

Project Completion Report

On

Promote private extension service by incorporating Local Service provider and
Sub-dealer under service network



Submitted to



Bangladesh Aquaculture and Nutrition Activities (BANA)
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Abbreviation

VASC	Victor Feeds Aquaculture Service Center
QFSG	Quality Fish Seed Group
LSP	Local Service Provider
FFD	Farmers Field Day
ToT	Training of Trainee
MT	Metric Ton
NO	Nursery Owner
PW	Patilwala
LA	LSP Association
MRP	Market Rate Price
TP	Trade Price
BMP	Better Management Practice
GAP	Good Aquaculture Practice
SOP	Standard Operation Procedure

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Executive Summary

At the beginning of this project, marketing and expansion of fish feed were not up to mark for Victor Feeds Ltd. There were some limitations behind that gloomy situation. Intending to strengthening this sector, Victor Feeds Ltd had applied in 2018 to get grants from WorldFish regulated BANA project. The purpose of that grant agreement was to provide support to Victor Feeds Ltd. so that the company could be able to expand and distribute their good quality readymade feed into new but underserved areas through incorporating different market actors along with the feed distribution channel. The company aimed to draw the attention to small scale farmers and to get accustomed to them in feed using during fish farming.

Therefore as a pilot basis, a new marketing plan was designed and the name of that project was given as “Promote private extension service by incorporating Local Service provider and Sub-dealer under service network” that was implemented in four Districts (Rajbari, Faridpur, Bagerhat and Chuyadanga) to establishing 12 VASC (Victor Feeds Aquaculture Service Center) and 53 Sub-VASC, 637 market actors (12 Dealers, 25 Sub dealers, 150 nursery owners, 300 Patilwalas, 120 LSP association members, 30 QFSG members, 20400 Farmers. The project was commenced started on 1st June '19 and ended up on 31st May '20.

As per project design, Victor carried out different business promotional activities to gain the client's attention and to create brand appeal. The promotional activities were included staff's ToT training, Market actor's engagement, market actor's capacity building events, service center establishment (VASC-Victor Feeds Aquaculture Service Center), farmer's linkage through market actors, promotional materials development, enrichment of service centers providing different supporting materials like leaflet, festoons etc. the establishment of demo's, conducting FFD and award-giving events etc. Besides, to strengthen the relationship between dealers/ sub-dealers and LSPs (Local Service Provider) and to reduce the conflicts, the company had trialed different incentive models to get functional their activities. To increase farm-level profitability and economic well-being of the beneficiary's 14 Service Centers were developed and linked with trained LSPs to make available different technical supports, supervision, water testing facilities and capacity building events (Farmer training) for farm owners.

From the beginning, the company endeavored to maintain the Gantt chart activities as planned. Staff recruitment process and their ToT training were earlier but due to having a huge target of market actors, the company had consumed a significant time to select and finalize the effective market actors who suppose to work with the company. Consequently, the rest of the activities became slowed down and the final disaster exhibited while the COVID-19 crisis out broken over the country since March '20. As per the partnership contract, the company was committed to establish 65 service centers in the respective project areas but only 14 service centers were established before COVID-19. On the other hand, the company was able to finalize 434 market actor lists who received hands-on training through 18 batches out of 25 batches (637 Market actors), and simultaneously, the company reached 1727 Farmers through 57 batches. Due to the COVID-19 situation the company fully unable to accomplish the rest of planned tasks which directly impact on project completion, burning budget and achieving planned target as well.

Moreover, the company perceived that one-shot business communication is not enough to create a brand image and to sustain in the feed marketing regime. Though the company's fish feed sales were increased a significant amount from 104.1 MT to more than 848.5 MT in the project area. Though the company didn't touch QFSG members, but the company had maintained a good relationship with that association and thus the company has already sold 7 MT feed to QFSG. The company authorities believe that LSPs are a very good means to connect with a large number of farmers. So, in the near

future the company will strengthen its marketing channel using LSPs not only in the project area but also all over the country.

1.0 Project Background

1.1 Brief about the sectoral constraints

More than 100 of commercial feed companies exist in the market with moderate customer services. Over 1.8 million tons of commercial pellet fish feed are being formulated while country demand is 2.5 million tons (NACA, 2017). Aquaculture is contributing a major role in human food production in Bangladesh, but our farmers especially the small- scale farmers are confronting multiple challenges, like lack of essential assets, unequal access to embedded services, markets and technologies and often lack a voice to influence policy-makers, which often results in a cycle of low productivity, less commercialization. Low purchasing power of farmers and high transaction costs in reaching remote areas often make private provision unprofitable and unviable. As a result, they are not interested to purchase processed feed. Still huge portion of farmers are culturing fish in traditional way.

Victor Feeds Limited is a new company. To invade into the market it is needed to develop the brand image to the customers. The company was planning to approach more closely to the rural and remote farmers and decided to use some market actors who have regular contact with farmers. Especially a huge number of non-commercial small scale farmers and household farmers who are not in touch with dealers and retailers directly but on the contrary, they are engaged with some other types of market actors like nursery owners, fry hawkers (Patilwala), input seller, arotdar, depot owner. Therefore, to bring the agility in the market, those market actors were lucrative part for the company and their involvement may create conflict in the existing market. Each LSP has his own business field and huge farmer's connection. So, to work involving with those LSPs it would bring brand image very quick.

Further around 500 micro and small enterprises are producing pellet fish feed at village level where their estimated feed production volume is around 0.3 to 0.4 million tonnes (WorldFish, 2013). Good manufacturers produce four types of feeds: (i) nursery (mash/powder, crumble); (ii) starter; (iii) grower; and (iv) finisher. Nursery feeds are sold in bags of 1, 5 and 20 kg, and starter, grower and finisher feeds are sold in bags of 20 or 25 kg bags, including Nutritional information including the crude protein, crude lipid, crude fibre and energy, as well as the moisture content and the date of manufacture is usually printed on the feed bag. The key problem to expand the market is farmer's poor knowledge. Farmers are not aware about the quality of the feed. A lot of feeds are available in the market that's price is less but in poor quality. Those company owners want to income more profit very quickly. Finally, farmers can't earn profit as their production cost become higher. Company cant come direct contact with farmers. The present model was prepared to add an additional market actors who would help to distribute the feed to the remote and marginal farmers and on the other hand they could provide technical assistance to those farmers and thus a brand image would be developed.

1.2 Rational of the intervention/model/business idea what will potentially fit the need of constraints

Being a new company it is not easy to penetrate into the market and create a brand image. Moreover, the strongest dealers and retailers are engaged with the old and big companies. Therefore, big farmers are regulated by big and stronger dealers and retailers. The present model was designed to involved dealers and retailers with the company, to bring the trust on feed, to strengthen the distribution channel, to aware more and more farmers, to touch untouched farmers who don't use feed, to get access very remote, marginal and small scale farmers. The basic idea is to educate the different market actors layer by layer, to educate the end users, to accumulate new entrepreneurs (LSPs) in the

distribution and marketing channel. The present model would add different market actors as LSPs and to work with dealers and retailers and sometimes directly with the company and those LSPs would work for getting incentives. Thus, LSPs would get benefits, a new business wing would be developed for them, dealers and retailers sale would be increase and overall income would be increased.

1.3 Project objectives

The goal of the project is to increase sales increment by promoting private extension service in aquaculture sector through incorporating Local Service provider (LSP) and Sub-dealer under company service network.

To achieve the goal several objectives are selected for the model mentioned below:

- To maximize the access of affordable and best quality feeds of international standards along with aquaculture extension service for fish farmers
- To strengthen the distribution network for greater coverage by involving Local Service provider (LSP) and Sub-dealer under company's service network
- To increase customer service communication to popularize the brand
- To proliferate company's present marketing volume through different promotional campaigns

1.4 Geographical coverage

Victor Feeds Ltd. worked to implement the proposed business idea in 21 Upazillas under 04 districts namely Bagerhat, Rajbari and Faridpur and Chuadanga (Table 1).

