmers of Bangladesh. Despite the crisis occurred due to sudden outbreak of Covid-19 pandemic and Russia-Ukraine war we were able to complete almost all the planned activities.*

*We are happy to let you know that meanwhile new executive committee of SBKS is formed through democratic election process. All of our works in the reporting financial year was carried out for 56 member Farmer Organization (FO) working with and for more than 10,000 farmer families living in northern and southern region of Bangladesh. Our main focused areas were supporting in building sustainable livelihoods through institution building, access to finance for smallholder farmers, agri-business development, farmer-led revolving loan fund management, awareness on health and hygiene, good agricultural practice, conservation agriculture, demonstration and adaptation of new technologies etc.*

*All our efforts are making success because of meaningful partnership between SBKS and FO. In fact, FOs are the building blocks of SBKS. Moreover, we were able to translate our initiatives into reality successfully because of cooperation and help from the government and non-government organizations at home and abroad. We especially grateful the MMI project of Food and Agriculture Organization of the United Nations (FAO) for providing their all-out support in implementing our envisioned programs.*

*We are grateful to the members of the executive and advisory committees for giving on time invaluable advice and guidelines, which made our journey smoother. However, all praises are due to the members of FOs whose relentless efforts helped in implementing all financial and non-financial activities for the development of stallholder farmers of Bangladesh.*

**Rita Bromo**  
President  
Sara Bangla Krishak Society (SBKS)

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## Highlights in 2021-22

- 83% of FOs achieved satisfactory institutional maturity rating and overall performance score was 34 out of 40.
- 53 FOs have value chain projects/ businesses that are generating revenues for FOs, while 55 FOs are operating revolving credit from the savings of members.
- 51 FOs mobilized BDT 110.58 million (USD 1092,498) in non-project financing for new or expanded initiatives.
- SBKS has appointed 5 paid Monitor cum MBWin Teller Operators (MTOs) to digitalize the whole accounting system of 55 FOs and the apex body, and constituted a panel of another 5 MTOs.
- Around 89 per cent of the FOs have been generating revenue from common facility centres (CFCs).
- Three fishermen's cooperatives successfully launched the operation of a fingerling hatchery and have now become an example of community investment in agribusiness service.
- Digital Village Fairs in 50 FOs generated much enthusiasm among villagers for getting services at their doorsteps.
- The VCCs have received a total of 21,237 calls for selling commodities; 8,162 calls for buying inputs; and 2,547 calls for technical advice.
- Irrespective of funding sources, 55 FOs have disbursed total outstanding loans of USD 1.911 million among 2,339 borrowers (76% women) during the reporting period, while cumulative outstanding loan is about USD 2.83 million disbursed among 8,537 borrower members of FOs.
- 3 SBKS member FOs exported more than 1,500 MT of potatoes with the support of the Bangladesh Potato Exporters Association (BPEA).
- The project gave training to FBFs on how to conduct the upcoming market intelligence survey;
- The project completed the urban *Arat* (wholesale market) survey and now intends to develop an *e-arat* app.
- 47 FOs are operating MMI-Revolving loan and CRR-Revolving loan successfully under the supervision of SBKS.
- SBKS launched three videos on building strong FOs, virtual call centers and the One Health approach for the milk value chain.
- Organized visits for FAO, ECTAD, Bill and Melinda Gates Foundation, IFAD and other development agencies.

## 1.0 Introduction

The Sara Bangla Krishak Society (SBKS), an apex of Farmer Organization (FO) has emerged as a non-profit, non-political and voluntary organization consisting of representatives from FOs of small, marginal and landless farmers in Bangladesh. This annual report describes the progresses made in 2020-2021 fiscal year. Because Covid-19 pandemic it was a critical year for food producers. However, with the relentless support of SBKS the farmers kept their effort to reach food from farm to fork.

### Vision

Be the leading voice of smallholder farmers for sustainable agricultural development.

### Mission

Empower small, marginal and landless farmers' organizations from economically fragile areas of Bangladesh so that they can become equal, active and supportive partners in the government's investment program and decision-making process for agricultural development.

### Goal

- Assist farmers in production, marketing, value chain connectivity and rights-based advocacy through the formation of member organizations.
- Regular liaison with all stakeholders, including the government, and capacity building through collaboration with local and international farmers' forums and agencies.

### Strategies

- ❖ **Bridging:** Bringing small and marginal farmers into a larger network and combining their skills and experience.
- ❖ **Connecting:** Establish effective liaison with government and non-government departments to solve the existing problems of small and marginal farmers and ensure necessary services.
- ❖ **Increase organizational capacity:** Increase the organization's capacity in fund management, financial accounting, good governance, leadership, confidence building, bargaining skills, general service center and joint business management.
- ❖ **Adoption of rights based programs:** Farmers should be vocal to realize their rights.
- ❖ **Extension of technology:** Extension of good agricultural practices, organic farming technologies and farm mechanization activities for safe food production.

### Principles

- **Integrity:** Perform all activities regarding agriculture, farmers and organization development honestly.
- **Equality:** All works should be done on the basis of equality.
- **Transparency:** Taking all decisions transparently and showing them to everyone.
- **Accountability:** Everyone is obliged to be accountable to those concerned for their work.
- **Fairness:** Giving benefits and priority based on fairness.
- **Participation:** Follow participatory approach in all activities and decision making.
- **Inclusion:** Ensuring the inclusion of all members in all activities.

## 2.0 Governance of SBKS

The governance system of the apex, Sara Bangla Krishak Society (SBKS) is based on two-tier system. Firstly, at apex SBKS level and secondly, at primary member cooperative level. The General Body of SBKS consists of 56 members nominated from the member FOs. The General Body of the SBKS take all policy decisions for smooth operation of the organization. It guides the executive committee (EC) and management to realize vision, mission and goals through implementing manifold activities keeping in view to increase food security and livelihoods improvement of farmers. Other core responsibilities of general body is to approve annual work plan, budget, progress report/annual report, audit, membership approval or rejection, devising new policy, review of guidelines, evaluation of project, performance appraisal of staff, profit distribution amongst members at primary level cooperatives etc. The general body meets twice in a year and the Annual General Meeting (AGM) is mostly held in the month December of each year.

Among the 56 general body members of SBKS 41 are male and 15 female. Besides SBKS has 7 founder members of which 5 are male and 2 female. The general body make executive committee (EC) consisting of 9-members who elected through democratic election process. The EC is responsible for all activities of SBKS. At present among the 9 members of EC, 5 are male and 4 are female. In addition, SBKS has 5-member advisory committee (2 male and 3 female), 3-member social audit committee (1 male and 2 female) and 3-member loan subcommittee (1 male and 2 female). Similarly at the primary cooperative FO level, each members FO has general body, executive committee, independent social audit committee and 5 subcommittees for loan, saving, procurement, agri-business and finance.

## 2.1 Annual General Meeting (AGM) and Election of SBKS EC

After the COVID-19 pandemic, SBKS organized a physical AGM on January 19-20, 2022 at Rural Development Academy (RDA), Bogura, whether altogether 53 representatives took part, one from each member FO. Before the election session, the General Secretary presented his annual progress report and work plan for 2022-23 in the AGM. The members were satisfied with the growth of the organization, thus they approved the report, as well as the work plan. Then, the treasurer and accountant of SBKS presented a financial statement, audit reports for the last 03 years, and finally a budget for 2022-2023. The members approved audit reports, financial reports, and budget with a vote thanks to the executive committee's enthusiastic contribution and staff members' performance. They could suggest extending more support to the member organizations in financial management, organizational management, business planning, digitalization, market linkage, and access to finance. The AGM approved the revolving loan policy, SOP for the PO-led revolving loan fund, and an operational manual for organizational management.



