



# Agribusiness Potential of Bangladesh

## Growth by Nature

Dr. F H Ansarey

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Demographic  
Dividend

Agriculture  
Landscape

Investment  
Opportunity

Policy Support  
from GoB

We will Discover the Limitless Opportunity in Agriculture

# Bangladesh | The Land of Possibilities

McKinsey  
& Company

“Bangladesh The next China”

China

J.P.Morgan

“Bangladesh one of the Frontier 5 economies”



“28th and 23rd largest economy by 2030 & by 2041”

India

Goldman  
Sachs

The Next Eleven | “Bangladesh among the 11 high economic potential”

ASEAN

UBS

“Bangladesh will be the 12<sup>th</sup> Economic power in 2050”

JETRO

JAPAN EXTERNAL TRADE ORGANIZATION

“Low cost and high return manufacturing destination”

170 Mn Population | 33 Mn People with the age 25 - 39 | TV Reach 83%

Mobile Network Coverage 98% | Internet Subscribers 129 Mn | Electricity Coverage 92%



# Connectivity

## Connectivity & Infrastructure

- Each corners of the Country are connected through Road, Rail & River
- 8 Air-Ports [3 International ]
- 3 Sea Ports + 1 Deep Sea Port

## Distribution Penetration by Industry

- 160 Thousands Agri-Retail Points
- 2.54 Mn Retail/Grocery Points

## Institution & Workforce

- 3,600 Agriculture Graduates Per Year
- 1 Mn General Graduates Per Year

## Financial Mobility

- 103 Mn People connected with Mobile Financial Services





# Agriculture Landscape in Brief

**8.5 Mn Ha**  
Cultivable  
Land

**40 % of**  
Labor Force  
in Agriculture

**216%**  
Cropping  
intensity

**45 Mn MT**  
Food Grain  
Production

**16 Mn MT**  
Vegetable  
Production

**4.5 Mn MT**  
Fish  
Production

**8.5 Mn MT**  
Meat  
Production

**12 Mn MT**  
Milk  
Production

**11 Mn MT Potato | 8.3 Mn MT Jute Production**



# Value Chain in Agribusiness

## On Firm

### Research

- Breeding
- Molecular Research
- Animal Genetics
- Practices
- Processing & Value addition
- Post harvest

### Production

- Seeds
- Agri-Machinery
- Soil Health
- Crop Protection
- Practices

### Communication

- Extension Services
- Technology
- Digital Platform

## Off-Farm

### Post Harvest

- Warehousing
- Cold Chain
- Transportation

### Processing & Packaging

- Milling
- Value Addition
- Packaging
- Packing House
- Quality Control
- Certification

### Forward Linkage

- Modern Trade
- Supermarket
- Commodity Exchange Services

### Disposal

- Bio Fertilizer
- Conversion

# Investment Opportunity in Research & Dev

## Current Scenario

Mostly Public & Marginally Private

Research focused on Crop Breeding

Limited Research for Practices, Post harvest & Processing

## Potential Scenario

Opportunity for Private Research

Research on Animal Genetics

Research on Practices, Post Harvest & Processing

## New Opportunity

Investment in Crop & Animal Research Capacity Development

Consultancy, Technical Collaboration, Joint Venture

## FDI, JV & Dev Fund

Foreign Development Funds  
USAID, SIDA, Bill & Melinda Gates Foundation, JAICA, IFC, DFID etc.

# Investment Opportunity in Seed

## Current Scenario

Traded Seed  
Current Market: 500 MN USD

Import & Domestic Ratio:  
40:60

Growth: 6%

## Potential Scenario

Traded Seed  
Market: Over 800 MN USD

Import & Domestic Ratio:  
20:80

Growth: 10%

## New Opportunity

Investment in Marketing &  
Distribution

Export & Toll Production

Investment in Seed Grading  
and Processing

Joint Venture & Technical  
Collaboration

## FDI, JV & Market Presence

Major MNC's presence in  
Bangladesh:  
Bayer  
Syngenta  
Limagrain  
Takii  
Sakata  
East West  
Advanta  
Corteva  
etc.