Table 1. The name of districts and Upazillas to implement the proposed business idea

SL	District	Name of Upazillas	# of Upazillas
1	Bagerhat	BagerhatSadar, Morelgonj, Kachua, Chitalmari, Fakirhat, Rampal	06
2	Chuadanga	Chuadangasadar, Alamdanga, DamudarihudaJibannagar	04
3	Faridpur	FaridpurSadar, Bhanga, Boalmari, Madhukhali, Nagarkanda and Saltha	06
4	Rajbari	Kalukhali, Baliakandi, RajbariSadar, Goalunda and Pangsha	05

1.5 A bit about the subgrantee

Victor Feeds Limited is a business wing of Victor Breeders, which has started its business in the year 2003. Initially, it used to be day-old chicks producing and marketing company. The company has grown tremendously since then and currently has a weekly production of 300,000 pieces with 120,000 parents in stock. The feed mill wing of the business was registered in 2013 and the production has started in the first quarter of 2017. The feed mill's current production level is 12MT per hour. The monthly production of 2,500MT includes 65% poultry, 25% fish feed and rest 10% cattle and others feed. The company always follows R&D process to develop feed quality. The business also has few fish projects ongoing. The company provided 2,400 decimals land for these projects to produce pangus, tilapia, carp and others. Presently, there are 85 dealers in their network and they use their own fleet of transports (20 vans with capacity ranging from 1MT to 20MT) to supply the products to the dealers. The company is now intending to maximize fish feed production and marketing to make it a more profit earning wing of the business. The factory is situated in Zamidar Bridge, Goalunda, Rajbari. The head office is situated on factory point, though a liaison office is in Dhaka but all the operations are regulating through Rajbari head office. At present they have more than 110 staffs and among them around 20 staffs are female. The company is now planning to expand, especially the chick breeding part adjacent to the main factory Rajbari. Huge land properties are already purchased but waiting for further fund collection and subsequent construction

1.6 Field implementation team

The current project was led mainly by a Project Manager (PM- Kazi Sany Ferdous) who was reportable to CEO (Chief Executive Officer- Jillur Rahman). The CEO provided technical guidance to the project manager, accountants and other field staffs to maintain the company rules and regulations, interest, to increase sales, to accomplish project works, to maintain team strength and cohesion etc. The project manager oversaw the technical implementation of activities, capacity development of different market actors and feed distribution channel, coordination with different market actors and institutions, capacity building events for farmers, different promotional materials development and distribution.

Other official staffs like MD (Managing Director- Ruhul Amin) was signatory person of all financial transaction, GM (Obaidul Islam) and HoM (Khadija Akhter) were to decide the marketing relation and financial dealings with the customers, besides all staffs took part to take decision of market actor selecting. Moreover Admin (Nazmul Ahsan) and Snr Accountants (Ibrahim Hossain) were helped to procure different materials, to provide legal advise and administrative decision related to the project.

Among the field staffs 4 AMOs (Aqua Marketing Officers) Subrata Kumar Halder, Delwar Hossain, Obaidul Isma Dalim and Mamunur Rahaman were responsible to work in Bagerhat, Rajbari, Faridpur and Chuyadanga respectively. The accountant (Monosheesh Biswas) was responsible to maintain all financial records and to coordinate with PM to burn the budget accordingly.

1.7 Brief budget summary

Proposed start date	June 01, 2019
Proposed end date	May 31, 2020
Total Budget (In USD)	BDT. 18,319,450 (Equivalent USD. 220,186.00) (USD@83.20 BDT)
Budget contribution (%)	BANA: BDT. 12,913,570 (70%) (Equivalent USD. 155,211.00)
	Company: BDT. 5,405,880 (30%) (Equivalent USD. 64,975.00)

1.8 Project Activities summary with beneficiaries

SL	Planned Activities/Events	No. of Participants		
		Male	Female	Total
1	Staff Recruitment	11	1	12
2	Project Staff Orientation	20	1	21
3	Project coordination meeting (bi-monthly)	42	3	45
4	VASC Agreement signing	11	1	12
5	Sub-VASC Agreement Signing	53	0	53
6	Market Actor received training	466	14	480
7	Farmers received training	624	1103	1727

2.0 Project Implementation

2.1 A brief about the pictorial business model/activity model/ intervention model and its description

The business model was service center oriented and different new market actors were incorporated into feed distribution channel to ensure huge feed sales and create a brand image in a short time. The main service centers were set up in dealer's point is called VASC (Victor Aquaculture Service Center). Basically, other market actors will get services from this first layer of services centers and the second layer service centers were established on other market actor's business place to ensure harmonie services to the end users. Farmers usually liked to get inputs and services at their doorstep without any hazard like local Patilwala model for fish fry market where fish fry retailer/Patilwala carrying fish fry at farmers pond area and sell to farmer as per their demand. This Patilwala model encourages Victor Feeds and they also planned to reach fish farmers with aquaculture holistic services at farmer door step.

The 2nd layer Sub-VASC was established at Sub-dealer, Nursery Owner (NO), Patilwala (PW), Local Service Provider Association (LSPA) and Quality Fish Seed Group (QFSG) point. The market actor's involved without Dealers and retailers were nursery owners, Patilwalas, LSPA and QFSG who worked group wise. Each NO+PW group consisted of 30 persons where each LSPA and QFSG comprised of 10 and 30 market actors respectively. According to the model each Dealers would engage with at least 100 farmers in five batches, each sub-dealer would train up at least 60 farmers in three batches, each Nursery owner and Patilwala would reach 30 farmers individually by two batches, one LSPA member and one QFSG member would reach 30 and 20 farmers respectively. But due to COVID-19 it wasn't possible to reach all those market actors. A partial part of market actor reached their farmers/ clients through festoon based training, different promotional activities and personal communication.

On the other hand, Victor feed also plans to introduce new pack size of fish feed which is 10 kg size as pilot basis to target the small holder farmers and see the market response. Usually, available fish feed pack size in the market is 25 kg which requires more money at a time to purchase and also requires transportation cost to carry feed sack. The bag design is almost done and the company is going launch new product after COVID-19 period.

Normally Victor feeds marketing their feed through Feed Dealers to farmers via sub-dealer/ retailers. But this project is designed to involve other market actors to strengthen the marketing and distribution channel and to catch more farmers spending low cost and minimal time with extension service. Each market actor gets incentives/ beefits from their existing business and feed business.

Basically, Dealers and retailers don't have too much time to provide efficient services to the farmers like advices; farm visit, market information supply, and emergency call attend etc, as they are very busy with their business. Normally, Dealers and retailers can provide good quality feed only. Feed handling, storage and distribution are necessary to ensure the quality of the products as well that can be confirmed by dealers and retailers. But, LSP (Local Service Provision) is an excellent option to clinch blend services to the farmers that are essential for them. LSPs can provide not only fish feed but also his own business product. There are huge remote and marginal household and small scale farmers who are not commercial and who has minimum infrequent dwelling to dealers but they are engaged with other market actors like seed seller (Patilwala/fry hawker), input seller (lime, medicine, fertile), Nursery owners, depot owner, arotadar etc. To catch those small holder non commercial farmers and to turn them into feed users it is needed to utilize other market actors who have good communication with those farmers for selling different product other than fish feed. LSPs have direct access to farm places and they already have some clients to who they sell other products. So, they already have huge market accessibility, trust, good communication etc. Moreover, if one LSPs can

able to sell fish feed too besides their old product their earning would be increased. Considering the opportunity, such as if LSPs can ensure additional products like feed it would be easy to expand feed market, this model was developed. In this project nursery owner, Patilwala, LSP association (can be nursery owner, lead farmer, Patilwala, input seller, arotdar, depot owner) and QFSG (Quality Feed Seed Group), other than dealers and retailers were engaged as LSP.

Sometimes dealers and retailers are vulnerable, they can switch to any other company. Even sometimes one dealer or retailer sells different company feed at a time. To reduce the dependency on dealers and retailers and to eradicate the competitors it is needed to increase brand image and cold-call business approach will be developed. LSPs models would help to ensure that approach.

2.2 Approved Gantt chart for the intervention

Sl. No.	Activities	Timeline											
		Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20
	Management												
1	Project orientation meeting with staff and VASC (staff 15 and VASC 12; 01 day long; VASC=Victor Feed Aquaculture Service Center)												
2	Annual project performance workshop												
3	Bi-monthly and annual project meeting (two at Rajbari, two at Bagerhat, one at Faridpur, one at Chuadanga)												
4	Selection of potential 637 market actors (Dealers-12 m, SDs-25 m, NO-150m, PW-300m, LSPA-120m, QFSG-30m; m=member, SD=Sub-dealer, NO=Nursery Owner, PW=Patilwala, LSPA=Local service providers Association; QFSG=Quality Fish Seed Group)												
Capacity building for market actors													
5	ToT training on Aquaculture technology focusing BMP, Nutrition, gender & Environment to field staff & core staff (03 night, 2 days)												
6	Establishment of VASC and Sub-VASC (Total 65 centers, VASC=12 and Sub-VASC=53)												
7	Capacity building residential training on BMP, Feeds, gender, nutrition, environment etc for market actors (25 batches, 25 actors/batch, Victor & WorldFish staff-2; 2 day long, Actors=Dealers, SDs, NOs, PWs, LSPAs, QFSG)												
8	Procure and supply 69 nos water quality test-kit for field staff (04), VASC (12) and Sub-VASC (53)												