An election was held following the democratic electoral process. The general body members cast their vote with a secret ballot paper. This election has made an election commissioner, and under his supervision and direction, the election was done. A 9-member committee was elected, which was 7-member earlier. Ms. Rita Bromo and Mr Obydul Haque were elected as president and secretary respectively for the next three years.

A sharing meeting for the new executive committee member of SBKS was organized on 31 January 2022 with the presence of Dr Iftikhar Mostofa, Senior Agriculture Economist, World Bank. The main objectives of the meeting were to introducing executive members with all general members of FOs and other guests, share plan of operation for the year 2022 and make an implementation plan. General members from different FOs put a number of good proposals for further improvement of the plan presented by SBKS.

### 3.0 Management of SBKS

At present as an apex, SBKS is supporting 55 Farmer Organizations particularly located at northern and southern regions of Bangladesh. More than 10,000 smallholder farmers are involved in these FOs under the umbrella of SBKS. SBKS has organized AGM and annual review and lesson-learning workshop from 18 to 21 January 2022 at Rural Development Academy, Bogura. A new Executive Committee (EC) consists of 9 members was elected on that AGM through free and fair election. Moreover, work plan of 2021 was reviewed and plan for 2022 was prepared. The EC guides all activities of SBKS.

SBKS is formally and informally implementing its activities through seven departments: Institution Development, Agricultural Business Service Development, Financial Service Development, Finance and Accounts, Internal Audit, Office and Personnel Management, and Research and Monitoring. In addition, there is a consultative forum to review and advise the work of SBKS on a monthly basis.

SBKS manages its day-to-day activities through full time and part time staff members who are working at two tire: at SBKS level and at primary cooperative FO level. At SBKS level- there are 7 full time staff (4 male and 3 female); and 54 part time staff (32 male and 22 female). In addition, at member FO level there are 55 full time staff (31 male and 24 female) and 121 part time staff (58 male and 63 female). All staff members are working under the guidance of respective EC following policy guidelines.

Meanwhile, to operate the activities SBKS has set up its secretariat with seven staff members. The positions are Coordinator (1), 1 Accountant (1) and MBWin Teller Operator cum Monitor (5). Besides to provide support to the FOs 20 Farmer Business Facilitator (9FBF) and 55 Farmer Accountant (FA) are working.

### 4.0 Strategic Policy Guidelines

SBKS has been operating all activities through following policy guidelines, which were devised through participatory process and consultation with experts.

- **Operations manual:** The manual is a living document aims at serving as instrument for office bearers to manage the organizations to reach an acceptable standard of efficiency.
- **Revolving loan fund (RLF) strategy:** The RLF is farmer owned and farmer-led approach where FO's independent loan and audit committees ensuring accountability and SBKS providing hands-on technical support throughout the process in order to make investments successful;
- **Standard operating procedures (SOP):** These SOPs ensure the smooth implementation of the RLF strategy, taking into account the associated risks.

- **Monitoring system for FOs and FBFs:** SBKS developed a virtual monitoring system for FOs with the objective to assess the progress and performance of FOs and capture best practices of COVID-19 mitigation.
- **Grant Management Policy:** The purpose of this Grant Management policy is to utilize grant properly and meaningfully for improving the efficiency and impact of project activities to be implemented under SBKS.
- **Loan loss provision, reserve and write-off policy:** It is prepared for clear reporting and understanding of loan portfolio quality, reduce loan losses and take decision.
- **Farmer Organization Operation guideline:** This document is guiding FOs in operating institutional, financial and business activities.

## 5.0 Farmers' Organization Development

### 5.1 Institutional capacity development of FOs

Most FOs made significant improvements in all three categories of institutional maturity as compared to baseline indicators and data from the previous period (Table 1). FOs scored 34 out of 40 in general institutional maturity (leadership, recognition of members, meeting attendance by members, and governance), a 2% increase from March 2022. Another institutional maturity rating – ‘accounts keeping’ scored 24.25 out of 30, similar to the previous period. The performance of FOs in managing value chain business was 24.33 out of 30, a 3% increase from the previous period. Overall performance improved by 89% from the baseline and 2% from the March-2022 assessment. In order to maintain the same pace and sustain high performance in FO management and governance, the project and SBKS have provided feedback and backstopping support to the FOs on a regular basis.

**Table 1: Average Score Based on Institutional Maturity Rating**

| Indicator                                | Average Performance Score |          |                                    |          |                          |          |                           |          |
|--|---------------------------|----------|------------------------------------|----------|--------------------------|----------|---------------------------|----------|
|  | Baseline<br>(out of 80*)  |          | Sep '20 [mid-term]<br>(out of 80*) |          | Mar '22<br>(out of 100*) |          | June '22<br>(out of 100*) |          |
|  | points                    | % of max | points                             | % of max | points                   | % of max | points                    | % of max |
| A. Institutional maturity rating         |                           |          |                                    |          |                          |          |                           |          |
| A.1 <u>General</u> (Max 40)              | 19                        | 48%      | 32.5                               | 81%      | 33.3                     | 83%      | 34.00                     | 85%      |
| A.2 <u>Accounts keeping</u> (Max: 30)*   | 10.5                      | 53%      | 14.8                               | 74%      | 24.4                     | 81%      | 24.25                     | 81%      |
| B. Value chain project rating (Max: 30)* | 5.7                       | 29%      | 11.9                               | 60%      | 23.5                     | 78%      | 24.33                     | 81%      |
| Total score:                             | 35.2                      | 44%      | 59.1                               | 74%      | 81.2                     | 81%      | 82.58                     | 83%      |

### 5.2 Automation of accounts keeping systems

In order to ensure long-term sustainability of the revolving loan fund mechanism, SBKS has been empowered to serve as the custodian of two revolving funds: RLF and CRR. A plan was chalked out to digitalize this operation, as it would make it easier to manage the whole process and ensure continuous monitoring of the operations as well as financial status of the project. FAO-GIZ MicroBank for Windows (MBWin) software was selected as the application to be used for digitalisation of the finance and loan operations of all FOs as well as the apex PO.

All financial and accounting data of 35 FOs were entered and processed on computers and kept in one single database (MS SQL Server database). The remote desktop server allowed remote users (PO staffs) to connect to the server and run MBWin remotely in separate sessions. SBKS has appointed 5 youth teller operators who were given admin password. They have been working under a supervisor. As part of the agreement, FAO-GIZ MicroBanking team conducted the online training sessions on MBWin Operations and SQL Server to run this system during the reporting period.

### 5.3 Expertise support of FBFs for FO development

During the reporting period, SBKS appointed 5 paid youth leaders as Monitor cum MBWin Teller Operators (MTO) to digitalize the accounting system of all FOs. SBKS also selected another 5 MTOs as standby. They completed at least second round of visits to their assigned FOs and provided support in the areas of financial management, organizational management, and operation of common facility centres as well as virtual call centres. They extended support to capture customer information, i.e. membership ID, national ID, contact details, shares, savings and loan balances of individual members, and general ledger information as part of digitalisation process of the accounting system. Both farmer business facilitators (FBFs) and Monitors also collected quarterly reporting data on organizational progress, financial information related to savings, loans, net profit, and the status of accounting documentation. They also supported FOs in disbursing CRR loans to members to invest in their respective businesses by following the guidelines for CRR loan disbursement.

### 5.4 Annual review and planning workshop of SBKS

Annual Review and Lesson Learning Workshop was organized during 18 to 20 January, 2022 at the conference room of Rural Development Academy (RDA), Bogura. The specific objectives of the event were to review of work plan of the year 2021; look back on last four years activities and assess business ecosystem of FOs jointly developed by FAO and SBKS and assess what went well and what not; review annual financial statement of SBKS and services provided to its members; prepare work plan for January – September 2022 reflecting an exit of current MMI and prepare a comprehensive roadmap for new PO-led project.