# Investment Opportunity in Fertilizer

## Current Scenario

Current Market: 1,600 Mn USD  
Chemical Fertilizer: 1,558 Mn USD  
Organic Fertilizer: 12 Mn USD  
Micronutrient: 30 Mn USD

Growth: 9%

Mostly Imported:  
Urea, Phosphate, Potassium,  
DAP: 3.5 Mn MT

## Potential Scenario

Market: 1,700 Mn USD  
Chemical Fertilizer: 1,650 Mn USD  
Organic Fertilizer: 18 Mn USD  
Micronutrient: 32 Mn USD

Growth: 12%

Mostly Imported:  
Urea, Phosphate, Potassium,  
DAP: 4.4 Mn MT

## New Opportunity

Organic Fertilizer  
Production from City  
Waste

Nano Fertilizer

Compound Fertilizer

Fertilizer Application  
Services

## FDI & JV

Karnafhuli Fertilizer  
(KAFCO)

# Investment Opportunity in Irrigation

## Current Scenario

Mechanized 95%

Underground Water  
and Surface Water:  
75 : 25

Diesel and Electric  
Operated

## Potential Scenario

Better Management  
and less water  
wastage

Drip Irrigation in  
Orchard & Vegetables

## New Opportunity PPP Model

Solar Pump

Solar + Diesel/Electric  
Pump

Drip Irrigation

Aquifer & Rain-water  
harvest

Surface Irrigation by  
River Dredging

## FDI, JV & Major Brands

IDCOL with World  
Bank

4 Major Water Pump  
Brand

# Investment Opportunity in Farm Mechanization

## Current Scenario

USD

Total Market: 1.35 Bn  
Machineries: 0.75 Bn,  
Spare Parts & Service:  
0.60 Bn

Growth: 9%

Per Ha Power Use: 2.84Kw  
Korea 9.3Kw, Japan 14.Kw

Labor force engagement  
Agri 2000: 60% 2020: 40%

Govt. Subsidy 50-70%

## Potential Scenario in 5 years

USD

Market: 2.08 Bn  
Machineries: 1.05 Bn  
Spare Parts & Service:  
1.03 Bn

Growth: 9%

Per Ha Power Use: 5 Kw

Labor force  
engagement Agri  
2030: 27%

## New Opportunity

Manufacturing of  
Machineries and Spare  
parts

Precision Agriculture  
Technology & Services

IoT in Farm Mechanization

Farm Mechanization  
Services & Service  
Platform

## FDI, JV & Major Brands

5 Major Tractor Brands

3 Major Combine  
Harvester Brands

JV (Initial Discussion)

Technical Collaboration

# Investment Opportunity in Agri Communication

## Current Scenario

Public Extension  
Mostly F2F

Private Extension  
Mostly F2F

Media Services

Marginal Digital  
Services

## Potential Scenario

F2F to Digital  
Services

Customized  
Communication

Effective Digital  
Services

GIS and Remote  
Sensing Services

## New Opportunity

GIS and Remote  
Sensing Technology &  
Services

Digital  
Marketplace

## FDI & JV

Development  
Funds



# Investment Opportunity in Poultry

## Current Scenario

Total Market  
Live Bird, Processed Meat,  
Egg, Feed & DOC:  
7,144 Mn USD  
Integration: 281 Mn USD

Growth: 9% per year

Total Investment in this  
Sector:  
4,110 Mn USD

## Potential Scenario in 5 years

Total Market  
Live Bird, Processed Meat,  
Egg, Feed & DOC:  
9,590 Mn USD  
Export & Integration: 321  
Mn USD

Growth: 10% per year

Potential Investment in this  
Sector:

## New Opportunity

Export of Processed Meat,  
Egg, poultry Feed & Organic  
Farming

Investment In Poultry  
Integration, Poultry Feed,  
Process Meat and Value-  
Added Meat, Farm  
Technology & Equipment

## FDI, JV & Foreign Companies

FDI:  
CP, New Hope, Suguna,  
Amrit Global, Tongway,  
Jafpa

JV:  
Spectra Hexa (Taiwan,  
Thailand) & ACI Godrej

# Investment Opportunity in Dairy

## Current Scenario

Total Milk Prod 10.6 Mn MT  
Imported Milk USD 365 Mn

Growth: 9.5%

Dairy Feed Market 344 Mn USD  
Growth 8% per year

Milk Consumption:  
Global 108  
National 64

## Potential Scenario in 5 years

Total Milk Prod 12.8 Mn MT

Growth: 10.5%

Dairy Feed Market 407 Mn USD  
Growth 9% per year

Milk Consumption:  
Global 115  
National 77

## New Opportunity

Animal Genetics & Fertile  
Embryo Services

Milk Processing and Value  
Addition

Dairy Logistic Services

## FDI & JV

FDI: Cattle Feed  
CP, New Hope, Suguna,  
Amrit Global, Tongway,  
Jafpa

JV: Cattle Feed  
Spectra Hexa (Taiwan,  
Thailand) & ACI Godrej

# Investment Opportunity in Fisheries

## Current Scenario

Current Production: 4.5 Mn MT  
Culture Production: 2.4 Mn MT  
Capture Production: 1.2 Mn MT  
Marine Production: 0.66 Mn MT

