Krishi Utsho
(meaning “Source of Agriculture”)
Presented by CARE Bangladesh

BACKGROUND
Krishi Utsho started in Bangladesh in 2012 as a donor funded dairy value chain project. Early on, they realised that milk productivity could only improve, if quality feed was readily available. Six years on, Krishi Utsho is a franchise for agriculture products, bringing quality inputs (e.g., seeds, fertilizer, protection products), advisory services and information together in financially sustainable shops. Krishi Utsho links national level suppliers and importers with small agriculture shops, supporting them to become ‘one-stop’ centers for farmers.

Customers are increasing the amount they grow—used for food at home, and for sale—by 2.5 times, while shop keepers experience 70% profit increase in the first year. With its own procurement, warehousing and distribution system, Krishi Utsho aims to scale through becoming an independently registered social enterprise in Bangladesh. Krishi Utsho’s concept has been proven, confirming it to be a commercially viable business model.

WHY IS IT NEEDED?
There are 70 million farmers in Bangladesh, producing food for themselves and the country. Situated in very rural locations, they are hampered by various challenges, including only being able to access fake, spoiled, or hyper inflated inputs like seeds and fertilizer. Why is that? Large companies do not supply rural locations. High prices and low quality prevent farmers from producing the food required by home and country. Farmers opportunities are further limited by not being able to access modern technologies and information on better farming practices, preventing them from graduating out of the cycle of poverty.

REDUCING BARRIERS TO SCALE
Engaging in the SXD labs has helped Krishi Utsho to simplify their business model. Having previously used an unwieldy business plan that didn’t allow for lean experimentation and iteration on their evolving business model, using the simple Business Model Canvas tool and process supported Krishi Utsho to focus on priorities that align with their current status.

These include:
- Quality control through manufacturing their own products (starting where they first began, with cattle feed);
- Understanding their customers through building a Customer Relationship Management system (which will help them to partner with the private sector) thanks to a $75,000 grant from Cisco (something they would not have been able to do as a traditional project through traditional donors);
- Addressing access to finance barriers for farmers; and
- Developing all of the operational materials needed to stand as its own entity.

These priorities have been able to get off the ground thanks to SXD.

“I can honestly say that SXD is at the core of everything that Krishi Utsho is now doing.”

Despite the great progress being made to position Krishi Utsho as a social enterprise, they face the growing pains that come with spinning out from CARE International. In the difficult place of no longer being a project, and not yet being a self-registered enterprise, Krishi Utsho must abide by compliance,
HR, finance, operations and procurement guidelines that are not suitable or relevant to such a business model. While this is delaying their scaling journey, SXD has supported them to profile these challenges internally (Krishi Utsho now has its own bank account) and put Krishi Utsho firmly on the map as a priority case for CARE Social Ventures—which supports enterprises growing out of CARE’s global development programs. Despite this, spinning off as its own entity remains Krishi Utsho’s biggest barrier to scale.

Krishi Utsho attributes SXD with being able to start tackling barriers to scale:
- Business Plan: 80%
- Developing a scalable model: 60%
- Securing new funding: 80%
- Developing new partnerships: 60-80%

SCALING WINS
Being an inaugural winner of SXD, Krishi Utsho has been able to use its start-up capital as much needed flexible funding—used to invest in its development, and act as a match to leverage extra funding. The team received CAD 59,200 (approximately USD 45,000) from MEDA, which they matched with CAD 36,800 (approximately USD 27,900) from the SXD funds. Krishi Utsho has achieved scaling wins to the tune of 70% increase in shops (219 up from 151) and 104% increase in customers (45,000 up from 22,000) since engaging in SXD. They attribute this 60-80% to SXD and their new approach to pitching for business through the power of storytelling.

Krishi Utsho is well on the journey to scaling a viable and attractive business model that will benefit small-scale farmers across Bangladesh. In one year, they have doubled their customers and expanded their geographical coverage to the South Western Region of Bangladesh.

WHAT’S NEXT?
As a mature social business within the CARE ecosystem, Krishi Utsho will now “graduate” to receive full support from CARE Social Ventures over the next few years as they prepare to establish themselves as an independent social enterprise. Over the next year, as a part of the CARE Social Ventures pipeline and an SXD alumni team, they will receive:

- Pro-bono legal support (through SXD);
- Fundraising support (from SXD and Social Ventures);
- Support to establish advisory boards and work on governance issues (Through Social Ventures); and
- Additional capacity building on marketing, fundraising, design, and business planning (through SXD).

To support teams that are generating revenue, and are effectively “swimming up-stream” in the CARE ecosystem, SXD and Social Ventures have launched a working group for peer learning and continuing capacity building for teams. This group will surface common challenges such as the ones that Krishi Utsho has faced, and work on collective problem-solving and unblocking of these challenges.