Altogether 55 representatives, one from each PO participated in the event. MMI team and selected SBKS leaders facilitated the workshop. In fact, like preceding years, SBKS organized this annual review workshop to learn component wise lessons, experiences, challenges faced during implementation with

participation of representatives of Producers Organizations. The event systematically collected experiences made in the project and drawn conclusions from them in order develop an exit of the current MMI and roadmap for new PO-led project. It is notable that during the workshop SBKS had formed new executive committee following election process.

## 6.0 Agro-business development services

### 6.1 Performance of revolving loan fund for business promotion

Information on the performance of 50 POs for the completed cycles of RLF in terms of institutional, financial and borrower sustainability has been shown in Table 2. As of June 2022, a total of 2,318 borrowers of which 1,412 women used this RLF in different value chains with loan tenure from 6-12 months (Table 2).

Table 2: Performance of MMI-RLF at-a-glance

| Indicators                                   | Values           | Remarks   |
|--|------------------|---|
| <b>A. Outreach &amp; Member Satisfaction</b> |                  |   |
| 1. Number of active borrowers                | 2,318            | 100% borrowers are active, which indicates appropriateness of the approach                          |
| 2. Number of women borrowers                 | 1,412            | 61% of the borrowers are women  |
| 3. Attendance rate                           | 100%             | Indicates satisfaction with the quality of PO services and commitment to PO                         |
| 4. Retention rate                            | 100%             | Indicates long-term relevance and satisfaction with the quality of PO services and commitment to PO |
| <b>B. Portfolio Quality</b>                  |                  |   |
| 1. Repayment rate                            | 100%             | As compared to microfinance sector's rate of 98.49%   |
| 2. Portfolio at risk                         | 0%               | As compared to the microfinance sector, which allows for 5-6% risky portfolio                       |
| 3. Arrears rate                              | 0%               | Indicates efficient portfolio management  |
| 4. Loan Loss Rate                            | 0%               | Indicates efficient portfolio management  |
| <b>C. Productivity</b>                       |                  |   |
| 1. Number of loans per farmer accountant     | 53               | The industry average is 254 loans   |
| 2. Amount of loan per accountant (BDT)       | <b>2,383,129</b> | The industry average is BDT 2,500,000-3,000,000 per loan officer                                    |
| <b>D. Efficiency</b>                         |                  |   |
| 1. Cost per borrower (BDT)                   | 451              | The industry average is BDT 1,000-1,200   |
| 2. Cost per assisted member (BDT)            | 371              | The industry average is BDT 800-900   |
| 2. Cost per unit of money lent (BDT)         | 0.0104           | The industry average is BDT 0.15-0.20   |
| <b>E. Profitability and Sustainability</b>   |                  |   |
| 1. Operational self-sufficiency (OSS)        | 229.99%          | The industry average is 110-120%  |
| 2. Financial self-sufficiency (FSS)          | 197%             | The industry average is 105-110%  |
| 3. Return on assets                          | 4.04%            | Positive trend indicates longer-term sustainability   |

N.B.: Industry averages were calculated based on reports of Credit Development Forum, Palli Karma-Sahayak Foundation, and the Institute of Microfinance.

Profitability and sustainability ratios reflect the RLF's ability to continue operating and growing in the future. Operational self-sufficiency (OSS) and financial self-sufficiency (FSS) are the most basic

measurements of sustainability, indicating whether revenues from operations are sufficient to cover all operating expenses. The breakeven point of an operation is 100%. The OSS and FSS of MMI-RLFs are 230% and 197%, respectively. These numbers are very promising. The numbers are so high due to the atypically low operating expenses of the MMI RLF—lower than traditional microfinance programs.

While making loan decisions, MMI POs are trained to consider the drivers behind OSS and FSS: loan size, portfolio yield, low financial expenses, efficient operations, and external factors, such as inflation and market rates. This helps to ensure the high success and sustainability of the MMI-RLF mechanism.

## 6.2 Leverage of Common Facility Centres (CFCs)

Blended investment of FOs and MMI for establishment of common facility centres (CFCs) at each PO is now paying-off. These CFCs are supporting smallholder farmers by reducing production costs by 6 to 10 per cent. Instead of buying high-priced inputs such as fish, cattle and poultry feed from companies, these are now produced directly by the FOs at the CFCs equipped with a chopper, crusher, and mixture machines for cattle feed, and a crusher and pellet machine for fish and poultry feed. They also extend production and logistics support like sorting, grading, storage, transportation, land cultivation, harvesting, training, and retail services.

As of 30 June 2022, these CFCs generated income of BDT 2,365,352 (USD 27,504) as service fees, while in September 2021 income was BDT 1,621,877 (USD 18,950). Parts of the profit are fed to increase size of FO's revolving loan fund (RLF), meaning that more credit is available for members. According to the performance assessment, 87% of FOs were able to provide services based on the needs of their members, due, in great part, to the CFCs.

## 6.3 Consultation meetings with cluster farmers

A consultation meeting with marginal and smallholder cluster farmers of coastal areas was held on 11 April 2022 at BRAC Learning Centre, Barishal with the participation of identified cluster farmers of the districts of Patuakhali, Pirojpur, Gopalganj, Jashore, Satkhira, Narail, Faridpur, Rajbari and Magura who produce mung-bean, watermelon, guava, onion, fish, linseed, sesame, etc.. The main objectives of the workshop cum meeting were to share the workings and approaches of MMI-led farmer organizations and chalk out a plan for the implementation of ACCESS project. With the same objectives, another consultation meeting was organized on 19 April 2022 at BRAC Learning Centre, Rangpur with the marginal and smallholder cluster farmers of Barind and drought-prone areas. The participants were identified cluster farmers from the districts of Bogura, Sirajganj, Pabna, Natore, Thakurgaon, Dinajpur and Joypurhat who produced onion, aromatic rice, arum, fish, honey, milk products, medicinal plants, wheat, etc.

## 6.4 Crowd-in financing for smallholder farmers

Since the start of the project, a total of 1,368 farmers (587 females and 781 males) of 49 FOs received bank loans from 13 national commercial banks (NCBs) totalling approximately USD 911,889. During the reporting period, FOs received a total financing of USD 123,214 (see Table 3 below for details). The main purposes of these loans were: crop cultivation, vegetable production, *Sonali* chicken rearing, fish farming, and dairy farming. As the main cropping season fell within this period, loan activity increased considerably. It was a positive sign that banks were willing to engage in repeat lending for members of the FOs they already worked with during previous years, and in many cases increased the lending amounts per PO,

indicating they were satisfied with repayment rates. There were also several new PO-bank linkages, with 4 new banks providing loans to PO members.

The loans had a 4% to 9% interest rate spread. In the northern region, the banks provided loans to the members of 28 FOs. In the southern region, banks extended loans to members of 21 FOs. While extending loans, the banks considered FOs' social capital as suitable collateral. They did not require legal papers of physical assets from PO members to extend bank financing.

In addition to national commercial banks, 24 FOs approached some government agencies/project (non-bank financial institutions) for special loans. During the reporting period, 292 PO members including 186 females received USD 48,365 as collateral-free group loans, while cumulative loan from NBFIs stood at USD 180,609 since the start of the project. These loans were used for onward lending to members for cattle fattening, fish farming, *Sonali* chicken rearing, seed production, and cropping. Among these borrowers, 383 were females and 234 males.

