



LOCAL PRIVATE SECTOR PARTNERSHIP

COLD CHAIN BANGLADESH ALLIANCE
USAID'S ASSETS AMPLIFY
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LOCAL PARTNER PROFILE:



Golden Harvest

Golden Harvest is one of Bangladesh's leading business groups, with diversified interests in food, dairy, commodities, information technology, logistics, real estate, aviation, infrastructure development, and insurance. With headquarters in Dhaka, the group's companies employ more than 5,000 people in Bangladesh. Golden Harvest Agro Industries, the direct partner of USAID, sources from more than 100,000 farmers and other suppliers throughout the country.



Farmers deliver their crops to the CCBA collection center in Jessor District, Bangladesh. Photo: USAID | Bangladesh

In Bangladesh, crops, fish, and meat make their journey from the countryside to urban centers without the benefit of refrigeration. Nearly half of all fresh food goes bad before it can be sold; this is a major challenge for Bangladeshi consumers, food companies, and smallholder farmers alike.

The Feed the Future Strategy for Bangladesh identified the development of a 'cold chain' — a network of collection centers, cold storage units, and refrigerated trucks — as a critical step for food security in Bangladesh. But cold chain development would be cost prohibitive and unsustainable for a donor to undertake without a partner that is committed to the local market.

USAID/Bangladesh found the solution in a local company, Golden Harvest, who was willing to invest in cold chain infrastructure. USAID's own resources (its network, technical assistance and brand value) served to amplify Golden Harvest's investments in a partnership that is making significant progress on food security in Bangladesh.

ABOUT THE LOCAL PRIVATE SECTOR PARTNERSHIP (LPSP) SERIES: This profile is part of an initiative led by the U.S. Global Development Lab's Global Partnerships Team to document successful approaches in USAID's partnerships with local private sector actors. These profiles highlight collaborations in which USAID Missions and local companies have jointly designed and/or invested in activities, and where the local private sector's expertise, resources and/or networks played a unique role.

◀ Front cover: Farmers deliver their crops to the CCBA collection center in Jessor District, Bangladesh. Photo: USAID | Bangladesh

LOCAL PARTNER INVESTMENT

Local Partner Brought Commitment and Substantial Resources to the Table

Golden Harvest was already working with a significant network of local suppliers before discussions began with USAID. Yet, Golden Harvest was struggling to reliably access quality raw materials from the smallholder farmers in its supply chain. The company was losing money due to spoiled goods, and it struggled to market its perishable products in the face of widespread consumer suspicion about the quality and safety of local food products in Bangladesh.

While Golden Harvest was ready and able to invest in cold chain infrastructure, it lacked the technical expertise it needed to establish and maintain an efficient and effective cross-country cold chain. The company also wanted to improve the quality of its raw materials.

As the partnership took shape, Golden Harvest made a commitment of \$10.2 million with the understanding that USAID would provide access to technical experts in cold chain management as well as on-farm assistance for Golden Harvest suppliers.

In addition to cash investments, Golden Harvest entered the partnership with existing assets critical to building a cold chain in Bangladesh: power generators that could maintain the cold chain even where electricity is not available, and an existing fleet of refrigerated trucks.



Farmers deliver their crops to the CCBA collection center in Jessor District, Bangladesh. Photo: USAID | Bangladesh

“Most of what Golden Harvest hoped to get from its collaboration with USAID is non-monetary. What they really wanted were connections — the added brand value [of partnering with USAID] and technical assistance.”

— Risalunnabi Khan, USAID/Bangladesh

BENEFITS OF PARTNERSHIP: GOLDEN HARVEST’S PERSPECTIVE

USAID’s Network

According to Risalunnabi Khan of USAID/ Bangladesh, Golden Harvest wanted to partner with USAID largely because the Agency could facilitate access to the expertise, trainings, and connections it needed to ensure its cold chain met global best practices. Although USAID also invested some funds in the partnership, USAID’s network was a key draw for its local private sector partner:

To help Golden Harvest make the most of its investment, USAID connected the company to the Global Cold Chain Alliance, one of the top global cold-chain industry associations. This expert group has supported Golden Harvest through each step of establishing and maintaining a modern cold chain, providing cold chain management training and technical assistance for both Golden Harvest and its cold storage operators.

