Shiblee Hatchery & Farms Ltd. aims to engage a hundred landless families as fish farmers of cage-cultured tilapia, along the banks of the Adhamanki River. In addition to cultivating fish, livestock and vegetables on its farm in Kuakata, Shiblee Hatcheries also runs a supply network, delivering chemical-free fish and meat products to high-end clients in Dhaka.

**PROJECT AT A GLANCE**

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**The inclusive business initiative**

A pilot scheme carried out in 2010 verified the potential to produce quality tilapia fish in the waters of the river-mouth. On the basis of a business model which took a contract farming approach to production, Shiblee Hatchery has developed as a business and has secured investment to provide financial support to farmers for the initial start-up costs of cages, mesh and fish feed.

The business is based on a contract farming model, which means Shiblee Hatchery will provide the fish-farmers with hatchlings, technical advice and assistance to access finance and equipment, while also providing a secure market for the fish. Each farmer will have an area along the river on which he or she will be responsible for maintaining at least ten bamboo fish cages (30m x 8m) to rear around five hundred tilapia fish per cage. Over time, the model will evolve into a micro-entrepreneur system, where farmers run their fish farm more independently, and engagement with Shiblee for quality inputs and sale of quality fish is based on a franchise system or quality seal.

**Commercial drivers**

The most immediate commercial driver for this venture is the unmet demand in the market for quality tilapia fish. Quality and quantity of tilapia supply has traditionally been variable, while demand on global markets has increased. By raising the fish in semi-saline river water, the company aim to produce better tasting and standard sized tilapia. The cage culture farming model has the potential to scale up quickly once the business model for finance is proven. The aim is to expand the project to two hundred farmers after the first year of operation.

In the longer term, the venture offers two further commercial opportunities: (1) to expand the product offering to other farmed fish, such as sea-bass; and (2) to develop a quality seal which can be applied more widely across the sector, enabling a new source of business growth for Shiblee Hatchery.
The Business Innovation Facility (BIF) is a pilot project funded by the UK Department for International Development (DFID). It is managed for DFID by PricewaterhouseCoopers LLP in alliance with the International Business Leaders Forum and Accenture Development Partnerships. It works in collaboration with Imani Development, Intellecap, Renaissance Consultants Ltd, The Convention on Business Integrity and Challenges Worldwide.

The views presented in this publication are those of the author(s) and do not necessarily represent the views of BIF, its managers, funders or project partners and does not constitute professional advice.

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PROJECT PROFILE // BANGLADESH

Development impacts
The fish farmers could earn between 100 and 150 USD from the fish they sell at the end of each 6-month cycle, depending on the credit terms established and the loss of stock to disease. Generally, income is limited by the cost of commercial fish food. Should locally-grown fish food become more readily available, the income potential of fish farmers stands to increase.

“The cage culture farming model has potential to scale up quickly once the business model for finance is proven. The aim is to expand the project to 200 farmers after the first year of operation.”

Objectives of Facility engagement: (February 2012)
The main limiting factor to scaling up the business is the lack of credit for farmers’ start-up costs, such as cages, mesh and food. Farmers possess only minimal hard infrastructure to act as collateral for a loan. Support from the Facility aims to help prepare a robust business plan that demonstrates the viability of the business model, and progresses options for financial structuring to attract potential investors from both the commercial banking sector and ‘impact investors.

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Shiblee Hatchery & Farms Ltd.

Project update:

To find out more about projects supported by the Business Innovation Facility, visit the Practitioner Hub on Inclusive Business: www.businessinnovationfacility.org

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