Sl. No.	Activities	Timeline											
		Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20
Capacity building of farmers													
9	Capacity building training to farmers on BMP, gender and nutrition by using Festoon (1020 batches, 20 farmers/batch, 2.5 hrs long, using 3 Festoons, 25% women, 15% youth)												
10	Demo pond establishment (12 decimal pond) using Victor Feeds and different fish species composition (At least 25% women, 03 demo/VASC)												
11	Demo farmers capacity building training on (2 batches, 18 farmer/batch, day long (1 night, residential)												
12	Organize 36 FFD events for farmers awareness on demo fish production maintaining BMP (Present 70 farmers per FFD; FFD=Farmers Field Day)												
13	Organize best smallholder farmers award ceremony (6 events, 2 VASC/event, 8 awards/event, 80 farmers/event and other & officials 20/event)												
Communications materials													
14	Prepare 90,000 leaflet (03 types) preparation on aquaculture focusing BMP and cross cutting issues including nutrition; And distribution to farmers												
15	Prepare 2000 booklet on BMPs, feed, nutrition, gender, environment etc for market actors and farmer group leaders												
16	Develop training festoon on aquaculture focusing BMP, nutrition, gender, environment etc (Total 645 sets, 03 festoon per set; VASC-12 sets, SD-25 sets, NO=150, PW-300 sets, LSPA-120 sets, QFSG-30 sets, field staff-06 sets, others-02 sets)												
17	Prepare and distribute T-shirt for market actors (637 market actors, others-43; Total-680 pics)												
18	Participate in national fish week rally at Upazila level (18 upazilas)												
19	Prepare and print 21000 small fish feed bag (10 kg/bag) for selling to smallholder farmers												

2.3 List of activities conducted

SL	Planned Activities/Events	Cumulative Achieved
1	Project Staff Orientation meeting	1

2	Staff training	1
3	Bi-monthly meeting	4
4	VASC and Sub-VASC Agreement signature	65
5	Service center establishment	14
6	Market Actor Capacity building training	18
7	Farmer Capacity building training	57
8	Leaflet printing	90,000
9	Festoon Printing	1935
10	Water testing kit	15
11	National Fish week participation	25

2.4 Activity wise implementation details with pictures

2.4.1 Project Signing

The project was signing on 14th June 2019 at WorldFish office Dhaka. In that ceremony Managing Director (MD), Chairman and Project Manager (PM) of Victor Feed were present with many staffs of WorldFish.

2.4.2 Staff recruitment

Six staffs were engaged from Victor feed parts and those were Managing Director, Chief Executive Officer, General Manager, Head of Marketing, Senior Accountant and Admin. Project Manager was recruited from the first day of project Grant signing. The rest employees like Accountant and 4 AMOs (Aquaculture Marketing Officer) were recruited through circulation and subsequently written and viva interview.

2.4.3 Project orientation meeting with staff and VASC

A meeting cum project orientation program conducted at Faridpur Muslim Mission conference center with 10 project staffs, 10 VASC members and 1 MSDS (Fig. 1). While the daylong program, Project Manager (PM) demonstrated the project staffs, and their roles and responsibilities to accomplish the project, mentioned the project concept, model, the goals and objectives, standard operating procedure (SOP), budget, benefits/ interest of market actors/ VASCs, challenges, strengthen and sustainable issue of this project. The meeting was 1 day long and the participants were requested to participate into group work and subsequent presentation.



Fig. 1. Project orientation meeting held in Muslim Mission Conference Center

2.4.4 Bi-monthly and annual project meeting

There were 4 bi-monthly meeting were conducted in different places of the project area (Fig. 2). The main topics were discussed about the progress of activities, challenges, budget spending, work plan etc. Moreover, through those meeting filed based feedback, team consistency, market actor communication process, feed sales, LSP involvement, market actor and farmer training planning, venue selection etc were explored and fixed, where a total 42 persons participated in all those bi-monthly meeting and among them 3 were women.



Fig. 2. Bi-monthly meeting with project staffs held in Faridpur NGO Forum

2.4.5 Selection of potential market actor

A huge number of informal meetings conducted with market actors before signing the agreement (Fig. 3). After then, Victor feed finalized 12 Dealers, 25 sub-dealers, 150 fish nursery owners, 300 Patilwalas, 120 LSP association members, 30 QFSG members but during the project period the company could able to training only 434 market actors. Area wise market actor selection was given in the table 2 below-

Table 2. Area wise market actor distribution list

Sl	Criteria	Project Area (District)			Total	Achieved
		Bagerhat	Faridpur	Rajbari		
1	Dealer (VASC)	5	4	3	12	8
2	Sub-Dealer (Sub-VASC)	14	6	5	25	21
3	Nursery Owners (NO)	70	40	40	150	114
4	Patilwala (PW)	140	80	80	300	175
5	LSP association member	60	40	20	120	116
6	QFSG	0	30	0	30	-
Total					637	434

An agreement was signed between company and each market actor of group. This project has signed 65 agreements with 65 service centers. But due to COVID-19 the company couldn't train and establish all those service centers. According to the agreement they would be connected with the company for next two years and will provide services as per mention inside the agreement.



Fig. 3. Some informal meeting with LSP association held in Bagerhat

2.4.6 ToT training on Aquaculture technology focusing BMP, Nutrition, gender & Environment to field staff & core staff

A two days long residential training organized by Victor Feeds Ltd at Bagerhat CODEC Training Center, where 4 fields staffs (AMO-Aqua Marketing Officer), Project Manager (PM), Accounts Officer and 2 observers from WorldFish (Snr. MSDS and MSDS) attended (Fig. 4). Through the training topics were covered as BMP, Environment, Gender, Nutrition, Business planning, LSP Association, Facilitation, Negotiation, Festoon preparation. Along with the training session, market actor training planning and schedule prepared.



Fig. 4. Staff training held in CODEC Bagerhat

2.4.7 Establishment of VASC and Sub-VASC

The main objective of this project was to ensure service and to expand business through establishing service center. It was planned for every dealer and sub-dealer's business point would be a service center while for each group a business point would be selected where farmers can come to receive services (Fig. 5). Each service center would be enriched of leaflet, booklet, posters, festoons, water testing kit facility at free of cost, other promotional gifts like key rings, T-shirts, umbrella, apron etc, sitting arrangement, branded signboard, quality feed, advice, training, filed visit, award, farm observation, market information, low price of incentive, linkage with company staffs etc. Up to February Company had distributed 14 signboards in Faridpur and Rajbari region and more 30 signboards are on pipeline will be installed in Bagerhat region.

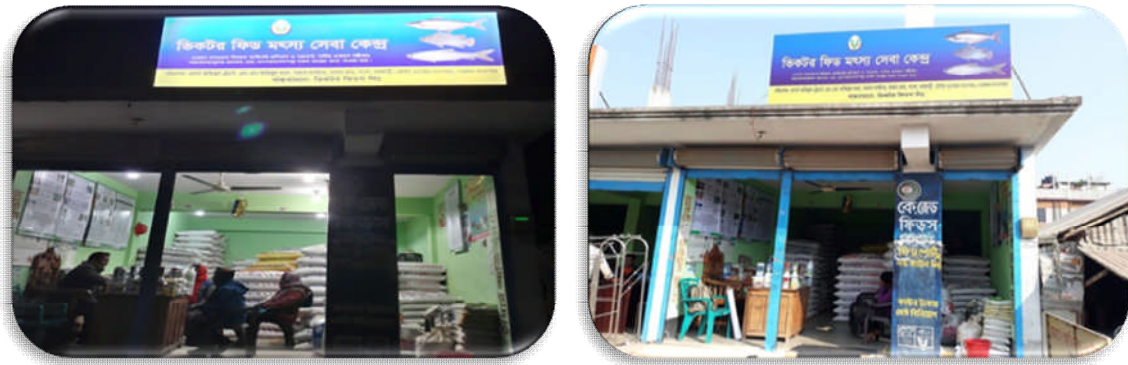


Fig. 5. VASC (Victor Feeds Aquaculture Service Center)

2.4.8 Capacity building residential training on BMP, Feeds, gender, nutrition, environment etc for market actors

Two days long residential training conducted for basic ToT training so that after completion of training the market actor will be able to provide training to their clients and besides that their capacity would be increased and they will provide harmonize and qualitative supports to their clients, their sales would increase. There were total 18 batches market actor training conducted where 434 market actors participated among them 14 were women and the rest 420 were men market actors. Out of that 18 training 7 was conducted in Bagerhat region, 5 and 6 were conducted in



Fig. 6. Market Actor Training in Bagerhat

Faridpur and Rajbari respectively (Fig. 6). The market actor's participation were 172 (M-161 FM-11), 139 (M-136, FM-3) and 123 (M-123, FM-0) for Bagerhat, Faridpur and Rajbari, respectively. Maximum dealers and retailers are engaged with the fish culture. Also that training would help them to gain more production and they would show their production performance to the community. Maximum market actors informed that they were impressed with that training and they wanted to have more such training. Even two days were not enough to provide all information according to them. Out of two days almost 1 day was spent to train them on festoon presentation and facilitation.

2.4.9 Procure and supply 69 nos water quality test-kit

Technically the project work was stopped from 15th February and all service centers were not established within February, only 14. As a result the water testing (pH paper) kit were procured only (15 No to provide to Service centers).