## 6.5 Value chain development activities

### Potato Export: 3rd year inauguration

The potato export program was organized at Pairabind farmer growth center, Mithapukur, Rangpur on 16 March 2022. For the third year in a row, 4 potato producer cooperatives came together in Pairabandh, Mithapukur, to inaugurate this year's export. Many joined the celebration, including the Secretary of the Ministry of Agriculture, Mr. Md. Sayedul Islam, the Director-General of the Department of Agricultural Extension, Mr. Benojir Alom, private sector exporters and other government extension agency representatives. Farmers from the northern region of Rangpur are increasing their income and ensuring food security for their families by using good agricultural practices—a collection of principles for safe and healthy farming and processing—to grow and sell export-quality potatoes. The success of this initiative is due to a partnership between the Sara Bangla Krishak Society (SBKS), a national network of farmers' organizations, and the UN Food and Agriculture Organization (FAO), under the 'Missing Middle Initiative' project. Through the project, 100 farmers (more than half women) from 4 cooperatives received training in good agricultural practices, as well as pre-production, inspection, and post-harvest assistance.

As a custom, for the third year in a row, FAO-SBKS also organized a pre-season buyer-seller meeting for officials from the Bangladesh Potato Exporters Association (BPEA) to meet smallholder potato farmers. Officials from the BPEA then liaised with foreign buyers to get specifications and orders. As a result, the potato producers have grown 450 metric tons of Santana potato, a high yielding Dutch commercial variety. The producers were also able to procure seeds from the exporters at an affordable price.



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They also grew Diamant, Cardinal, Granola, and Asterix varieties which are in high demand in Malaysia, Nepal, Sri Lanka and countries in the Middle East and North Africa region. It was expected that about 2000 Metric ton potatoes of different varieties would be exported this year. The event's chief guest, Mr. Md. Sayedul Islam, Secretary of the Ministry of Agriculture adds, "I truly appreciate the collaboration between the Missing Middle Initiative of FAO and DAE, BADC, BPEA and producer organizations to strengthen the potato export value chain in Bangladesh and uplift our rural farming community."

### **Demonstration of safe vegetables production following Global GAP and productive alliance**

A virtual training was organized on safe vegetables production following Global GAP and productive alliance on November 1, 2021 where a total of 20 farmers (10 from northern and 10 from southern region) were participated virtually. This training was organized by Sara Bangla Krishak Society (SBKS) and facilitated by Dr M Nazimuddin, Senior Scientific Officer, Horticulture Research Center, Bangladesh Agricultural Research Institute (BARI). Main objective of this training was to promote safe and nutrition dense vegetables production technologies amongst smallholder farmers for better health and better lives. Major discussion and demonstration topics were: selection of demonstration sites in participation with FOs and assess the socioeconomic condition of the smallholder farmers; need assessment of appropriate technologies in participation of farmers, preparing outline to provide hands-on training to the smallholders farmers to adopt GAP process and technologies, demonstration of innovation and technology in sites specific to the agro-ecological conditions and socio-economic needs of the households, giving ideas on soil amendment inputs; nutrient and microbes rich based vermicompost (neem based), Biologically active organic fertilizer (BAOFER), household waste compost, water hyacinth/straw based municipal waste compost, microbial consortium BARI IMO 1, BARI IMO 2 (Liquid), liquid fertilizers, bio slurry based co-composted fertilizers, etc.

### **Meet the exporter: 3rd round Potato Buyer-seller meeting**

MMI supported four producers' organization (PO): 1) Kaliganj Para IAPP Krishak Samobay Samity, Mithapukur, 2) Birhim IAPP Krishak Samobay Samity, Pirgancha, 3) Jyotshosti Cooperative and 4) Dhontola IAPP Krishak Samity, Bodorganj, has organized 3rd round Potato Buyer-seller meeting at the conference room of Regional Additional Director, DAE, Rangpur region on 29 November 2021. While the overall objective was to develop a value chain linkage between MMI potato growers and exporters to ensure a fair price, the specific objectives were to assess demand of exporters in terms of variety, size/grade, production practice; negotiate on fair pricing, collection (loading, unloading), packing; and build a strong relationship with potato exporter association. Besides potato growers personnel from Department of Agricultural Extension (DAE), Bangladesh Potato Exporters Association (BPEA) and other stakeholders were present in the meeting. Major discussion issues were buyer requirements, varieties to be grown,

GAP including Phyto-sanitary Certificate (PC) and International Standard for Phyto-sanitary Measure (ISPM), pre-shipment plan for collection of potatoes from farmers collection points.

### **Buyer-Seller Meeting Commodity: Mungbean**

A virtual Buyer-Seller Meeting on Mungbean was organized on December 9, 2021 with the participation of MMI supported mungbean cooperatives, exporters, DAE quarantine wing and Hortex Foundation. While the overall objective was to develop a value chain linkage between MMI mungbean producer cooperative and exporters to ensure a competitive price, the specific objectives were to assess demand of exporters in terms of variety, size/grade, production practice; negotiate on fair pricing, collection (loading, unloading), packing; and build a productive alliance among exporters, mungbean producer cooperatives, DAE and Hortex Foundation. In fact, MMI has introduced a community based approach 'Seed Village', where mungbean seeds has been producing in a compact area. The Bangladesh Agricultural Development Corporation (BADC) is providing foundation seeds to the cooperatives and buy-back certified seeds. Besides, seed production scheme for BADC, the cooperatives have surplus seeds mitigating local demands. They need linkage with more institutional buyers to get a fair price. Recently some exporters have approached the Hortex Foundation to facilitate linkage with potential mungbean seed growers for exporting mungbean seeds to Japan and South Korea where an unmet demand exists for mungbean sprout. In Japan, mungbean are needed to produce bean sprouts, one of the most consumed vegetables. Although, mungbean sprout is a popular food dish in Japanese food basket, all the supplies of mungbean in Japan are imported. Participant from Grameen Euglena informed that about 77 percent are from China while 22 percent are supplied by Myanmar according to 2018 trade statistics. So there is good opportunity for MMI producers to meet demand of the consumers of those countries.

### **Training on Community based organic practices**

Two batches physical training on community based safe vegetables production were organized at Barishal and Rangpur region on 29 December 2021 and 9 January 2022, respectively. The main objectives of the training were to give practical knowledge and skill on soil amendment inputs; nutrient and microbes rich based vermicompost (neem based), Biologically active organic fertilizer (BAOFER), household waste compost, water hyacinth/straw based municipal waste compost, microbial consortium BARI IMO 1, BARI IMO 2 (Liquid), liquid fertilizers, bio slurry based co-composted fertilizers, etc. This training was facilitated by Bangladesh Agricultural Research Institute (BARI) in cooperation with Department of Agricultural Extension (DAE). A total 44 farmers attended in training session and actively participated in the training in 2 locations. Each farmer owned around 0.33 acre land suitable for growing vegetables. As a result of the training a total of 19 demonstrations established in two location where 10 from Barisal and 9 from Rangpur. From these trainings farmers learned about adequately tested vegetables varieties (e.g. tomato, brinjal, cucurbits) suitable for low input organic condition intercropped with short duration soil enhancing vegetables, production methods using trap crop or barrier crops tech (BACT), mulching (live, straw, plastic etc.) at least 6-8 crops at a time, pest exclusion net (PEN) technology and plastic mulch; plant growth stimulant from organic origin, pest management techniques using neem, Mahogany oil & oil cake, egg emulsion, fermented fish emulsion, postharvest management (washing, packing etc.) and detoxification of products etc.

