

Selected Dynamics of Marketing of Homestead Agroforestry Products: A Case Study

A.Z.M.Manzoor Rashid¹, Niaz Ahmed Khan² and Maksuda Khatun³

¹ Department of Forestry, Shahjalal University of Science & Technology, Sylhet-3114.

² Department of Public Administrations, University of Chittagong, Chittagong.

³ North South University, Dhaka.

Abstract

Despite the increased recognition of the significance of market dynamics of homestead forestry, research on the subject has remained strikingly limited. This research focuses on selected aspects of marketing of homestead forestry products in two areas (Habilashdip and Chunati Unions) in the district of Chittagong. The study mainly probes into principal actors in the market, channel of marketing (for example grower-middlemen, middlemen-consumer etc.) the trends on domestic consumption and sale of homestead agroforestry products, and the major problems (for example absence of cooperative, poor storage facility, middlemen dependency) associated with marketing. A number of measures for better marketing of homestead agroforestry products have been suggested. The article ends with an exhortation for increased research on marketing of homestead forestry.

সারসংক্ষেপ

বসতবাড়ী বনায়নের বাজার চালকের গুরুত্ব ও এর ক্রমবর্ধমান স্বীকৃতি সত্ত্বেও উক্ত বিষয়ে গবেষণা অত্যন্ত সীমিত। বর্তমান গবেষণাটি চট্টগ্রাম জেলার চুনতি ও হাবিলাশদ্বীপ ইউনিয়নে বসতবাড়ী বনজ সম্পদের বাজারজাতকরণের কিছু নির্বাচিত দিকের উপর আলোকপাত করেছে। এ প্রবন্ধে বসতবাড়ী কৃষি-বনজ সম্পদের বাজারজাতকরণের মূল নিয়ামক, এর সমস্যা এবং বাজারজাতকরণের চরিত্র ও ধারা নিয়ে আলোচনা করা হয়েছে। উক্ত বিষয়ে অধিকতর গবেষণার গুরুত্ব আরোপের পাশাপাশি বসতবাড়ী কৃষি-বনজ সম্পদের বাজার ব্যবস্থাপনার উন্নতিকল্পে বেশ কিছু দিক নির্দেশনা আলোচ্য সমীক্ষায় তুলে ধরা হয়েছে।

Key words: Agroforestry, Bangladesh, homestead market, middlemen

Introduction

Of late agroforestry as an age-old land use practice has achieved renewed emphasis especially in the developing countries in the context of rapid increase in population and acute scarcity of land. The existence of agroforestry in traditional land use practices spans for centuries. Currently, this land use system is widely considered as an integral part of the overall rural development strategies and is generally recognized as an integrated production system and stable ecosystem.

The fact that homestead agroforestry plays a significant role in rural development is now well established (Abedin *et al.* 1990, Millat-e-Mustafa *et al.* forthcoming). Notwithstanding the significance and recognition, however, some crucial aspects of homestead agroforestry development have remained poorly researched. One such aspect concerns the dynamics of market for homestead agroforestry.

Notwithstanding the increased theoretical emphasis on the importance of market for forestry schemes in general, marketing of homestead forestry

products remain a rather ignored phenomenon in many parts of south Asia (Beldt *et al.* 1994, Bensel and Remedio 1994, Maslekar 1983 , Magno and Ali undated). Khan and Alam (1997) note that: Market in social forestry remains very little explored in the Bangladeshi context. They also informed that there virtually exists no major text on this area of knowledge.

Homestead agroforestry: In the context of rural Bangladesh, homestead agroforestry refers to "an operational unit in which a number of crops including trees are grown with livestock, poultry and/or fish production, mainly for the purposes of satisfying the farmers' basic needs" (Akhter *et al.* 1997). Rural homestead agroforestry accounts for some 48% of the total supply of saw and veneer logs, 70% of fuel wood and 90% bamboo in Bangladesh (ADB 1993).

Marketing: Marketing represents an organized set of activities (*viz.* grading, storing, transporting, financing, selling etc.) directed towards satisfying human needs and wants through exchange. It encompasses all the business activities and transactions involved in getting goods and services from the producers. It involves sharing of associated responsibilities and risk taking. Marketing is basically targeted to optimizing firm's economic gain.

Against this backdrop, this research has been carried out to explore selected market dynamics of homestead agroforestry by undertaking a case study of two Unions in the southeastern part of Bangladesh. In more specific terms, the market dynamics as explored by the study include the market forces, procedures, consumption pattern, marketing channel, collective effort in marketing and the associated problems and prospects.