2.4.10 Capacity building training to farmers on BMP, gender and nutrition by using Festoon

Thousands of farmers from the project areas are poor in knowledge of GAP (Good Aquaculture Practice). One of the main targets of this project was to attract small scale farmers/ household farmers. Basically, those ponds are not used commercially and women regulate those ponds as household purposes. So, both small scale farmers (Women led) and big commercial farmers were taken under consideration to increase their capacity. A huge number of market actors were involved with this project. To strengthen their business relation with clients a significant number of farmers training designed (1020 batches/20,400 farmers). This project wasn't able to work from March'20 to May'20 due to COVID-19 pandemic.

Till the end of this project the company had assisted the market actors to conduct 58 Batches training where total 1727 farmers participated into the training seasons (Fig.8). Those training conducted on

farmer's field and nearby to that respective market actor's business place where each season was

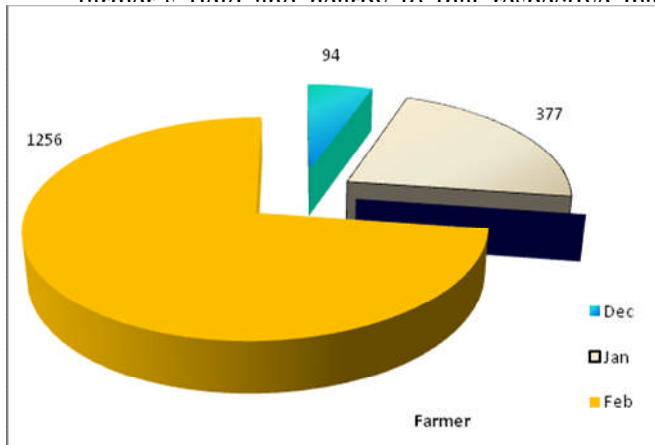


Fig. 7. Month wise Farmer's engagement with the project

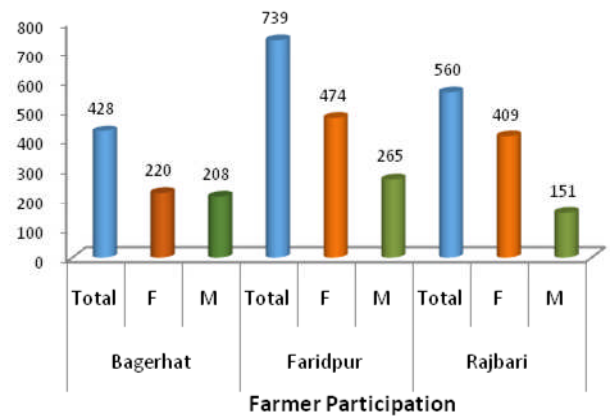


Fig. 8. Area wise Farmer's engagement with the project

Fig 7 depicts month wise farmer's involvement with the project, where 94, 377 and 1256 farmers received capacity building training in the month of December, January and February respectively. Due to lockdown declaration no farmer training was possible amid of COVID-19 crisis period. Fig 9 shows area wise the farmer/ beneficiaries engaged with the project where in Faridpur region the highest number of farmers (739) received training, where in Bagerhat the lowest (428).



Fig. 9. Farmer training conducting by women LSP at Morelgonj, Bagerhat

2.4.11 Demo pond establishment (12 decimal pond) using Victor Feeds and different fish species composition

That activity was not completed within the time time frame.

2.4.12 Demo farmers capacity building training

That activity was not completed within the time time frame.

2.4.13 Organize 36 FFD events for farmers awareness on demo fish production maintaining BMP

That activity was not completed within the time time frame.

2.4.14 Organize best smallholder farmers award ceremony

That activity was not completed within the time time frame.

2.4.15 Prepare 90,000 leaflet

Victor Feeds ltd has prepared 3 types leaflet as a part of promotional material. There were about 90,000 leaflet printed, where (See appendix). That leaflet grabbed the attention both dealer-retailer (Market Actors) and customers as well. It helped retailers to aware the farmers initially. The 3 types of leaflets were Pangas, Carp and tilapia farming system and the printing number was 20,000, 35,000 and 35,000 respectively

2.4.16 Prepare 2000 booklet on BMPs, feed, nutrition, gender, environment etc for market actors and farmer group leaders

That activity was not completed within the time time frame.

2.4.17 Develop training festoon on aquaculture focusing BMP, nutrition, gender, environment etc

To strengthen farmer's capacity, market promotional event (On field farmer training) was taken under consideration. Festoons were the prepared to educate the farmers. Each festoon set was consisted of 5 different festoons. The festoons pictures are shown in annex. Total 1935 numbers of festoons were developed and printed and distributed accordingly.

2.4.18 Prepare and distribute T-shirt for market actors

That activity was not completed within the time time frame.

2.4.19 Participate in national fish week rally at Upazila level (18 upazilas)

Victor Feeds Ltd had participated in 24 Upazillas from 4 Districts in national Fish week rally. Outside the project area in Jashore, the company had given stall in Upazilla Fisheries Officer fish week fair (Fig.10)



Fig.10. Participating in National Fish Week Rally in Rajbari Sadar

Furthermore, in Rajbari District, the company had given 2 stalls, where the company had demonstrated different feed sample, different booklet, placards, posters, festoons, direct advice etc. A huge number of different level participants including dealers, retailers, farmers, nursery owners, Patilwalas, LSPs, officer staffs, well-wishers, and Government personnel attended into the rally. Fisheries officials and our clients (dealers and retailers) became happy with that kind of promotional event.

2.4.20 Prepare and print 21000 small fish feed bag

To attract the small holder farmers and to increase their product company planned to print and launch small bag (10 kgs), the design are shown in figure 11. At this moment the design is approved and the dice preparation and vendor selection process is halted amid COVID-19 lockdown. The company's regular vendor doesn't have small bag preparation facilities so company needs to visit in new vendor's place physically, will done after lock down condition.



Fig. 11. Small Bag design

3.0 Project performance and milestones

SL	Planned Activities/Events	Total Target	Cumulative Achieved	Remark
1	Signing of Agreement	1	1	Completed
2	Staff Recruitment	16	16	Completed
3	Office Setup	1	1	Completed
4	Project Staff Orientation meeting	1	1	Completed
5	Staff training	1	1	Completed
5	Bi-monthly meeting	5	4	80% completed
6	Annual Project Meeting	1	0	Not completed
7	Annual Project Performance Workshop	1	0	Not completed
8	VASC and Sub-VASC Agreement signature	65	65	Completed
9	Signboard printing and distribution	65	14	21% completed
10	Market Actor Capacity building training	25	18	72% completed
11	Farmer Capacity building training	1020	57	6% completed
12	Leaflet printing	90,000	90,000	Completed
13	Festoon Printing	1935	1935	Completed
14	Booklet printing	2000	0	Not completed
15	Water testing kit	69	15	22% completed
16	Demo pond establishment	36	0	Not completed
17	Demo Farmer Training	2	0	Not completed
18	FFD	36	0	Not completed
19	Best Farmer Award	6	0	Not completed
20	National Fish week participation	18	25	Completed
21	Prepare T-Shirt	645	0	Not completed
22	Small Bag preparation 10 kg	21000	0	Not completed

4.0 Key Innovation of the project

To strengthen the new business model, company had initiated to implement 3 models (Model 2, 3 and 4) depending on market area and market condition wise and in the first year the company wanted to see which models are good for further expansion. Model 1 (Fig. 22) shows the old system how company normally sells products and provides incentives or benefits to their market actors. From that model it can be seen that company basically sells feed directly to dealers at TP price, then feed goes to sub-dealer point with 2% commission getting from Dealers, if dealers sell directly to farmers then dealers can get 7% commission. The difference between TP and MRP is 7%. The sub-dealers will sell to farmers and get 5% commission. Very few places, nearby factory places, company sometimes sells directly to the farmers

Implementing model 2, the company wants to maintain the previous marketing channel but additionally, LSP groups were added to that marketing channel (Fig.23). Each LSP group acts as service center. In this case the LSPs get feed mostly from company in Trade Price (TP) price. LSPs will sell feed to their clients but must not the same farmers who are engaged with dealer or retailers. Due to working in same working area, the yearly incentive coming from LSP sales will share 50% with that respective dealer and 50% with that LSP group. Each member of each service center/group enjoys the price difference from maximum retail price (MRP) to TP rate. i.e. If 1 bag feed's TP price is 1113 TK and MRP is 1193 TK and therefore, each member wins 80 TK who would sell feed. But the salesman would reimburse 1/3 of the benefits like 27 taka to the association or group for its growth. In this model company will give gift bon (25% of feed sale incentive) to that group at the end of month.