### Community Webinar on Digital Inclusion of Smallholder Farmers

A community webinar titled “Digital Inclusion for Smallholder Farmers” was organized on 7 February 2022 with objectives to map existing digital solutions for smallholders to market their products; bridge digital start-up companies with producers organizations; explore a game changing digital solutions to enable smallholders connecting with upstream value chain actors; and recommend FOssible architecture/features of online marketing platform that connect producers with wholesalers, processors, exporters. Along with the producers main dignitaries were Mr. Md Sayedul Islam, Secretary, Ministry of Agriculture as Chief Guest, Mr Benojir Alam, Director General, Department of Agricultural Extension as Chair, Mr A Gaffar Khan, Director General, Department of Agricultural Marketing, Mr Robert Simpson, FAO Representative in Bangladesh as Special guests and discussant. Dr. Iftikhar Mostafa, Senior Agricultural Economist, The World Bank, Washington DC, USA had moderated the virtual event. Besides, youth leaders from producers’ organizations, VCC operators, and representatives from extension agencies, start-up entities, exporters, wholesalers and retail chain shops were participated and contributed in the webinar.

### Farmers’ Field Day on Safe Vegetable Production

A farmers’ field day was organized by Bangladesh Agricultural Research Institute (BARI) under the Letter of Agreement (LoA) – ‘Demonstrations on safe and nutrition-dense high value vegetable production’ – financed by the FAO-MMI on 12 May 2022 at Badarganj with the objectives of sharing knowledge and skills acquired on top soil management by using bio-fertilizers, pest management by using bio-pesticides, preparation of bio-fertilizers and bio-pesticides (BAUFER, BARI IMO 1, BARI IMO 2) and promoting safe and nutrition-dense vegetable production technologies among smallholder farmers for better health and better lives. Along with farmers, other participants included scientists from BARI, the Department of Agricultural Extension (DAE), and the media.

### Training on Fish Hatchery Operation and Management

A 3-day-long training on fish hatchery operation and management was organized during 5-7 April 2022. Three fishermen’s FOs established a community fish hatchery with the support of FAO-MMI project and SBKS. The training was organized with the objectives of disseminating knowledge and skills on brood fish management and artificial brooding; learning prostaglandin hormone collection, preservation and application; hormone solution preparation, injection, stripping and egg collection; selection and transportation methods of brood; packing and transportation of spawn; and gaining technical and administrative skills for successful hatchery operation.

Fish farmers from both Barishal and Rangpur participated in the training. The main resource person for the training was Dr Kohinoor Ahmed, Chief Scientific Officer (CSO), Bangladesh Fisheries Research Institute (BFRI), Mymensingh.



### Meeting with vegetable and sesame exporters

In August, during the final support mission, a meeting between SBKS representatives and exporters of vegetables and sesame was organized. All the exporters showed willingness to collaborate as long as SBKS member organizations are able to provide timely supply and consistent quality of produce. Exporters warned that if SBKS wants to act as their agent, they also take on the related risks and need to disFOse of rejects.

### Digital Village Fairs

On 2 April 2022, SBKS organized 50 Digital Village Fairs in Barishal and Rangpur regions to sensitise the villagers about DVI activities with the support of FAO-MMI. In line with the Bengali custom, people from all walks of life participated in the village fairs, which celebrated the launching of digital centres. The digital village service centres (DVSCs) had a stall where the available range of digital services was displayed to visitors. Other participants – ranging from *upazila* agriculture, livestock and fisheries offices to local banks, telecom operators, mobile financial service providers, private nurseries, and input companies also put up stalls for displaying their services and products. Local handicraft workers, potters, bamboo and cane artisans, and cottage food entrepreneurs also came up to sell their produces in the fairs. Some traditional Bengali sports, folk songs and stage dramas were also organized. Around 12,500 people including 40% females participated in DVI activities in these fairs. The colourful events received huge news coverage in both the print and electronic media at local and national levels.



### Virtual consultation meeting on Digital Village and Agri-business

A virtual consultation titled ‘Farmer Producer Organizations and Digital Villages: Inclusive Agri-business Services for Smallholders’ was organized on 28 April 2022 with the aim of sensitising centre operators and leaders about various digital services and the benefits of digital village initiative. Dr Iftikhar Mostafa, Senior Agricultural Economist, The World Bank, moderated the virtual event. Youth leaders from producers’ organizations, VCC operators, and digital village service centre (DVSC) operators participated in the event and made contributions. They opined that DVSCs provided services to the villagers and assisted farmers by passing on information, procuring inputs and selling products in groups to secure better prices. Farmers also used government mobile apps for crop and livestock disease detection cum prevention, assistance with cropping decisions, and getting online guidance on recommended fertilizers.

### Digital Literacy Training

SBKS organized a 2-day-long virtual training on digital literacy after two batches of training for DVSC operators at Barishal and Rangpur in April 2022 (with funding from OSP-FAO). All 55 DVSC operators were trained to use several digital tools that have proven very useful across different initiatives. The participants of the training were able to explain the importance of digital literacy in their everyday and business lives. They understood and were confident about using smartphone, tablet and laptop. They could explain FOsitive uses of social media during different sessions of the training. They learnt about processing digital payments and other applications by using smartphone and tablet. The trainees also enhanced their capacity of imparting training to farmers, especially in getting access to agriculture-related apps by using smartphone. Some advanced participants conducted the sessions alongside FAO digital agriculture specialist.



### Training on mini poultry hatchery technician development

Duck and Sonali chicken producers have procured incubators to produce ducklings and chicks, respectively. As incubator operation is a highly technical job, the FOs arranged for the manufacturers to come and train the PO-selected operators. This series of 2-day hands on trainings took place between June and July 2021. The training covered full machine operation, candling, hatching, egg setting, egg turning, and temperature and humidity control.

### Whiteboard animation video: Farmers' Organizations—Helping Communities Truly Thrive

To support SBKS in capacity building for FOs as well as to showcase MMI's approach of developing strong FOs and the project's achievements, the team developed a script for production of a whiteboard animation video. During the reporting period the draft was finalized. This video is to be part of SBKS' digital extension education portfolio. It has many inspiring messages, but the core message is that farmers' organizations are at the centre of strong rural communities. From building bonds of trust and respect among members to making it FOssible to access finance, markets, and information and technology, they help communities to truly thrive. The final video is now (as of December 2021) publicly available: <https://www.youtube.com/watch?v=YzVJsWyn0y4>.

## 7.0 Social enterprise of SBKS

One of the main objectives of SBKS is developing social enterprises so that dividend goes to all smallholders and profit does not siphoned to non-agricultural activities. Keeping in mind this view SBKS has undertaken following enterprises. SBKS has run a large vermi-compost plant ‘Mahilata’ at its own cost in northern region with an aim to improve soil health as organic matter depleting gradually in northern drought-prone Barind region. It is producing high quality vermicompost which have high demand to the farmers, research centers, and extension agencies as well as it earns revenue for the apex. Besides, SBKS has established SBKS-JST fish hatchery with the support of FAO-MMI project and SBKS with the objectives to produce quality fingerlings to sell among the fish farmers. SBKS and the three POs have proposed to develop hatchery technicians by imparting training on hatchery operation and management.

