Agriculture generates about one-third of the gross domestic product of Bangladesh, accounting for half of its exports earnings. More than 75% of the population is directly or indirectly dependent on farm-based agricultural activities, with rice as the dominant crop. The country needs to further intensify and diversify its agriculture production to ensure food and nutrition security and reduce poverty.

The Northwest Crop Diversification Project was developed to increase production of high-value crops, reduce imports, enhance affordable and varied nutritious diets for the poor, and raise farmers’ income.

Key Project Results

Output

- More than 258,000 farmers were supported with about $36 million in credit for cultivating high-value crops (HVCs)
- HVC cultivation area increased by more than 85,000 hectares
- More than 384,500 farmers were trained in modern cultivation techniques for various HVCs
- 76 farmers’ markets constructed at the growers, district, and central level.
- Modern varieties of HVCs and their production technologies disseminated and adopted

Outcome

- About 4 million farmer households raised their average income by about 21%—56% during
- Supplies of vegetables, fruits, and spices in the domestic market boosted
- Imports of onion, ginger, garlic, and tomatoes reduced, and export of horticultural products increased and diversified
- Microcredit disbursed under the project had a repayment rate of about 100% as the project beneficiaries improved their financial status
- Cropping intensity in the project area increased by about 28%
- More than 4.2 million days of additional employment opportunities created per year
Project Features

The Asian Development Bank approved the Northwest Crop Diversification Project in 2000 to help increase income of small and marginal farmers by cultivating high-value crops and adopting appropriate modern production technologies and improved marketing. The project also had a provision to improve food security and nutritional status, and promote sustainable partnerships between nongovernment organizations and the public sector agencies in agricultural extension and raise their capacities in crop finance. The project was implemented in 61 upazilas (subdistricts) of 16 districts in northwestern Bangladesh, providing farmers with training and extension services, group formation, agribusiness credit support, and marketing support for improving farm productivity. Under the project, microcredit services were delivered through partnership with nongovernment organizations.

The project helped increase farmers’ income by cultivating high-value crops and adopting appropriate modern production technologies and improved marketing.

Project at a Glance

Cost and financing
ADB loan. $46.3 million; Government of Bangladesh, $9.6 million; beneficiaries. $10.3 million

Executing agencies
Department of Agriculture Extension of the Ministry of Agriculture; Bangladesh Bank

Implementation period
January 2001–June 2009