From the model 3, the company wants to sell the feed through LSPs but this time LSPs receives feed from dealers not from company (Fig 24). In this case each 8 LSPs works for each dealer. LSP groups receive feed as same price of sub-dealers, that is each dealer sells feed to LSP groups receiving 2% commission, dealer provide feed in credit if necessary, additional sale commission will split into half that will get dealer at the end of year and half will receive LSP group at the end of year. In this model, each group member who either sells feed or consumes for own use, enjoys 53 Tk (5% commission) when MRP is 1193 Tk.

Through the model 4, company wants to use separate LSP groups who are not related with any dealers or retailers. In this model company will provide 100% incentive on sale volume to LSP groups (Fig. 25). Through this model farmers receive low price feed as no middle man. If any farmer will purchase from this LSP groups then that farmer receives the bonus in 3 ways like, if any farmer procures feed then that farmer receives 2% incentive (Less price), if any farmer buys feed half ton from that group then that farmer enjoys 3% incentive, if any farmers buys feed minimum 5 ton then that farmer enjoys 4% incentive (low price). Basically that gift bon was declared to encourage the farmers to buy feed from that group.

As project was aging it was getting prominent that a new market actors (LSPs, sometimes one layer, sometimes 2 layers) was not functioning well as their interest was not clearly mentioned and conflicts were arisen. To mitigate the distance among the marketing and distribution channel and to bring the trust those new incentive models were developed and applied. But the project period was not enough to find out the most efficient models suitable for the company. There were several reasons behind this like a huge number of market actors were taken under this model and in such a short time (1 year) is not possible to find all compatible LSPs and get them in truck and to remove the variance among the market actors, moreover, due to COVID-19 the activities had to stop in the field.

5.0 Sustainability of the business/ intervention model

#	Key issues	Sustainability
1	Invasion of new business model	The applied new business intervention especially LSP model invaded a space of opportunity creating a different set of economic and social impacts in marketing and distribution channel of the company. New incentive models developed and the relationship among all stakeholders were increased significantly. New marketing command and management was established
2	Capacity building technologies	A technique is developed to strengthen the market actors beneficiaries towards building connectivity and brand image. The company is now using same techniques to marketing other types of feed besides fish feed
3	Promotional materials	Additional materials were developed besides the proposed model and that helped to increase the attraction to the end users and other market actors
4	Inclusion	The company identifies a wide range of internal and external market actors/stakeholders (LSPs), engaged them progressively, established their priorities, and adopted their legitimate needs. This process is running and company believes this would bring them success
5	Integration of new incentive models	To apply the pilot model, company perceived that one incentive models is not applicable or suitable for all regions. Several models were developed and are applying in the field for future scale up.

6.0 Impact of the business/intervention model on the overall business in the intervention period

6.1 Sales figures/ sales trend over the intervention period

Figure 12 depicts the month wise sales increment in the project area. The results shows that feed sales was increased from 104.1 MT to 848.5 MT in the peak season (October) of the fish farming, and that was dropped down to 198 MT in the month of January. There were two reasons behind that situation. One the one hand it was the winter season the most dull season of fish farming and in the other hand it was the year closing of the company and that time the dealers and retailers purchase feed less and keep concentrate on closing the yearly transaction.

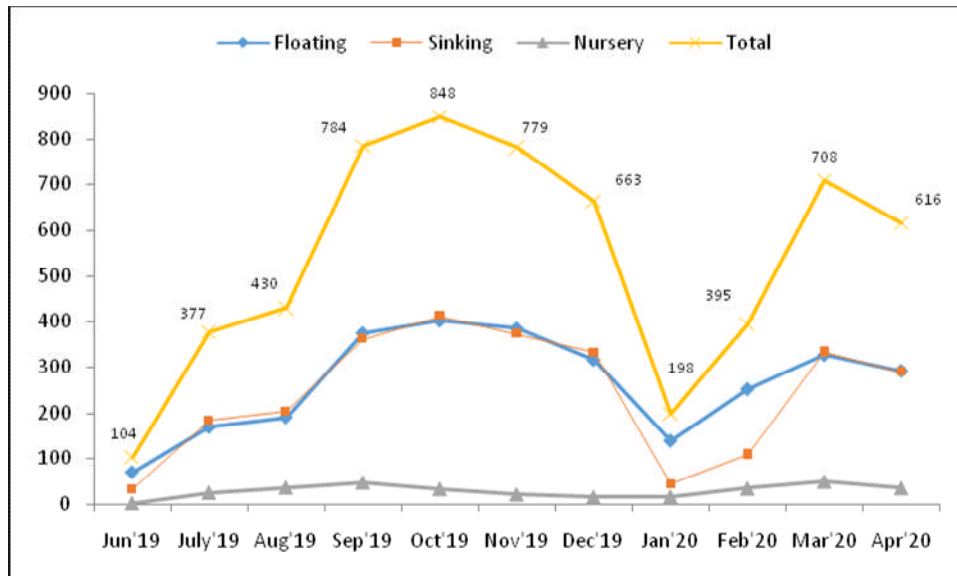


Fig. 12. Month wise different types of feed sale in the project area

Figure 13 shows the feed sale growth during the project period. According to the graph it can be found that in the project area the linear growth trend was 0.084 while without the project area the linear growth trend was 0.028, while in whole marketing area the linear growth trend was 0.057. That result certainly indicates the in project area growth trend was higher than in non project area and it has direct effect in total growth trend.

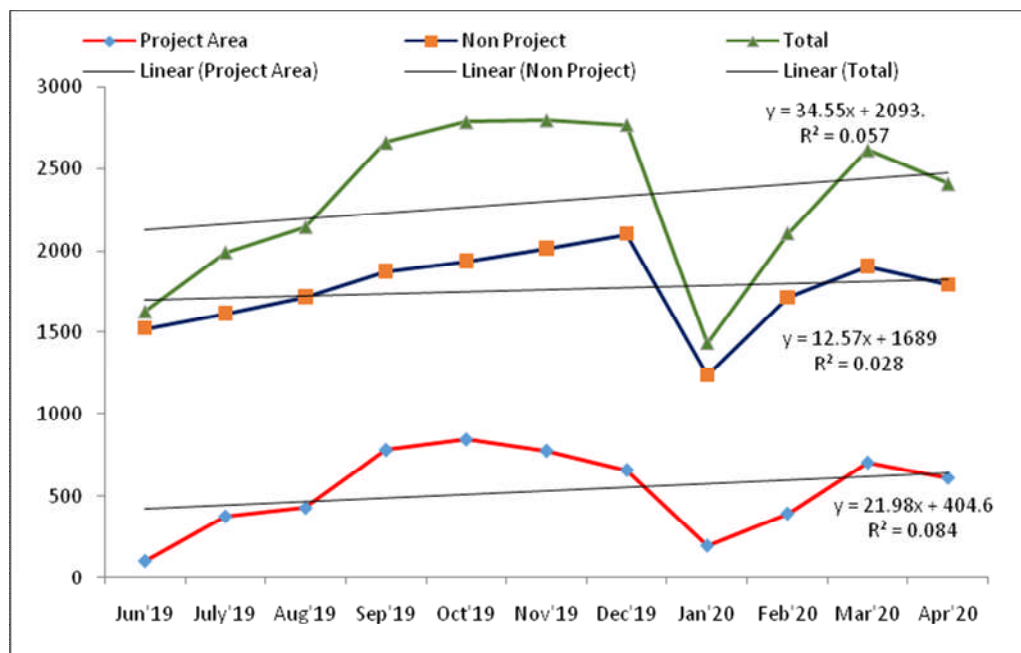


Fig. 13. Linear growth trend of fish feed sale

Fig 14 shows that through the project it was possible to sell 707.05 MT using the LSPs and among them in Rajbari (645.25) was higher than Bagerhat (29.8 MT) and Faridpur (32) region. In Bagerhat the selling was done using the incentive model 2. In Rajbari nearby the factory the 3 incentive models were applied and got success and sales came huge. In Faridpur incentive model 2 and model 4 were applied. It needs 1 more season to identify the efficacy of the models. Actually getting a very the short time in this project, it was identified that different incentive models are applicable place to place depending on marketing situation. Moreover, further study is needed.