## 8.0 Advocacy initiatives

- Persistent Advocacy with Central Bank for group loan:** Both SBKS and FAO have been advocating with the Ministry of Agriculture and Bangladesh Bank (the central Bank) since the MMI was launched in May 2018 for disbursement of agricultural loans to smallholder farmers through FOs without collateral. SBKS has been strongly showcasing Bank-PO linkage at MMI, with more than 11 banks disbursing loans after considering the FOs’ robust governance as social capital. In accordance with the decision of the Project Steering Committee (PSC), the Secretary, Ministry of Agriculture (MoA) sent a demi-official letter to the Governor of Bangladesh Bank, dated 6 June 2022, urging Bank-PO linkage for disbursing loans to the smallholders. Bangladesh Bank replied to the letter of Secretary, MoA on 30 June 2022 and consented to the proFOsed partnership approach for financing smallholders via Farmers’ Organizations (FOs) through twin-track: (1) Bank-PO partnership; and (2) Agent banking with FOs. This has been finally reflected in this year’s Agricultural and Rural Credit Policy and Programme for FY2022-23.
- Bank-Farmer Organization linkage:** State-owned specialized and commercial banks, as well as foreign and national commercial banks, that don’t have many branches at the district or upazila level, may explore partnership with sustainable farmer organizations mobilized by the government extension agencies—Department of Agricultural Extension (DAE), Department of Livestock Services (DLS) and Department of Fisheries (DoF). At present, SBKS has been collaborating with 55 farmer organizations mobilized under different completed projects of DAE, DLS and DoF – which may be an example of sustainable FOs in terms of savings and credit management, investment in agribusinesses, record-keeping, financial management and inclusive leadership.
- Agent banking with FOs:** SBKS has been mobilizing FOs for agent banking as an alternative agricultural credit delivery channel; banks can consider sustainable FOs as agents in their respective areas. According to the ‘Agent banking guideline’, farmer organizations that are registered with the Department of Cooperatives would be eligible to apply for agent banking.

## 9.0 Visits

### Regional Conference for Asia and the Pacific (APRC) virtual tour

As a part of APRC thirty-sixth Session of the Regional Conference for Asia and the Pacific virtual visit was organized for showcasing MMI activities. As there was limitation on physical movement, so virtual tour was organized from three locations of MMI activities in Bangladesh. The virtual tour was organized on March 8 and 11, 2022 for several stakeholders. The main objectives of the virtual tour were to demonstrate how strong FOs and digitalization work together to build a resilient farming society and food system, how households connected digitally under DVI support, how FOs are reducing production cost., how FOs are acting as an agent of bio-diversity, performing and supporting to the community, how FOs are connected with upstream actors of the value chain. The FOs showcased their growth center, commercialization, diversification and mechanization processes.

In fact, this APRC was a forum to discuss current country and regional priorities and pressing issues in the region such as the impact of COVID-19, the state of agriculture, natural resources management, food security and nutrition. It was an opportunity for FOs of MMI to highlight examples of partnerships, innovation and digital technologies that are helping community to improve food security and nutrition in front government and UN officials, donors and private sector actors.

### Visit of Regional Program Leader and FAOR Bangladesh

Takayuki Hagiwara, Regional Programme Leader, FAORAP and Robert Simpson, FAO Representative, FAOBD paid an important visit at Rangpur region during 14 – 15 March 2022. They visited activities of Sara Bangla Krishak Society (SBKS) and its member FOs: Rajendrapur Samaj Kalyan Sangstha, Kashimpur Bagherbazar IAPP Krishak Samobay Samity, Osmanpur Khamarer Danga Agricultural Coop Ltd., Dhontola IAPP Farmers Coop Ltd, and Bottoli Farmer Coop Ltd.



During their visit they observed digital village activities, virtual call center activities, present business plan prepared by PO using RuralInvest toolkit, CRR cheque distribution, demo of RIV on seed village, seed village principle, constraints associated with farmers' breeders, community farm machinery shed, seed store, grain Storage Credit Scheme, cattle and goat vaccination and deworming, common facility center, cattle feed and fodder preparation, nutrition garden, digital services, milk collection for private chilling

plant, safe vegetables plot and collaboration with BARI, Pest Exclusion Net Technology (PENT), Barrier Crop Technology (BACT). Moreover they participated in a meeting organized for youth farmers. They heard the agro-voices from the youth farmers and gave them some unique ideas for future agriculture.

#### **Visit by Bangladesh Steel Re-rolling Mill Ltd. (BSRM)**

A private sector mission comprising Senior Adviser of Corporate Social Responsibility (CSR), Bangladesh Steel Re-rolling Mill Ltd. (BSRM) and FAO partnership officer has visited some FOs in northern region from 7-8 November 2021 with an aim to assess investment needs for FOst-harvest solutions of cereals and seeds. SBKS has showcased a pilot loan product namely 'Grain storage credit scheme' where smallholder farmers can store paddy, maize, pulses and seeds during seasonal glut to avoid price fluctuation and take loan from FOs to mitigate immediate expenses for investing consecutive crop cultivation. The BSRM has showed interest to co-invest with SBKS for this scheme next year.

#### **Exchange Visit by Livestock and Dairy Development Project's (LDDP) Agribusiness Team**

The Livestock and Dairy Development Project (LDDP) is the largest project of its kind in Bangladesh. It is supported by a credit worth USD 500 million from the World Bank. An agribusiness team from the LDDP paid a lesson-learning visit to the MMI farmer organization Panjovanga Dairy Women Cooperative Ltd. in Kawnia upazila of Rangpur on 30 May 2022 to learn about its activities and achievements. The LDDP team comprised four agribusiness consultants: Dr Jasim Uddin, Md Abul Kalam Azad, Md Rezaul Karim, and Md Mudasser Billah. They conducted a focus group discussion with the cooperative members regarding dairy farming, financing, feeding, milking, marketing, current and future challenges, etc. The team appreciated the community ventures of the cooperative and lauded the accomplishment of planned activities despite the existence of so many obstacles and challenges. The team also sought help for replicating this dairy cooperative model.

#### **Visit by Asia-Pacific Farmers' Platform of International Fund for Agricultural Development (IFAD)**

Mr Nilushana Sooriyaarachchi, Agribusiness Development Consultant of IFAD, Mr Mujibul Haque Munir, Joint Director of COAST Bangladesh, and Mr Amirul Islam, AFA Representative for Bangladesh and South Asia visited the Dhontola IAPP Krishi Cooperative Ltd, and the Digital Village Service Centre, Badarganj on 18 April 2022. They participated in a meeting organized by SBKS. The main objective of the visit was to understand community business model by using RuralInvest, operation of revolving loan fund of SBKS as apex body of farmer organizations, and role of FOs as members of SBKS. The team requested SBKS to submit three business proFOsals, one from each champion PO, for FOssible future financing through revolving loan fund. SBKS agreed and mentioned that such revolving loan should be operated in accordance with SBKS Standard Operating Procedure (SOP) for revolving loan operation.

#### **Learning Visit by ECTAD**

Dr Eric Brum along with his team from the Emergency Centre for Trans-boundary Animal Diseases (ECTAD) of FAO visited the Lahirimohanpur Milk and Processed Milk Producers' Cooperative on 10 April 2022 with the objective of understanding the whole dairy value chain of the organization. The team observed the applications of RuralInvest – a FAO software that helps prepare and evaluate small and medium-sized

agricultural cum rural investment projects and bankable business proFOSals; Collect Mobile – a digital monitoring data collection app that feeds into the MMI central M&E dashboard; MBWin – a digital tool for rural finance and revolving loan operation; collection and chilling of milk, and the manufacturing processes of cream, *channa*, *ghee* (clarified butter) and cattle feed.

### Exchange Visit to Digital Villages of Southern Bangladesh by FAO-GEF Team

An exchange visit team comprising government counterparts (Department of Fisheries), pond fishermen, and FAO-GEF project personnel visited three Digital Villages of southern region during 29-31 May 2022 to learn about how farmers benefitted from digital village service centres (DVSCs). The participants learnt about how the DVSCs operated. The Producer Organizations (FOs) and their apex body - the Sara Bangla Krishak Society (SBKS), helping farmers to sell their commodities, buy essential inputs and services, and share best practices and guidelines during the present critical juncture, manage these centres. The visitors observed that the producers and villagers were getting instant services from DVSCs, as a result of which their output and income increased and the risks cum costs went down. The youths of these areas were encouraged by getting digital services and they are now being engaged in various agri-businesses. The team also learnt that because of interventions by FAO and SBKS, many farming communities now have 'full farmer business ecosystems' in place comprising 14 value chains. These 'ecosystems' have a strong and inclusive farmers' organization (FO) at the centre, with access to finance through a holistic, PO-led revolving loan fund, digital literacy, business planning skills, and common facility centres.



