

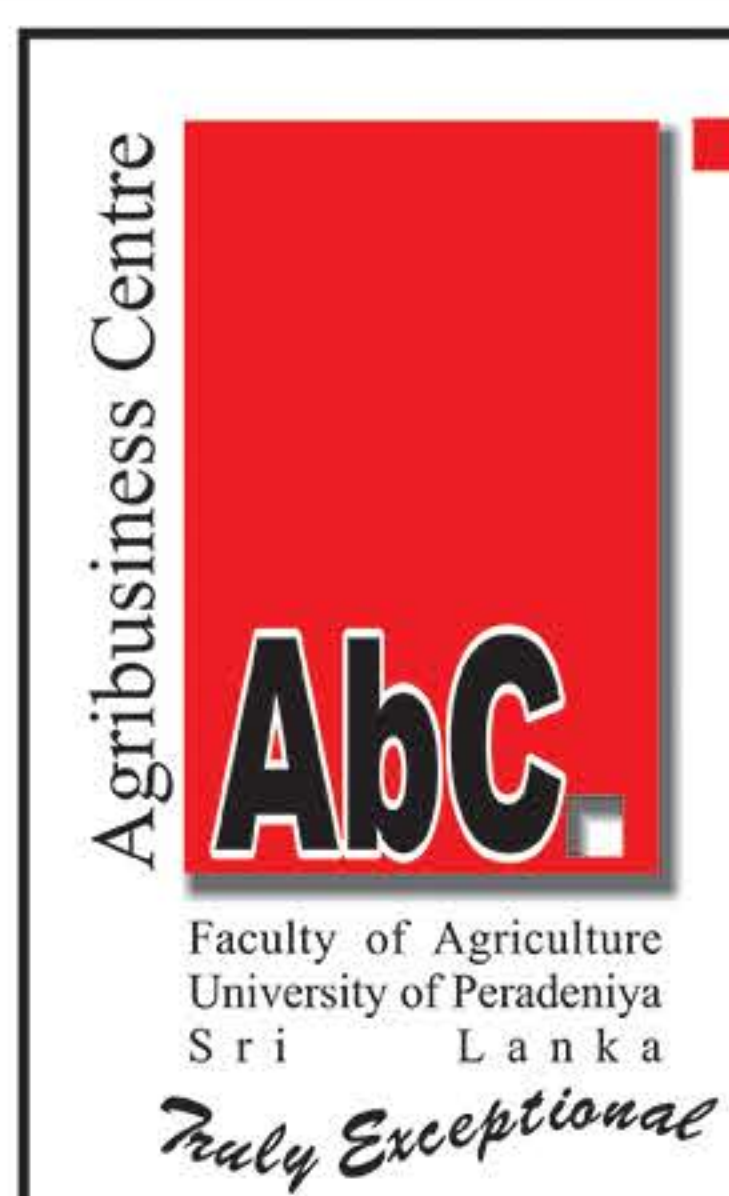
# Biodiversity for Food and Nutrition (BFN) Value Chains in Sri Lanka: Constraints and Opportunities for Value Chain Upgrading

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## Background

There are mainly 9 BFN crop categories and more than 100 high-nutritious biodiversity for food and nutrition (BFN) crop varieties identified in Sri Lanka by Department of Agriculture (DoA). However, at present they do not contribute significantly to the diet of Sri Lankan consumers. Popularizing BFN crops among consumers will have health benefits to the consumers as well as economic benefits to the rural farmers. Therefore, there is a growing interest on studying the BFN crops and their market potential.

## Objective

To identify value chains of selected BFN crops with high market potential (i.e. finger millet, foxtail millet, horse gram, *dandila*, *isuru deshi kiri ala*, *soursop*, *nelli*, *uguessa*, *gotukola*, moringa leaves and *sesbania*) while identifying strengths, weaknesses, opportunities and threats for value chain upgrading.

## Methodology

Information were gathered from 91 farmers at three pilot sites (Gampola Giribawa, Neunhella and Udukumbura) based on structured focus group discussions. Cultivated fields were also observed. Structured interviews were conducted with 155 consumers in Kandy district in order to identify the demand for BFN foods. Further, interviews were held with several identified parties of BFN value chains in Sri Lanka. There were 4 food manufacturers, middlemen, and officers at National Food Promotion Board (NFPB) and Department of Agriculture.

## Results

### Strengths

- Farmers' willingness to cultivate BFN crops and attend trainings on value addition of them.
- Selling high quality BFN crop added food for consumers through *Helebojun* outlets and through outlets led by NFPB.
- Inclusion of BFN ingredient in processed foods in diverse ways (e.g. Finger millet - porridge, *dosai* flour mix, etc.). by market participants.

### Weaknesses

- Not enough reliable supply of locally sourced BFN crops.
- Intermittent supply (seasonality).
- Poor quality BFN crop production compared to imported products.
- Higher pricing.
- In industry's perspective, knowledge gap (farmers lack adequate knowledge on novel, improved agricultural practices).
- Lack of facilities (e.g. storage, infrastructure, proper link with market)

## Results contd.

### Threats

- Importing higher quality BFN raw materials for lower prices.
- Not enough yield for the market demand.

### Opportunities

- Potential of promoting BFN foods and willingness to involve in R&D by industry giants.
- Increasing overall local demand for BFN foods by understanding the value of consuming BFN crops.
- Higher international demand (e.g. Soursop).
- Potential in selling BFN products at supermarkets under the label "local" or "healthy".
- Adaptation of franchise model for "deshiya food" by NFPB.

## Conclusion

Lack of local BFN crop supply is the major constraint. Identification of farmers in different geographical areas to cultivate BFN crops with market potential will enables increased local supply of BFN crops and food, and value chain upgrading.

## Bibliography

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