Materials and methods

This study was conducted in two agro-ecologically distinctive Unions in the district of Chittagong, namely, Habilashdip (under Patia Upazila) and Chunati (under Lohagara Upazila). The geographic location of Habilashdip is 22°21' north

latitude and 91°85' east longitude. The site physiographically belongs to the meander flood plain (non-gangetic). Chunati Union lies between 21°8' north latitude and 92°20' east longitude. The soil is physiographically tertiary low hills. The topography represents hilly to flat, undulated coastal bench. The two Unions are situated at a distance of approximately 20 km and 50 km respectively from the Chittagong city center. Chunati Union consists of seven villages, while Habilashdip has four villages under its purview. All the villages of Habilashdip were covered by this study. Owing to the limitations of time and resources, three villages selected randomly were covered from Chunati. The households in the study areas were divided into five categories on the basis of land holdings:

landless household: up to 0.2 hectare (ha) of land
marginal household: 0.21-0.5 ha
small household: 0.51-1.0 ha
medium household: 1.01-2.0 ha
large household: above 2.0 ha

Numerical values of five selected agroforestry components of economic importance, *viz.* fruit trees, timber trees, fuelwood trees, species of non-timber forest products (NTFPs) and vegetable, and other relevant information were collected from three randomly selected households of each category, covering both the study Unions. A total of 60 (3x5x4) households in Habilashdip and 45 (3x5x3) households in Chunati were surveyed. A semi-structured questionnaire schedule was administered to each respondent household. The questionnaire contained such issues as demographic composition and socioeconomic characteristics of the household, land ownership, agroforestry production and practice, homestead forestry practice, status of NTFPs, gender roles, farmers' attitude and preferences towards integrated farming and species selection, etc. Anthropological tools of uncontrolled observation and group discussion supplemented the questionnaire survey with the farmers. The fieldwork spanned over a period of about five months (October, 1994-February, 1995)

Results and discussion

The major 'market forces' in the study area consisted of the following: (a) Middlemen: for the marketing of timber, fuel wood and non-wood products (bamboo, *patipata*) the homestead agroforestry producers and growers were almost entirely dependent on the middlemen. (b) Timber merchants: these merchants were engaged primarily in the marketing of timber products in the study area. They maintained a close liaison with the local middlemen and concerned government offices (mainly the police and forest departmental offices) for timber collection and transportation.

Rather than domestic consumption, in most cases farmers tend to sell the products from homestead agroforestry to the local market. This implies that farmers considered homestead agroforestry as an avenue for income generation. This trend was particularly prominent in the case of Chunati households. All categories showed the same trend, that the amount of homestead agroforestry

products marketed was higher than that of own consumption (Table 1). Farmers representing the small households at both locations took the initiative to market their products on their own. As Table 2 suggested that relatively larger households showed little effort in this regard and depended largely on middlemen in selling their products. Intimate interviews with these affluent farmers revealed that they considered it detrimental to their social status to sell products on their own and feel that the engagement of agents and middlemen in marketing the products as a sign of superior status.

The dominant marketing channels concerning the major homestead agroforestry products, namely timber, fuel wood and NTFPs (Figure 1). The marketing channel observed in the both study locations was mainly dominated by middlemen. Middlemen usually directly accessed and secured the homestead forestry products from the growers. Subsequently middlemen send the larger

Table 1. Mean % of value of homestead agroforestry produces in various household categories of Habilashdip and Chunati.

| Produces Value (%) | | | | |
|--------------------|-----------------|----------|-----------------|----------|
| Category | Habilashdip | | Chunati | |
| | Own Consumption | Marketed | Own Consumption | Marketed |
| Land less | 250.80 | 265.40 | 364.62 | 471.21 |
| Marginal | 436.02 | 524.40 | 412.06 | 546.47 |
| Small | 921.23 | 1251.26 | 628.80 | 813.79 |
| Medium | 1202.60 | 1285.18 | 1428.37 | 1501.46 |
| Large | 2557.37 | 3104.73 | 2869.81 | 3030.34 |

Table 2. Marketing channels of homestead agroforestry produces in various household categories of Habilashdip and Chunati.

| Produces Value (%) | | | | | | | | |
|--------------------|-------------|--------|-----------|--------|-----------|--------|-----------|--------|
| Category | Habilashdip | | | | Chunati | | | |
| | Self | | Middlemen | | Self | | Middlemen | |
| | Homestead | Market | Homestead | Market | Homestead | Market | Homestead | Market |
| Land less | 75.75 | 6.00 | 18.25 | 0 | 54.50 | 17.00 | 28.50 | 0 |
| Marginal | 55.80 | 12.45 | 31.75 | 0 | 48.50 | 11.10 | 40.40 | 0 |
| Small | 49.75 | 12.00 | 38.25 | 0 | 48.00 | 11.25 | 39.25 | 0 |
| Medium | 36.50 | 5.75 | 57.75 | 0 | 49.50 | 13.00 | 37.50 | 0 |
| Large | 27.90 | 8.15 | 63.95 | 0 | 57.25 | 10.50 | 32.25 | 0 |

portion of the product to the wholesalers in urban markets in order to fetch better price. Only an insignificant portion of these products was made available to the local markets for villager's consumption.