### Visit by Bill and Melinda Gates Foundation Representative:

Mr Siddharth Chaturvedi, Senior Program Officer of Bill and Melinda Gates Foundation, Agriculture Development Asia visited two MMI farmer organizations in Badarganj Upazila – Sebadankari Cooperative Ltd and Digital Village Service Centre (DVSC) – on 19 September 2022. He sought to know the digitalisation process of agribusiness and service activities, the revolving loan fund (RLF), and savings management. In addition, he also participated in a meeting organized by the cooperative and Sara Bangla Krishak Society (SBKS).

**10.0 Audited financial statement**

Solution...Begins

**Rahman Mostafa Alam & Co.**  
Chartered Accountants

**Independent Auditors' Report**

To the Members of

**Sara Bangla Krishak Society****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Sara Bangla Krishak Society (The entity)**, which comprise the Statement of Financial Position as at June 30, 2022, Statement of Income and Expenditure, Statement of Receipts and Payments Account, Statement of Changes in Fund Account for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 01 to 32 and Annexure-A & B.

In our opinion, the accompanying financial statements present fairly in all material respect the financial position of the entity as at June 30, 2022 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Societies Registration Act 1860 and other applicable rules and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Executive committee and Those Charged with Governance for the Financial Statements**

Executive committee is responsible for the preparation and fair presentation of financial statements in accordance with IFRSs, the Societies Registration Act 1860 and other applicable rules and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Principal Office** : Paramount Heights (7th Floor, D2 & C1), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka- 1000, Phone: +88-02-223383449, 47122659, Mob: 01914284705, 01819225339, E-mail: rmadhaka@gmail.com, Web: www.rmabd.com  
**Branch Office (Dhaka)** : House # 195 (3rd Floor, C-3), Road # 1, New DOHS, Mohakhali, Dhaka-1206, Phone: +88-02-9834313, Mob: 01920 911976, 01819224976, 01819225339, E-mail: rmadhaka@gmail.com, Web: www.rmabd.com  
**Branch Office (Chattogram)** : Al Madina Tower (6th Floor), 88/89, Agrabad C/A, Chattogram-4100, Phone: +88-02-33325314, Mob: 01818127520, 01819225339, E-mail: rmactg@gmail.com, Web: www.rmabd.com



**Rahman Mostafa Alam & Co.**  
Chartered Accountants




As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Firm's Name** : Rahman Mostafa Alam & Co., Chartered Accountants

**Signature** : 

**Auditors' Name** : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

**Date** : 12 FEB 2023

**Place** : Dhaka

**DVC** : 2302121204 AS 520503



Rahman Mostafa Alam & Co.  
Chartered Accountants


Sara Bangla Krishak Society  
Statement of Financial Position

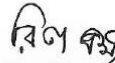
As at June 30, 2022

| Particulars                                  | Note  | Amount in Taka    |                   |
|--|-------|-------------------|-------------------|
|  |       | June 30, 2022     | June 30, 2021     |
| <b>Assets:</b>                               |       |                   |                   |
| <b>Non-Current Assets:</b>                   |       |                   |                   |
| Property, Plant and Equipment                | 3.00  | 374,691           | -                 |
| <b>Investments:</b>                          |       | <b>147,000</b>    | <b>147,000</b>    |
| Investment on Agriculture Inputs             | 4.00  | 147,000           | 147,000           |
| <b>Current assets:</b>                       |       | <b>80,068,280</b> | <b>58,561,470</b> |
| Revolving loans to Farmers' Organization     | 5.00  | 56,994,000        | 51,408,000        |
| Entrepreneur loans to Farmers' Organization  | 6.00  | 800,000           | 100,000           |
| Investment in Fixed Deposit Receipts (FDR)   | 7.00  | 10,257,400        | -                 |
| Interest receivable on FDR                   | 8.00  | 87,413            | -                 |
| Trade and others receivables                 | 9.00  | 393,290           | -                 |
| Cash and cash equivalents                    | 10.00 | 11,536,177        | 6,821,439         |
| Inventory                                    | 11.00 | -                 | 232,031           |
| <b>Total assets:</b>                         |       | <b>80,589,971</b> | <b>58,708,470</b> |
| <b>Fund and liabilities:</b>                 |       |                   |                   |
| <b>Fund:</b>                                 |       |                   |                   |
|  |       | <b>79,025,167</b> | <b>57,885,521</b> |
| Cumulative surplus                           | 12.00 | 159,704           | 133,521           |
| Revolving loan fund of Farmers' Organization | 13.00 | 60,480,000        | 57,456,000        |
| COVID-19 Recovery Revolving (CRR) Loan Fund  | 14.00 | 6,003,890         | -                 |
| MMI grants fund                              | 15.00 | 3,087,073         | 296,000           |
| Fund regional transport hub                  | 16.00 | 9,294,500         | -                 |
| <b>Current liabilities:</b>                  |       | <b>1,564,803</b>  | <b>822,949</b>    |
| Loan loss reserve                            | 17.00 | 546,010           | 257,040           |
| Investment of Farmers' Organization in SBKS  | 18.00 | 475,000           | 475,000           |
| Other liabilities                            | 19.00 | 9,267             | 35,351            |
| Accruals and provisions                      | 20.00 | 534,526           | 55,558            |
| <b>Total fund and liabilities</b>            |       | <b>80,589,971</b> | <b>58,708,470</b> |

The accompanying policies and explanatory notes 1-32 and Annexure A & B form an integral part of these Financial Statements.

  
Treasurer

  
General Secretary

  
President

Signed in terms of our separate report of same date.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : 12 FEB 2023

Place : Dhaka

DVC : 230212 1204 AS 520503





Rahman Mostafa Alam & Co.  
Chartered Accountants

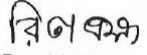
**Sara Bangla Krishak Society**  
**Statement of Income and Expenditure**  
For the year ended on June 30, 2022

| Particulars   | Notes | Amount in taka                       |                                      |
|---|-------|--------------------------------------|--------------------------------------|
|   |       | July 01, 2021<br>to<br>June 30, 2022 | July 01, 2020<br>to<br>June 30, 2021 |
| <b>Income:</b>  |       |                                      |                                      |
| Sale of agriculture goods   | 21.00 | 184,364                              | 359,530                              |
| Service charge from revolving loan to Farmers' Organization       | 22.00 | 963,618                              | 498,052                              |
| Subscription from Farmer's Organization                           | 23.00 | 104,300                              | 11,500                               |
| Bank interest   | 24.00 | 65,729                               | 39,751                               |
| Grant income (MMI fund)   | 25.00 | 2,473,753                            | 40,000                               |
| Interest on Fixed Deposit Receipts (FDR)                          | 8.00  | 87,413                               | -                                    |
| Income of FOs of regional transport hub (Logistic officer salary) | 16.03 | 253,500                              | -                                    |
| Income from investment of Agriculture inputs                      |       | 9,871                                | -                                    |
| Other income  |       | 21,300                               | 1,500                                |
| <b>Total income</b>   |       | <b>4,163,848</b>                     | <b>950,333</b>                       |
| <b>Expenditure:</b>   |       |                                      |                                      |
| Cost of agriculture goods sold                                    | 26.00 | 232,031                              | 461,666                              |
| Production cost on Vermi compost plant                            | 27.00 | -                                    | 69,100                               |
| Production cost on moringa cultivation                            | 28.00 | -                                    | 11,280                               |
| General operating expenses  | 29.00 | 513,536                              | 72,845                               |
| Salary and allowance  | 30.00 | 518,000                              | 40,000                               |
| Workshop and training expenses                                    | 31.00 | 2,473,753                            | -                                    |
| Loan loss expenses  | 17.00 | 288,970                              | 257,040                              |
| Depreciation on fixed assets                                      |       | 100,153                              | -                                    |
| <b>Total expenditure</b>  |       | <b>4,126,443</b>                     | <b>911,931</b>                       |
| <b>Surplus/(deficit) before tax</b>                               |       | <b>37,405</b>                        | <b>38,402</b>                        |
| Less: Current tax expense   | 32.00 | 11,221                               | 11,521                               |
| <b>Net Surplus/(deficit) after tax</b>                            |       | <b>26,183</b>                        | <b>26,881</b>                        |

The accompanying policies and explanatory notes 1-32 and Annexure A & B form an integral part of these Financial Statements.