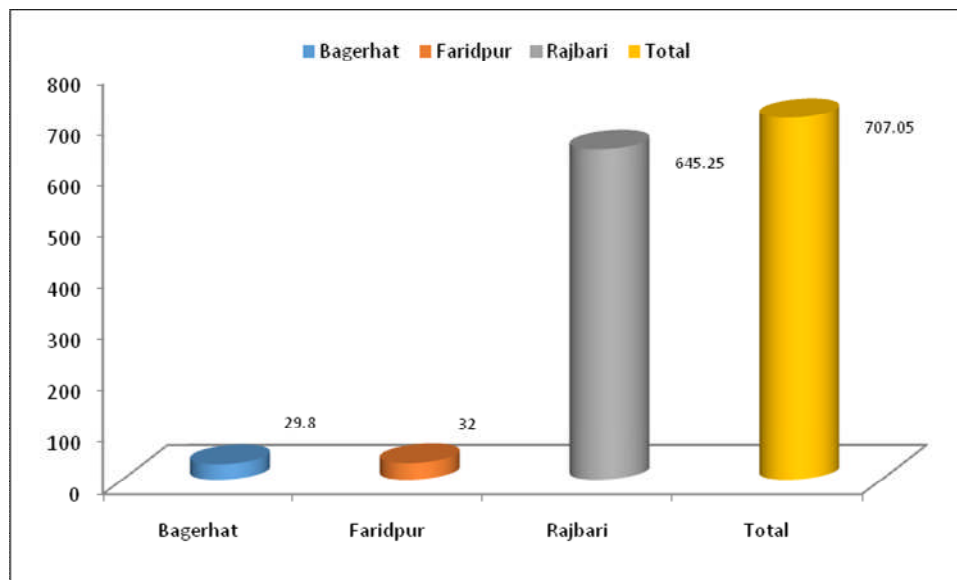


Fig. 14. District wise feed sales by LSPs

Company was able to sell around 8 MT feed to NATP-II project (Regulated by DoF) in the project area (Vanga, Nagorkanda, RajbariSadar, Kalukhali, Balikandi, Pangsha).

6.2 Customer outreach trend over the intervention period

Through the project activities huge customer base was increased. Each VASC owners agrees with that situation. On the one hand their capacity was built up and in other hand customer's trust and royalty was increased.

Fig 15 depicts area and gender wise farmer's engagement with the project. It was found that higher percentage (73%) women farmers received benefits (Training) from market actors followed by Faridpur (64%) and Bagerhat (51%).

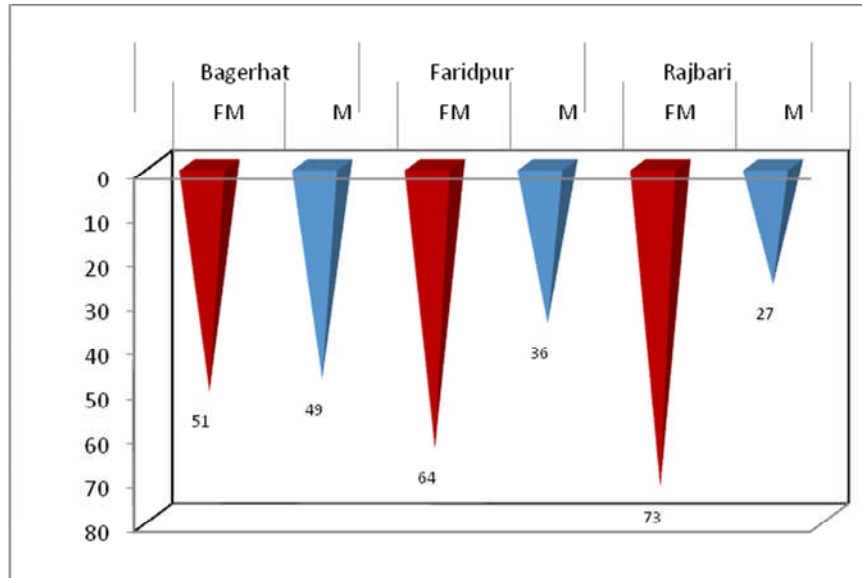


Fig. 15. Area wise women farmer's participation in percentage

Fig 16 depicts that area wise gender involvement during market actor training where 194, 149 and 137 market actors were received training from Bagerhat, Faridpur and Rajbari region respectively where 11, and 3 women market actors involved in Bagerhat and Faridpur respectively.

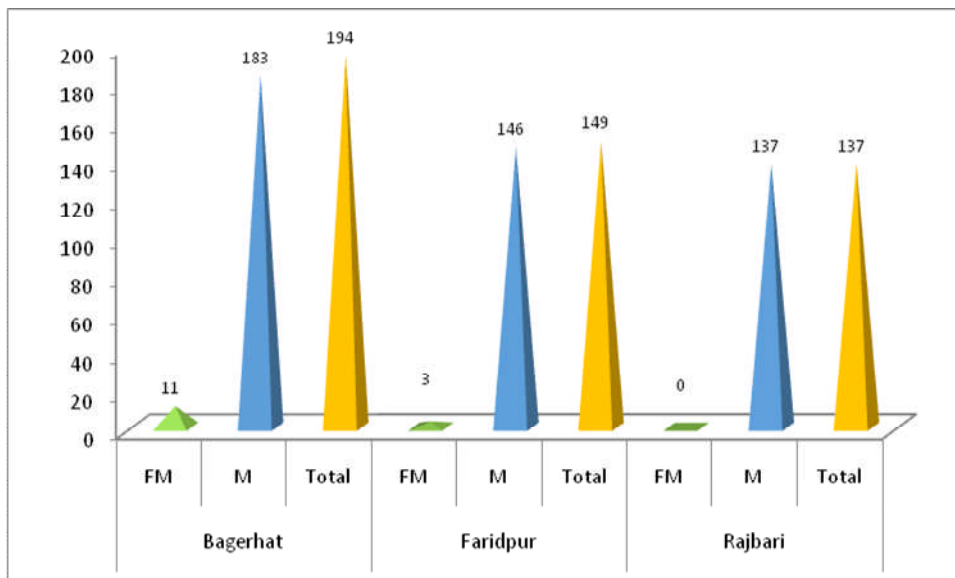


Fig. 16. Area wise percentage of women Market Actor's participation

6.3 Well-functioning of dealer service center (14 center)

Though the company could able to set up only 14 but other VASC and Sub-VASCs know company will establish service centers in their business place as promised during training. All service centers are functioning well. They are providing services to their clients and sometimes to get more information they are communicating to the company.

6.4 Victor feed branding image create among rural fish farmer and Department of Fisheries (DoF) as well

Rural and marginal farmers are aware about the brand name Victor Feeds. Even DoF personnel are curious about the result of that company. DFO of Rajbari tested Victor fish Feed and found good

result and therefore, company was able to sell around 8 MT feed to NATP-II project (Regulated by DoF) in the project area (Vanga, Nagorkanda, RajbariSadar, Kalukhali, Balikandi, Pangsha). Those feed was used in Govt demo ponds.

6.5 The company adopted the new business model as core distribution channel

New entrepreneurships were developed through this model. Company will implement this model in all marketing places. On the one side company had improved the product quality and maintained the accessible price and in the other hand some new market assistances (LSPs) are engaged well providing incentives. Now this is prominent that this model is suitable for low investment and low income earner people (LSPs) merging with heavy investors (Dealers and retailers). Moreover, some people can earn from the feed distribution channel in outbound market with or without investing capital just through maintaining communication. Company officials are now searching for new LSPs in non-project areas to adopt this model.

7.0 Business Risk and Intervention Strategy

#	The potential business risks	Intervention strategy	Achieved	Remarks
1	Lack of customer's trust and wareness	Huge promotional materials developed, farmer's training, demo establishment, DoF involvement (NATP-II), LSPs advocacy, FFD, Award giving events	Few promotional materials developed, DoF involvement, LSPs activities	Due to COVID-19 some activities were not completed timely
2	Lack of Customer	Farmer's training, farmers involvement events, using LSPs to find customers, festoons developed to educate the farmers	Partially achieved	Forced to stop service center establishment by donor/ grant
3	Dealers and retailers are less stronger than other company	Educate dealers and retailers, making collaboration among the dealers and retailers, other market actors (NO, PW, LSP) engagement to enhance the sales, Service Center establishment, festoon development	25% achieved	Forced to stop service center establishment by donor/ grant
4	Quality feed	The feed quality was changed, New small sized bag development to get accessible for small holder farmers	Not done yet	Time limitation
5	Market conflict due to LSPs involvement	Different incentive models were developed, server meetings were conducted to resolve the conflict, capacity was building, market was distinguished	Partially done	Need more time to function smoothly

8.0 Project budget and financial management

As per partnership contract, Victor feed account officer is trying to fulfill all requirements as per the grants unit demand. It also follows the BANA standard and reporting format. The following document has been handed over time to time –

On financial report:

- ✓ Monthly Financial Report
- ✓ Vat Coupon Report
- ✓ Final financial report
- ✓ Bank Reconciliation Report

Financial reports included at a minimum the following information:

- ✓ Budget versus actual expenses

- ✓ A detailed list of expenses that include description, transaction date, amount, expense category, exchange rates used to convert to reporting currency
- ✓ Cost Share or Matching progress report for the period
- ✓ Supporting documentation, as necessary.
- ✓ Fund balance status – cash received from WorldFish versus expenditures reported to WorldFish
- ✓ Besides financial reporting, Victor feed has to submit the following justification and documentation
- ✓ Any recruitment shall pass through the standard procedure, job description and advertisement shall be pass through the approval process
- ✓ Asset registrar or inventory and disposition report

9.0 Monitoring and reporting

The BANA MEL team and the Project implementation team separately and jointly monitor field activities and overall progress of the project. Time to time both teams raise a few improvement areas and then the Victor feed implementation team was trying to recover the issues for the betterment of the project.