Growth: 3% per year

Fish Feed Market: 928 Mn  
USD  
Growth: 4.5%

## Potential Scenario in 5 years

Total Production: 5 Mn MT  
Culture Production: 2.9 Mn MT  
Capture Production: 1.3 Mn MT  
Marine Production: 0.69 Mn MT

Growth: 4% per year

Fish Feed Market: 1,160 Mn  
USD  
Growth: 5%

## New Opportunity

Inland- Intensive Fish,  
Shrimp & Vannamei culture  
and Bio Floc

Deep Sea Fishing

Fish & Shrimp Processing &  
Value Addition for Domestic  
& Export Market

Fish and Shrimp Feed Prod.  
Domestic and Export  
Market

## FDI & JV

JV: Feed  
Spectra Hexa (Taiwan,  
Thailand) & ACI Godrej

FDI: Feed  
CP, New Hope, Suguna,  
Amrit Global, Tongway,  
Jafpa

# Investment Opportunity in Animal Health

## Current Scenario

Market in USD: 450 Mn

Growth: 11%

Vaccine Market:  
70 Mn

Hygiene Market:  
40 Mn

Pharma Market:  
180 Mn

Functional Feed Additives  
Market: 150 Mn

## Potential Scenario

Market in USD: 562 Mn

Growth Rate: 11%

Vaccine Market: 90 Mn

Hygiene Market: 60 Mn

Pharma Market: 225 Mn

Functional Feed Additives  
Market: 250 Mn

Potential Investment in this  
Sector: 16,500 Mn

## New Opportunity

Manufacturing:  
Functional Feed Additive  
Vaccine & Pharmaceuticals

New Technology

Yeast and Probiotic

Marketing & Distribution

## FDI, JV & Foreign Companies

Foreign company direct  
operations: Elanco, Evonik,  
Alltech, Kemin, DSM

Technical Collaboration



# Opportunity in Post-Harvest

## Current Scenario

Post Harvest Loss:  
Grain – 9-10%  
Vegetables – 20-40%

Transportation –  
Traditional

Market – Informal Whole  
Sale Market

Marginal Storage Capacity  
for Fish & Milk

Storage Capacity for  
potato and grain

No Storage Services for  
the grain & vegetable

## Potential Scenario

Grain Production: 45 Mn MT  
Grain Import : 11 Mn MT  
Vegetable: 16 Mn MT

Strong Need for Capacity  
Building for Harvesting,  
Transportation, Storage & Cold  
Chain

## New Opportunity

New Technology for  
Harvesting & Storage

Storage & Transportation  
Service

## FDI & JV

Development Fund

# Investment Opportunity in Forward Linkage

## Current Scenario

Modern Trade - 2%

Informal Market - 98%

Potential Contamination of  
Agri Commodity

Growing concern on Safe &  
Nutrition Food

## Potential Scenario in 5years

Modern Trade – 4%

Informal Market – 96%

## New Opportunity

Modern Trade  
Development

Branded Product

## FDI & JV

Development Fund

# Opportunity in Agro-Possessing Sector

## Current Scenario

Processed, Packet Food,  
Drink & Beverage Market:  
USD 3.5 billion

Growth: 8%

Local Market: USD 2.8  
billion

## Potential Scenario in 5 years

Processed, Packet Food,  
Drink & Beverage Market:  
3.8 Bn USD

Growth: 8%

Local Market: 3 Bn USD

## New Opportunity

Manufacturing,  
Marketing & Distribution  
for Domestic and Export  
Market

Branding and Co-Branding  
Toll Manufacturing

Export of Fruits &  
Vegetables, Packet Food,  
Beverage to main-stream  
market

## FDI, JV & Foreign Companies

Several Joint Venture  
& FDI with  
Global Leaders

# Investment Opportunity in Quality Control & Certification

## Current Scenario

Limited Testing Facilities for Accreditation & Certification

Testing also Depended on Third Country

## Potential Scenario

Full Scale Testing & Certification Facilities in the Country

Less depended on Third Country

## New Opportunity

Development of Full Scale Accredited Laboratory

Laboratories for pesticide, heavy metal, chemical, microbiological, dioxin, antibiotic and mycotoxins analysis, training and consultation

