



**PROKRATEE**

a fair trade company  
manufacturing and  
exporting handicrafts



**PROKRATEE  
GUARANTEED  
FAIR TRADE**

**ANNUAL REPORT  
2017 - 2018**



## CONTENTS

Contents	3
Forward from our Director	4
From our buyer	5
Financial overview	7
Message for the top ten buyers	8
Shipping	10
Sample development	12
Celebrating 10-year anniversary	14
Future plans	15
Success story of Bagdha Enterprise	16
From our artisan	17
Success story of New Keya Crafts	18
From our artisan	19
Hajiganj Basket Unit	21
Hajiganj Crochet Unit	21
Bagdha Enterprise	23
Sacred Mark Enterprise	23
Bonoful Handmade Paper	25
Keya Palm Handicrafts	25
Jobarpar Enterprise	27
Torulota Crafts	27
Biborton Handmade Paper	29
Shuktara Handmade Paper	29
Seasonal chart	30
Storable items	30

## FORWARD FROM OUR DIRECTOR



I am pleased to present our 2017-18 Annual Report. The year 2018 was a memorable year for us as we got to celebrate our ten-year anniversary as one of the leading fair trade organizations in Bangladesh. Ten years ago, in 2008, Prokritee received its license as a Not-for-Profit Company and was registered under the Bangladesh Authority of Registrar of Joint Stock Companies and Firms. Since then, we have come a long way, learned a lot, and made new relationships with local and international buyers that go beyond professional affiliation, and none of these would have been possible without the support and contribution from the following organizations and honorable personnel, towards whom we will forever be grateful.

First and foremost, I would like to thank the Mennonite Central Committee (MCC) Bangladesh for creating Prokritee and our honorable Board of Directors for their guidance since the

beginning. Without their invaluable support, Prokritee would have never made it to its current position.

I would like to thank our staff members, working in our Head Office and Production Centers, for their dedication towards the organization. They are the heart of this operation, and the contributions they make on a daily basis to help our artisans have always been exemplary. I expect that they will keep up the same excellent working spirit in the coming years.

As for our humble artisans, no word is enough to describe the gratitude we feel towards them. Their hard work makes everything possible, gives us the strength to move forward, and lets us dream of a better future for Prokritee.

And finally, I would like to thank our buyers, without whom we wouldn't be able to continue in this competitive handicraft industry. Over the last 10 years, their willingness to work with us has enabled us to obtain the WFTO Guarantee System Certification, achieve a \$2 million turnover target, gain market shares over 30 countries worldwide, and create jobs for over 3,000 artisans from underprivileged backgrounds. We always appreciate their enthusiasm to work with our artisans, who will continue to deliver high quality handicraft goods to represent Bangladesh in the world market.