- ✓ Victor feed prepared the 480 market actor details list and shared with MEL team for their kind consideration
- ✓ Victor feed also prepared different communication and promotional materials to create awareness among the farmers
- ✓ Victor feed prepared the revived LSPs list with sales details and shared with MEL team through Point of Contract (POC)
- ✓ From BANA intervention with Victor feed, roughly 1107.55 MT and 707.05 MT feed sales increased through 53 sub-VASC and LSPs respectively during the project period, 07 MT feed sales from QFSG members.

10.0 Challenges/ Lesson learned

10.1 Project design and implementation challenges

- Signing period was not a suitable time to bring some market actors into work as they are busy with other companies
- Too many market actors were taken under the project within short time
- Dealers and retailers were focusing on financial facility or commission rather than service initially
- Few LSPs who received training before AIN Project, were disappeared due to long time no communication, and it consumed time to find those LSPs
- Some LSP associations don't have office place
- Need little bit time and series of follow-up coordination meeting to convert LSPs to work with company
- In some Upazillas nursery owners are not too much but they are big farmers (Don't have time for such activities)

10.2 Partnership Challenges (including grants, finance, M&E, and MSD)

- Huge gap was found between fund request and fund release from Donor Part
- Reimburse system slowed down the present working speed
- Sometimes program activity schedules were changed due to not having liquid money to perform in due time

10.3 Any external Challenge

- Dealers and retailers were busy for year closing of their business during our market actor training
- Sometimes dealers and retailers were not willing to conduct the training program independently
- Local ingredients such as Maize price was not stable that hampers to fix the feed price in throughout the season

10.4 Key lesson learn

- One shot business promotional activity is not enough to make more awareness among the customers and market actors
- Project areas fish farmers knows the Victor Feeds (fish feed) name through different promotional activities
- Victor Feeds has learned a new way to market their product effectively
- Marketing using LSPs are very efficient way to spread brand image and to expand quickly
- Farmers, retailers, dealers wanted to receive training from company and any expert person
- All market actors (dealers and retailers/ LSPs) are not efficient to facilitate effective training
- One shot farmer meeting is not enough to bring the attraction
- Some LSPs are very potential and they wanted to become separate retailers/ dealers
- When project activities had been started in full swing then Donor informed to stop all activities
- Market actors are delightful having training and more connected after training
- It was easy and effective to let them understand about the business model and individual incentives through training
- LSP Associations and nursery Patilwala groups are interested to work in a group and maintain a office for service center

11.0 Areas of Improvement/Recommendation

- Victor feeds quality improvement through technician & nutritionist capacity development
- Mini pack feed launching to attract and get quality feed accessible for marginal and remote small holder farmers through LSPs
- Capacity building cum linkage building events for LSPs with Dealers and retailers
- Engage NGO's as new distribution channel as they have farmer base
- New entrepreneurship can be develop through LSP model
- One year project is not enough to establish such a big business model, need more time to focus this model
- Need to involve other institutions like NGOs and other private sectors to strengthen promotional activities integrating with their core activities
- Need to collect the customer's feedback to evaluate the feed quality and to meet the customer's demand
- There need to provision to capture & maintain the database of fish farmer through dealer
- Need to invest in market study and projection before design the project & business case and thus should select efficient and potential LSPs

12.0 Conclusion

Victor feed is fast growing regional focus fish feed company. Within very short time the company able to build trust among fish farmer. Meanwhile the WorldFish BANA project extended support on new business concept to intensify its growth through increase sales and number of customers. Though the project “*Promote private extension service by incorporating Local Service provider and Sub-dealer under service network*” the company able to establish new distribution network who actually work for the sector very closely especially for rural small and marginal farmer. The LSP concept is not new for Bangladesh but LSP based business concept yet not established. From the partnership Victor able to try out different incentive model focusing LSP and the proposed model comparatively less working due to conflict of interest issues. But the best thing is definitely connectivity’s increase among feed dealer and LSP & both product portfolio enhance which helpful for end customers.

LSPs are strong in field and have very good relation with the end users. Sometimes, dealers and retailers are using different company feed. So, dealers and retailers will sell different company product. But LSP model will increase brand image and at the end cold call marketing system will be ensured. If it can be possible to tag LSPs with the dealer and retailers then the market expansion would increase so fast and brand image will bring to very remote places. There are huge potential LSPs are available in the market. Just need to motivate & connect them in right place and to increase their interest by clear incentive then it will be very easy to expand the feed market.

13. Appendix–

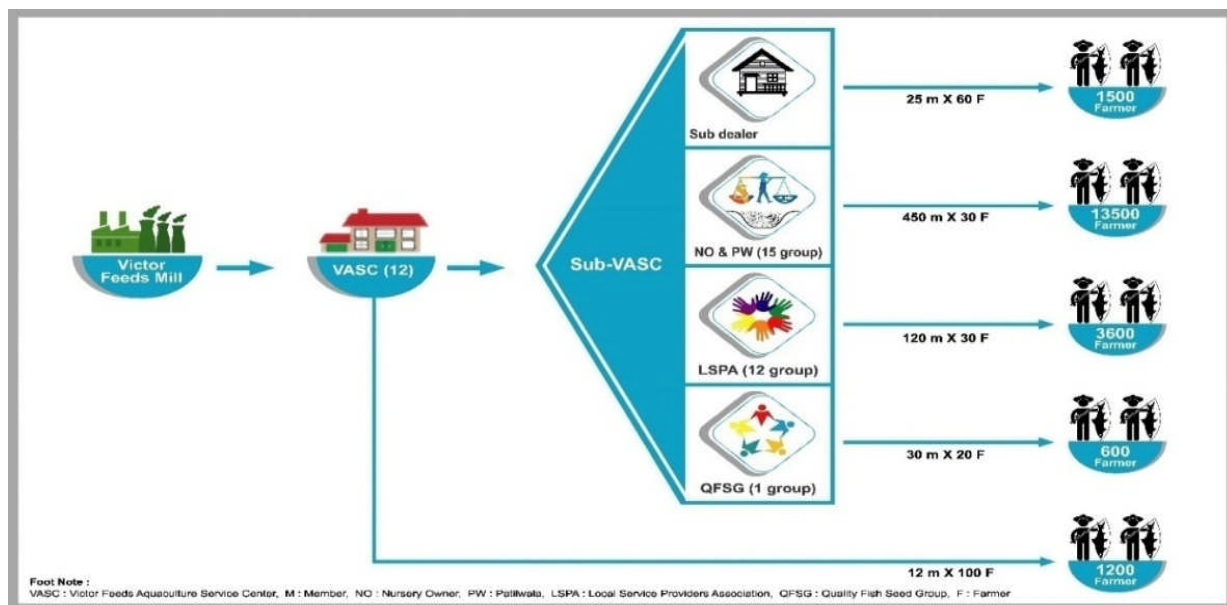


Fig. 17. The business model diagram of Victor Feeds Ltd



Fig. 18. Project orientation meeting held in Faaridpur Muslim mission (Left); bi-monthly meeting held in Bagerhat Khanjhania Gonobiddaloy (Right).



Fig. 19. The project team was conducting meeting with LSP Association held in Gilatola, Bagerhat (left); Staff Training Project orientation meeting held in Faaridpur Muslim mission (Left); Staff training was conducting in CODEC, Bagerhat (Right)



Fig. 20. Market Actor's oT training was conducting in NGO forum, Faridpur (Left); Farmer training was conducting in Doibogohati, Bagerhat (Right)



Fig. 21. Fish week stall performed in Rajbari Sadar during National Fish Week

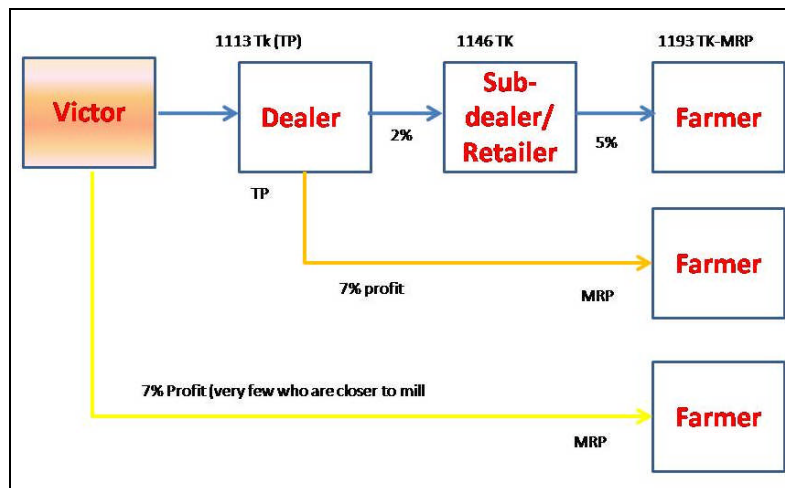


Fig. 22. Incentive Model-1; OLD Model practiced by Victor Feeds before starting project