## FDI, JV & Foreign Companies

Bureau Veritas

SGS

URS

Intertek



# Investment Opportunity in Jute

## Current Scenario

Jute Production 8.3 Mn MT

Export: USD 1.2 Bn

Growth: 6.5%

Global Market: USD 3.0 Bn

Raw Jute, Jute Yarn &  
Twine, Jute Sacks & Bags

## Potential Scenario

Export: USD 2.1 Bn

Growth: 15%

Market growing very fast  
due to potential usage in  
Automotive Industry

Fine Cut Jute & Hessian  
Cloth

## New Opportunity

Fine Cut Jute  
Automotive interior

Hessian Cloth  
Shoe, bags, gunny sacks,  
rope

Jute Yarn & Jute Sack  
Carpet, Weaving, Packaging  
of construction material

Raw Jute  
Wine bottle bags, jackets,  
footwear and fashion  
accessories

## FDI, JV & Dev Fund

Opportunity in FDI &  
Development Fund

# Government Policies and Incentives



# Fiscal Incentives for Agribusiness

**Reduced Tax for 5 or 10 years depending on location** Production of bio-fertilizer, biotechnology based agro products, processing of locally produced fruits and vegetables, tissue grafting, insecticide or pesticide

**Tax exemption for 10 years on income** derived from fruit, vegetable processing, dairy production, child food and agri-machinery manufacturing

**Tax exemption up to 50% on income** from corn/maize or sugar beet

**Maximum 10% tax rate on income** from poultry and hatchery works

**Maximum 15% tax rate on income** from poultry & fish feed, cattle farming, seed production, bee farming, sericulture, mushroom production and floriculture

**Reduced tax rate up to 10 years on income** from Industrial undertaking from rice bran oil production

**50% of income derived from export is exempted from tax**

**Tax exemption** on Royalties, technical knowhow and technical assistance fees and facilities

# Cash/Export Incentives for Agribusiness

**20%** cash incentives on Vegetable, Fruit and Processed Agricultural export

**20%** cash incentives on Crop and Vegetable Seeds export

**7% to 20%** cash incentives on Jute products & stick carbon export

**20%** cash incentives on Potato export

**15%** cash incentives on Rice export

**20%** cash incentives on 100% halal Meat export

**2% to 10%** cash incentives on Shrimp & Fish export

Additionally, **4%** cash incentives on Agriculture Products exporter of Special Economic Zone (SEZ)

# Specific Incentives for Agro-Processing

**5 Bn USD foreign Investment and creating 100,000 employment Opportunity in 5 years in Agro-Processing Sector**

Proposed Agro-Food Processing Industry Policy 2020

Capital assistance at nominal interest rates

Interest subsidies

Tax exemption on imports of capital machinery

Research incentives

Laboratory grants

Waiver of income tax

Skilling up the workers to attract investment in this sector

# Sector Specific Policy Thrust for Agribusiness

Several bilateral trade agreements and sector-promotional initiatives will ensure competitive edge

**Duty free access to 52 countries including EU**

under the Generalized System of Preference framework

**Regional trade agreements (SAFTA, APTA and BIMSTEC)**

will facilitate trade preference and concessions

**Duty free access to 8,256 products in China having quota free access**

**Sector given priority in Export policy 2018-21**

**100% FDI is allowed**

**Facilitate Special Economic Zones**

to attract international investors

# To Summarize.... Limitless Opportunity in Agriculture



Demographic  
Dividend

Geographic  
Dividend

Connectivity  
and  
Infrastructure

Enormous  
opportunity in  
Agriculture  
Sector

Investment  
friendly  
policies and  
support

**Growth by Nature**





# Thank You

Dr. F H Ansarey

Cell: +8801711526289  
Email: mdab@aci-bd.com

ACI Websites:

<https://www.aci-bd.com/>  
<https://www.aciagribusinesses.com/>  
<https://acimotors-bd.com/>  
<https://premiaflex.com/>  
<https://www.shwapno.com/>