USAID’s Technical Assistance for Smallholder Farmers

In addition to bringing its network of global experts, USAID also has deep expertise in agricultural productivity and successful farming practices. Through its implementer Winrock International, USAID also provided training and support to farmers that supply Golden Harvest.

Farmers make up nearly half of the population in Bangladesh. Most are subsistence farmers, tending small plots of land to feed their families. When they have a surplus, they sell their vegetables, meat, and fish at local markets. However, without refrigeration systems or knowledge of proper handling and packaging of meat and vegetables, Bangladeshi farmers lose much of their harvest before it can be sold.

The products that do make it to market are often of poor quality or adulterated with chemicals and preservatives. Post-harvest losses are devastating for poor farmers, and farmers also earn lower prices for damaged and poor-quality goods.

USAID's technical assistance included farm-based trainings to help increase yields, improve crop quality, and minimize post-harvest losses. Through over 400 training events, USAID and the partnership trained nearly 12,500 farmers in the production of safe and high-quality vegetables and poultry and established over 100 demonstration plots to showcase new crop varieties and improved farming technologies, including integrated pest management.

As a result of this farmer assistance, Golden Harvest is able to source higher volumes of quality, safe products, while creating more profitable market opportunities (via reduced spoilage) for farmers.

USAID's Brand Value

In addition to the technical assistance and connections USAID facilitated, Golden Harvest also benefits from the value of USAID's "brand" – its reputation and credibility.

Systemic food quality issues in Bangladesh – including overuse of chemicals and preservatives in food products and widespread food spoilage – have led Bangladeshi consumers to be extremely suspicious of quality claims made by local stores and sellers. Because of the increased quality of its raw inputs and its work with USAID to establish the country's first integrated cold chain, Golden Harvest can back up its claims that its products are safe and fresh. The company is also betting that the USAID logo will boost consumer confidence and lend extra credibility to the company's food quality improvements.

UNIQUE COMBINATION OF ASSETS AND RESOURCES

In Golden Harvest, USAID found the local partner it needed to transform an integrated cold chain in Bangladesh into a reality: Golden Harvest had the clear business interest and the resources to create the cold chain.

As of June 2015, Golden Harvest has already invested over \$9 million in 19 cold storage units in five districts of Bangladesh, 6,950 freezers for retail outfits, and 30 refrigerated trucks, so that its farmers can deliver their crops to the partnership's collection centers across the countryside.

In addition to the company's cash investments, the overall partnership's support for Golden Harvest's farmers plants the seed for improved agricultural and handling practices, allowing capable and newly-trained farmers to emerge as examples for others to follow.

While USAID has funded and facilitated the delivery of critical technical support to Golden Harvest and its suppliers, the company has assumed the bulk of the financial investment in the cold chain. In line with these investments, Golden Harvest has shown a demonstrated commitment to not only establish the cold chain, but also to ensure its long-term sustainability.

Finally, the partnership's success obviates the need for ongoing USAID funding and support in the long run. USAID's network and technical expertise have given Golden Harvest the tools, capacity, and, most importantly, bottom-line business reasons to maintain a functional cold chain and supplier network.

IMPACT

The Cold Chain Bangladesh Alliance (CCBA) expects to raise the incomes of over 18,000 farmers in just three years. While the partnership is still in its early stages, CCBA has created nearly 600 full-time jobs; increased the sales of participating farmers by over \$1.2 million, benefiting 4,744 rural households; and helped to reduce the use of pesticides on participating farms by 10%. Golden Harvest, meanwhile, has used its new cold chain to roll-out a new line of products in Bangladesh, including ice cream, frozen foods, and poultry.