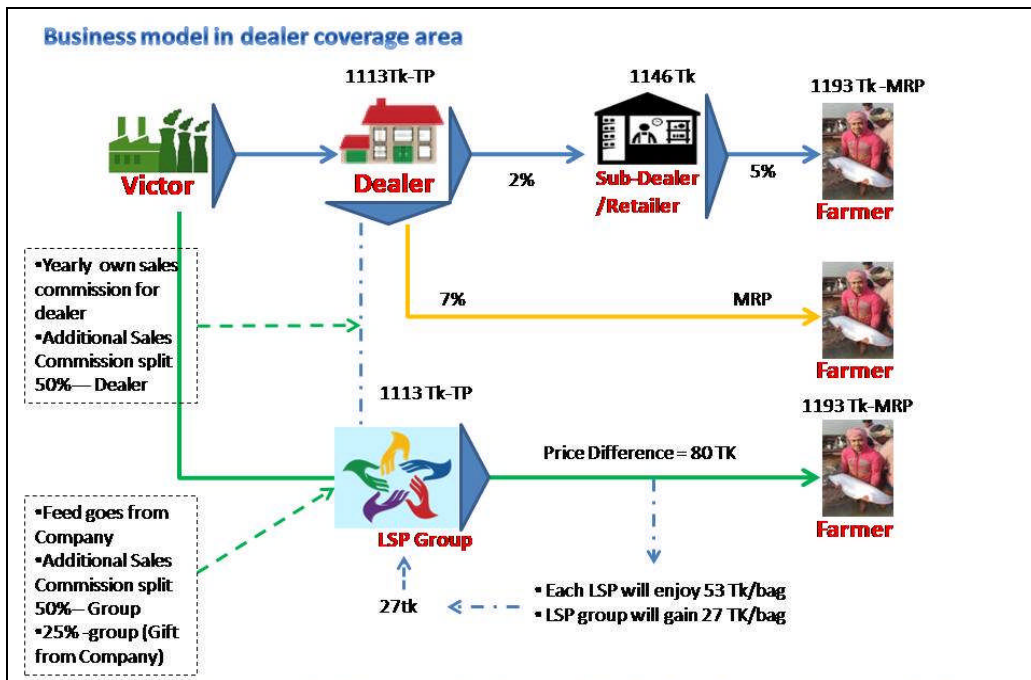


Fig. 23. Incentive Model-2: Dealer based Relation incentive model

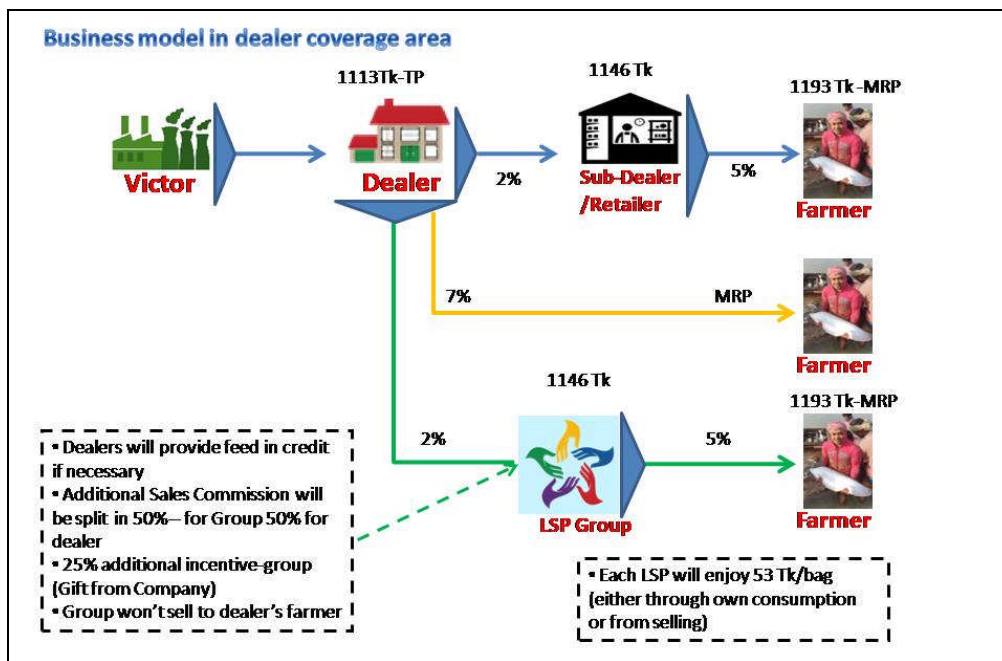


Fig. 24. Incentive Model-3: New incentive business model (No relation with Dealer)

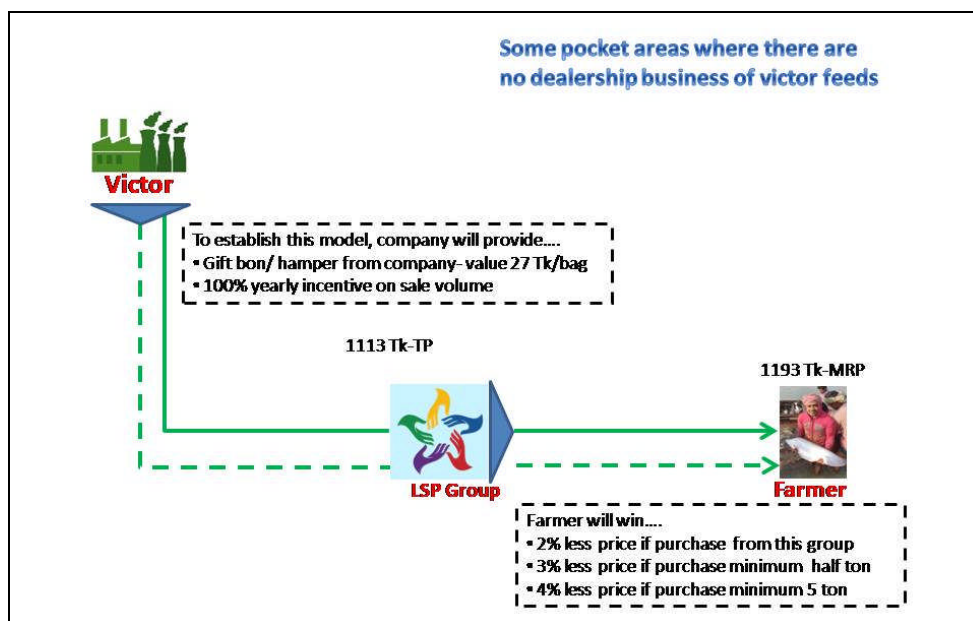


Fig. 25. Incentive Model-4: New incentive business model (No relation with Dealer)

Learning from addition work

The USAID team came to visit Victor Feeds Ltd project activities on November'19. The team visited QFSG in Faridpur Regions, LSP Association in Bagerhat and Nursery/ Patilwala group activities in Bagerhat region (Fig 26 &27). The team provided huge advices and way out. Their presence helped the company to increase the brand image and trust towards their new beneficiaries



26. Visiting Nursery group

Fig.

The team basically wanted to observe what the activities that the company performed, the benefits the market actors receiving following the model, what changes brought to the market actors merging with project, the strength of the market actors, the potential market, the agility of LSPs and market actors to increase their market, the suitability of promotional events towards increasing brand image etc.



Fig. 27. Visiting LSP Association

Sales information in project area

Project period	Types of Feed Sales			Total Feed (MT)
	Floating Feed (MT)	Sinking Feed (MT)	Nursery Feed (MT)	
Jun'19	68.600	33.500	2.000	104.100
July'19	168.600	183.600	25.000	377.200
Aug'19	189.900	203.550	36.250	429.700
Sep'19	375.100	362.250	47.000	784.350
Oct'19	402.250	412.250	33.000	847.500
Nov'19	385.500	372.800	21.000	779.300
Dec'19	315.400	332.500	15.000	662.900
Jan'20	138.600	43.500	16.000	198.100
Feb'20	251.400	109.625	34.000	395.025
Mar'20	325.800	332.775	49.000	707.575
Apr'20	291.400	289.625	34.600	615.625

Sales comparison with other region

Project period	Feed Sales in areas		Total Feed (MT)
	Project Area (MT)	Non Project (MT)	
Jun'19	104.100	1522.250	1626.350
July'19	377.200	1612.650	1989.850
Aug'19	429.700	1714.900	2144.600
Sep'19	784.350	1871.650	2656.000
Oct'19	847.500	1934.800	2782.300
Nov'19	779.300	2012.350	2791.650
Dec'19	662.900	2100.750	2763.650
Jan'20	198.100	1235.250	1433.350
Feb'20	395.025	1711.450	2106.475
Mar'20	707.575	1901.850	2609.425
Apr'20	615.625	1790.950	2406.575