Swapan Kumar Das  
Executive Director

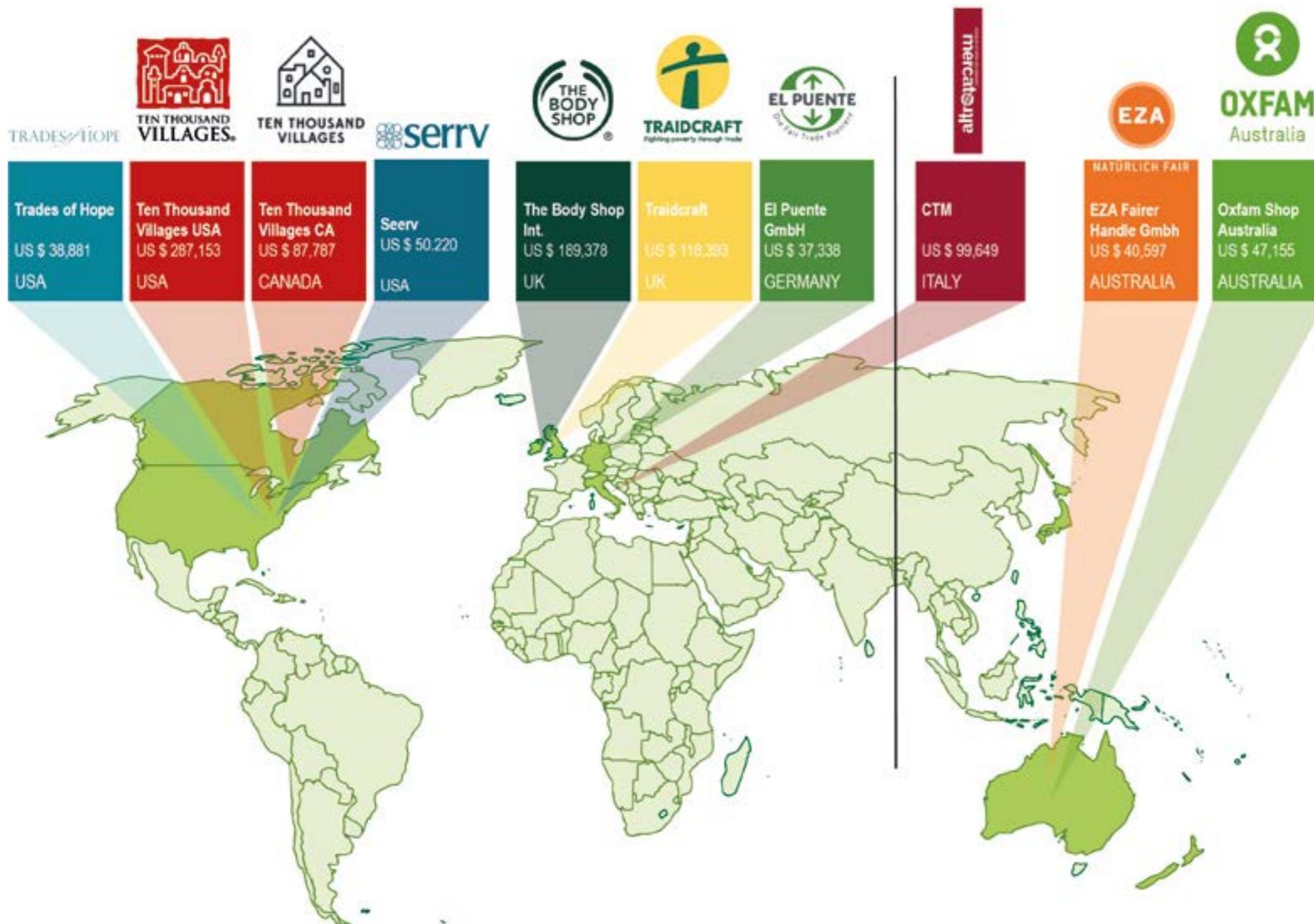
## FROM OUR BUYER



The Body Shop International has been working with Prokritee since 2001 and for the past several years we have been purchasing our Hemp Bath Mitts from the artisans at Bagdha Enterprise. I've always been impressed by the attention to detail of all the artisans and staff that ensures the right quality of product is dispatched to us. Having confidence that we will receive our goods on time and to a consistent specification is really important for any retailer – the fact that this is achieved time after time for a handmade product is impressive. I'd recommend that there is an increased sharing of the work Prokritee undertakes to make a positive difference in people's lives and especially for rural women. More and more we are seeing that customers want a real connection to the people that make their products and I know that there are many success stories that can and should be shared.

Lee Mann  
Global Community Trade Manager





Orders from new buyer: US \$ 89,698

## FINANCIAL OVERVIEW



Here is our financial status for 2017-18:

### Income July 2017 - June 2018 (US \$\*)

Sales Export	1,235,592
Sales local	188,539
Interest Income on Investment	19,331
<b>Total Income</b>	<b>1,443,462</b>

### Expenses (US \$\*)

Cost of Goods Sold	712,055
Administrative expenses	629,586
Marketing expenses	29,437
Development expenses	6,230
<b>Total Expenses</b>	<b>1,377,307</b>

**Net Income (US \$\*) 66,155**

\* 1US\$ = (BDT) TK. 83.7249853184

Source: www.xe.com

Sajjad Hossain  
Manager Finance

## MESSAGE FOR THE TOP TEN BUYERS



When Prokritee was first formed, we were selling our products only to a handful of buyers operating in the USA and Canada. Back then, we were only shipping a short range of handicraft goods, the total value of which was less than 100 Thousand USD. But now, we are exporting our products to over 30 companies located in every continent. Last year, our total yearly turnover was close to \$1.5 million dollars and a large portion of it came from our top ten buyers as shown on the previous page.

With the expansion of our business, we had to take a more professional approach toward our buyers. We tried our best to match their speed in terms of production capacity and delivery time, and in doing so, we have come across the following insights, which we believe would be helpful to anyone who is willing to work with us.

**Sample orders:** Before placing a large order for a product, it is always best to place a sample order (test) first. This would help us and you (the buyer) to stay on the same page if any modification is required later on. As for payment, if the sample shipment value is less than 50 USD, we will not ask you for instant payment, as transferring such small amount from Bank to Bank is inefficient for both parties. Later when you place a larger order, we can add the sample value to that invoice. To know more about sample development, please see page 12.

**Packing:** Our regular buyers have their own ways of packing, and we follow their instructions carefully. If you are one of those buyers who are yet to specify their packing methods, your goal should be to minimize the empty

**Transparency should not end on the factory floor.**  
-Fair Trade Federation

space in your shipping boxes/cartons. The best way to do this - is to let us experiment with different combinations of stuffing methods. You must remember that we have the same goal as you, which is to deliver the ordered goods to their respective destination(s) in the safest and the most efficient way possible, and we'd hate to see your hard-earned money going into the pockets of shipping companies due to inefficient stuffing.