  
Treasurer  
স্বাক্ষরিত  
কোষাধ্যক্ষ

  
General Secretary  
মোঃ খুবায়দুল হক  
সারা বাংলা কৃষক সোসাইটি  
বাংলাদেশ।

  
President  
রিভা ব্রিঙ্ক  
সভাপতি  
সারা বাংলা কৃষক সোসাইটি

Signed in terms of our separate report of same date.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : 12 FEB 2023

Place : Dhaka

DVC : 2302121204AS520503





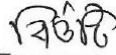
Rahman Mostafa Alam & Co.  
Chartered Accountants

Sara Bangla Krishak Society  
Statement of Receipts and Payments Account

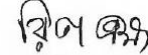
For the year ended on June 30, 2022

| Particulars   | Notes | Amount in taka                       |                                      |
|---|-------|--------------------------------------|--------------------------------------|
|   |       | July 01, 2021<br>to<br>June 30, 2022 | July 01, 2020<br>to<br>June 30, 2021 |
| <b>Opening balance</b>                                      |       | <b>6,821,439</b>                     | <b>400,510</b>                       |
| Cash in hand  |       | 864                                  | 4,520                                |
| Cash at banks   |       | 6,820,575                            | 395,990                              |
| <b>Receipts:</b>  |       | <b>124,026,924</b>                   | <b>68,420,014</b>                    |
| Investment on Agriculture Inputs return                     | 4.00  | 147,000                              | -                                    |
| Revolving loan fund of SBKS                                 | 5.00  | 98,582,400                           | 9,676,800                            |
| Entrepreneur loans from Farmers' Organization               | 6.00  | 500,000                              | -                                    |
| Revolving loan fund of Farmer's Organization                | 13.00 | 3,024,000                            | 57,456,000                           |
| COVID-19 Recovery Revolving (CRR) Loan Fund                 | 14.00 | 6,003,890                            | -                                    |
| MMI grants fund   | 15.00 | 5,438,426                            | -                                    |
| Fund regional transport hub                                 | 16.00 | 9,027,200                            | -                                    |
| Investment of Farmers' Organization                         | 18.00 | -                                    | 241,000                              |
| Other liabilities   | 19.00 | 916                                  | 135,881                              |
| Sale of agriculture goods                                   | 21.00 | 138,274                              | 359,530                              |
| Service charge from revolving loan to Farmers' Organization | 22.00 | 963,618                              | 498,052                              |
| Subscription from Farmer's Organization                     | 23.00 | 104,300                              | 11,500                               |
| Bank interest   | 24.00 | 65,729                               | 39,751                               |
| Income from investment of Agriculture inputs                |       | 9,871                                | -                                    |
| Other income  |       | 21,300                               | 1,500                                |
| <b>Total receipts</b>                                       |       | <b>130,848,363</b>                   | <b>68,820,524</b>                    |
| <b>Payments:</b>  |       | <b>119,312,186</b>                   | <b>61,999,085</b>                    |
| Property, Plant and Equipment                               | 03.00 | 474,844                              | -                                    |
| Investment in Biological Assets                             |       | -                                    | 448,477                              |
| Investment on Agriculture Inputs                            | 4.00  | 147,000                              | 147,000                              |
| Revolving loans to Farmers' Organization                    | 5.00  | 104,168,400                          | 61,084,800                           |
| Entrepreneur loans to Farmers' Organization                 | 6.00  | 1,200,000                            | 100,000                              |
| Investment in Fixed Deposit Receipts (FDR)                  | 7.00  | 10,257,400                           | -                                    |
| Repayment of other liabilities                              | 19.01 | 27,000                               | 145,000                              |
| General operating expenses                                  | 29.00 | 423,236                              | 22,845                               |
| Salary and allowance  | 30.00 | 481,000                              | 40,000                               |
| Workshop and training expenses                              | 31.00 | 2,073,447                            | -                                    |
| Audit Fees  |       | 25,000                               | 5,000                                |
| Web development expenses                                    |       | 25,000                               | -                                    |
| Advance Income Tax  |       | 9,859                                | 5,963                                |
| <b>Closing balance:</b>                                     |       | <b>11,536,177</b>                    | <b>6,821,439</b>                     |
| Cash in hand  |       | 254                                  | 864                                  |
| Cash at bank  |       | 11,535,923                           | 6,820,575                            |
| <b>Total payments:</b>                                      |       | <b>130,848,363</b>                   | <b>68,820,524</b>                    |

The accompanying policies and explanatory notes 1-32 and Annexure A & B form an integral part of these Financial Statements.

  
Treasurer  
সোহাগর বিউটি পাতুল  
কোম্পানী  
সারা বাংলা কৃষক সোসাইটি

  
General Secretary  
সারা বাংলা কৃষক সোসাইটি  
সারা বাংলা কৃষক সোসাইটি  
সারা বাংলা কৃষক সোসাইটি

  
President  
সারা বাংলা কৃষক সোসাইটি  
সারা বাংলা কৃষক সোসাইটি  
সারা বাংলা কৃষক সোসাইটি

Rahman Mostafa Alam & Co.  
Chartered Accountants



Sara Bangla Krishak Society  
Statement of changes in Fund Accounts  
As at June 30, 2022

| Particulars                     | Revolving loan fund of Farmer Organization | COVID-19 Recovery Revolving (CRR) Loan Fund | MMI grants Fund  | Fund regional transport hub | Cumulative Surplus | Total             |
|---------------------------------|--|---|------------------|-----------------------------|--------------------|-------------------|
| <b>Balance at June 30, 2020</b> | -  | -   | 336,000          | -                           | 106,640            | 442,640           |
| Addition during the year        | 57,456,000                                 | -   | -                | -                           | 26,881             | 57,482,881        |
| Adjustment during the year      | -  | -   | 40,000           | -                           | -                  | 40,000            |
| <b>Balance at June 30, 2021</b> | <b>57,456,000</b>                          | -   | <b>296,000</b>   | -                           | <b>133,521</b>     | <b>57,885,521</b> |
| <b>Balance at June 30, 2021</b> | <b>57,456,000</b>                          | -   | <b>296,000</b>   | -                           | <b>133,521</b>     | <b>57,885,521</b> |
| Addition during the year        | 3,024,000                                  | 6,003,890                                   | 5,438,426        | 9,548,000                   | 26,183             | 24,040,499        |
| Adjustment during the year      | -  | -   | 2,647,353        | 253,500                     | -                  | 2,900,853         |
| <b>Balance at June 30, 2022</b> | <b>60,480,000</b>                          | <b>6,003,890</b>                            | <b>3,087,073</b> | <b>9,294,500</b>            | <b>159,704</b>     | <b>79,025,167</b> |

  
Treasurer

সারাবাংলা কৃষক সমাজসংগঠন  
সভাপতি

  
General Secretary



  
President

সারাবাংলা কৃষক সমাজসংগঠন  
সভাপতি