There was no cooperative or collective effort for marketing of homestead agroforestry

products in the study area; farmers largely depend on middlemen for marketing. Middlemen played the most important role in determining the prices and conditions of sale. Usually middlemen surveyed the market and they stuck to prices and conditions rigidly. Sellers have hardly any voice in this matter.

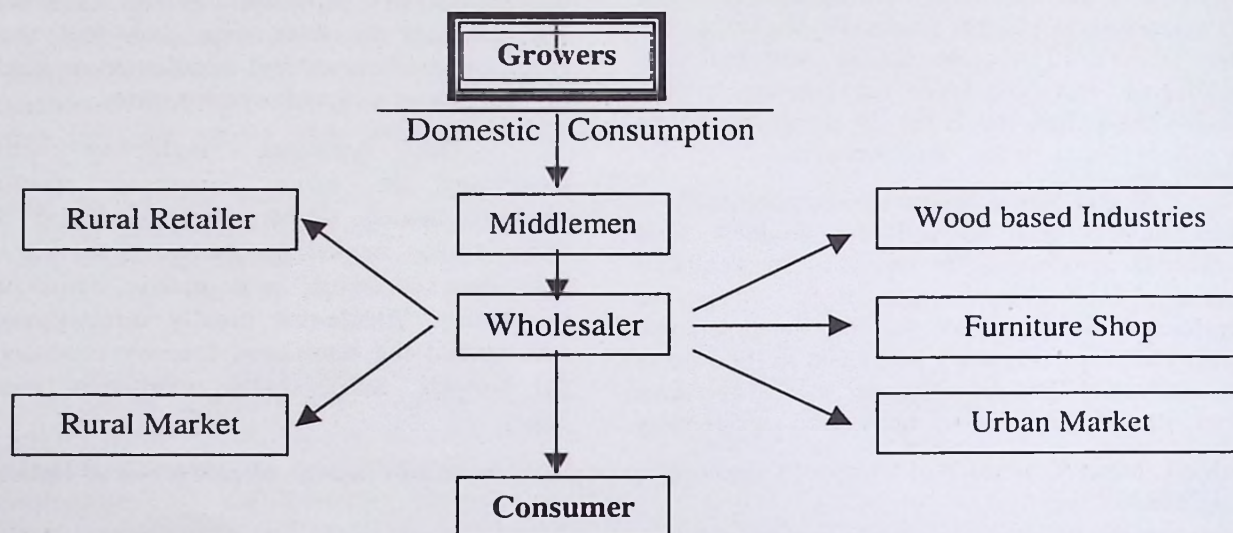


Figure 1. Marketing channel of timber, fuel wood and NTFP'S in Habilashdip and Chunati.

Lack in proper storage and preservation facility near the farm area was also hindering the interest of farmers in establishing a proper marketing system for homestead agroforestry products. There was no proper system or arrangement of acquiring or disseminating marketing information. The agroforestry farmers hardly received any assistance from the concerned government extension agencies in procuring and facilitating market for their products. Thus the farmers showed less interest in the development of homestead agroforestry system.

Conclusion and recommendations

Homestead agroforestry farmers were vulnerable to varied manipulation and exploitation by market forces. Majority of the respondent farmers considered homestead agroforestry more of an avenue for income generation. There was no

cooperative or collective effort for marketing of homestead agroforestry products in the study area. Predominance of middlemen and other external forces in marketing activities, lack of a systematic arrangement for acquiring or disseminating market information and inadequate extension services.

The following may be considered for improving the marketing system of agroforestry products and thereby, maximizing the potential of homestead agroforestry:

1. Provision of market information in relation to supply, demand, prices, grades, standards; and development of alternatives outlets need to be developed.
2. Development of farmers' cooperative may be one of the most potential steps in improving the

- market and in reducing the monopolistic control of the market by the middlemen.
3. Steps should be taken to extend micro credit to the potential farmers to grow selected crops, which are locally in demand, on a commercial scale.
 4. Adequate transportation system, storage and preservation facilities should be ensured for efficient marketing.
 5. Market system analysis for homestead agroforestry products is essential so as to develop ideal marketing strategy for homestead agroforestry produces resulting increase in interest of the of the farmers for ideal homestead agro forestry system.
 6. As noted earlier, academic exploration and studies on the market dynamics of homestead agroforestry have so far been clearly inadequate. Increased research in this vital subject is the need of the time.

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