

CHAPTER 5

CONCLUSION AND SUGGESTIONS

5.1 Conclusion

According to the findings of the study regarding agribusiness development challenges and effects of contract farming on how small-scale bean farmers in the Pabna District of Bangladesh can reach markets, the following conclusions can be drawn:

1. The study found that smallholder bean farmers in Pabna District be affected by various agribusiness development barriers, such as like high costs for inputs, unstable prices, weak power in negotiations, reliance on middlemen, lack of access to market information, and insufficient support from institutions all play a role. These obstacles negatively affect farmers' agricultural output practices, profitability, and overall engagement in agricultural markets.
2. The outputs revealed that contractual farming contributes beneficially to farmers' market connectivity by providing more secure market opportunities, reducing marketing uncertainty, strengthening buyer–farmer relationships, and offering technical assistance and input support. Farmers participating in contract farming generally perceived the system as more reliable and organized compared to traditional market arrangements.
3. The study also concluded that the outcomes of contract farming remain mixed. Although contract farming improves market integration, production coordination, and income stability, many farmers continue to face financial pressure due to high production costs, delayed payments, weak contract

enforcement, and unequal pricing mechanisms. The findings support Agribusiness Systems Theory (AST), which emphasizes the importance of coordination among actors within agricultural value chains. The findings are also consistent with Transaction Cost Theory (TCT), which explains how contractual arrangements can reduce market uncertainty while highlighting challenges associated with bargaining power and transaction risks. Furthermore, the Sustainable Livelihoods Framework (SLF) suggests that improvements in financial, human, and institutional capital are necessary to strengthen farmers' livelihood resilience. Therefore, stronger institutional support, transparent contractual arrangements, fair pricing systems, and farmer empowerment are necessary to ensure more sustainable and equitable benefits from contractual farming systems across smallholder bean farmers in Bangladesh.

5.2 Suggestions

Based on the findings of this research, the considering these suggestions are proposed to increase agribusiness development and strengthen the adoption of contract farming across smallholder bean farmers in Pabna District of Bangladesh.

1. The government encouraged and related institutions should strengthen institutional support, market infrastructure, transportation facilities, storage systems, and access to market information in order to improve farmers' market participation and reduce agribusiness-related constraints. Policies related to contract farming should also promote transparent pricing systems and fair contractual arrangements to protect farmers from unequal market practices.

2. Agribusiness companies and buyers should establish more transparent and mutually beneficial relationships with farmers through fair pricing mechanisms, timely payment systems, and continuous technical support. Strengthening coordination among farmers, buyers, and agricultural extension agencies is important to improve production management, market linkages, and long-term cooperation within contract farming systems.
3. Farmers should strengthen collective participation through farmer groups or cooperatives to improve bargaining power, information sharing, and access to agricultural inputs and markets. Stronger farmer organizations may also help reduce dependence on intermediaries and improve farmers' negotiating capacity within agricultural value chains.
4. Future researchers are encouraged to conduct broader studies using quantitative or Mixed-method designs across different regions and agricultural crop products to provide a more comprehensive perception of the long-term impacts of contractual farming on agribusiness development, market opportunities and rural livelihoods in Bangladesh.