**Larger orders:** When we say large orders, we are referring to any order that has a total value of over 5,000 USD. A large order can have 10-20 pieces of a single product, along with other products with similar quantities, but the combined value of different products together should be over 5,000 USD. Larger orders require more follow-ups, and they are more likely to get affected by external and internal factors than sample orders. Which is why we are providing you with a seasonal chart, printed on the last page of this annual report, where we have listed the factors that can affect a particular order. To know how you can use the seasonal chart to place an order at the right time, click this link: <https://youtu.be/UZXELIkp-qY>

**Shipping:** If you have no experience in shipping, please check out page no. 10 of our annual report. But, please note that even with all the available information, it's really difficult to make the right call for a particular shipment. So, when it comes to shipping, please don't take a decision just based on your internet research. It would be best if you can find someone you trust and who has years of experience in this area.

If you need more information and want to have a Skype call regarding any of the aforementioned issues, please send a request to [contact@prokritee.com](mailto:contact@prokritee.com).

Sayma Ahmed Chowdhury  
Marketing Officer- Export



# SHIPPING



To many, shipping might seem a simple, straightforward procedure, but in reality, it's a very complex process and requires years of experience to make the right call at the right time. Buyers who are new in the business often ask me, 'What is the best shipping method?'. I tell them, 'Well it depends!'

If your shipment is small (under 2000 USD), and urgent, it's best to take the products via Door to Door Courier (FedEx, DHL, TNT, etc). Even though, it's often the most expensive shipping method out there, when you are in a hurry, Courier should be your go to service. By the way, we have an agreement with FedEx Courier, which allows us to provide you with below economy Air Freight rates. So, you can use us to get the best rates out there. But, of course, you are more than welcome to use your own Courier account if it's cheaper.

Now, if your order is medium in nature (2000-5000 USD) and you have a week or so time in your hand, you could easily take advantage of Commercial Air Cargo (Airport to Airport) shipping method. It's less expensive than Air Courier but requires a bit more time and paperwork. We are well connected with the local and foreign shipping agents, which enables us to provide you the most convenient and below economy rates. Of course, it's best if you have your own shipping agent who has extensive experience in dealing with international shipping procedures. But, finding a good freight forwarder is like trying to find a trustworthy and reliable motor mechanic. They are of rare breed.

If your order is larger (over 5,000 USD), then you should take the products via Sea. It's the most convenient and economic option to ship

Every time you spend money,  
you are casting a vote for the  
kind of world you want.

-Anna Lappe

large amount of products. The only drawback in this shipping process is 'Time'. The products would usually stay on the ship for over 30-40 days, which might sound like a long transport period, but if you place the order in the right time, the ordered goods should be at your requested destination on time. Here are some helpful information regarding

shipping documents and their uses:

**Country of Origin (CO):** Since Bangladesh is listed under the LDC nations, we can arrange to issue this document so that a respective buyer can get tax reductions on their imported goods.

**Generalized System of Preferences (GSP) Document or Form A:** We can arrange to issue this document to the companies located in Europe so that they can get tax reductions.

**Phytosanitary Certificate:** Sometimes a foreign customs officer might want to check the shipped goods for harmful biological life forms. This document, which we obtain from the Bangladesh Government, helps the buyers to get clearance from their local customs regarding this type of inspection.

Please note we provide all the other shipping documents, such as Commercial Invoice, Packing list, Bill of Lading, EXP, etc., as needed by the buyers.

If you want to know the best method to ship products to your country, email at [contact@prokritee.com](mailto:contact@prokritee.com). We will definitely get back to you with an answer.

Anayet Hossain  
Senior Commercial Officer



# SAMPLE DEVELOPMENT



Throughout the year, we remain very busy dealing with the requests from our international buyers. After publishing our seasonal catalogues, we receive many emails from our buyers: some asking us to do slight modifications on a particular product that they think might sell well; some willing to experiment and combine different types of designs; and some want to start discussing the product pricing, etc. Sample development is exciting work, because creating something new is always fun. But, it's also very challenging, requiring much trial and error. So, if you are a new buyer and wondering how to get started, here's what you need to know.

First thing to know is that Prokritee won't charge you for sample development in most cases. So, no matter how complicated your project might seem, we will be happy to work with you as long as you agree with our terms

and conditions.

**Send Email:** Send your request to [contact@prokritee.com](mailto:contact@prokritee.com) or anyone you know who is working here at Prokritee. If your request is from our existing catalogues, send us the product code with images and let us know the kind of modifications you want. If you want to develop a new product, send us sketches/similar product images with their dimensions, colors, specifications, and material details. If you are unsure of what you are looking for, you are more than welcome to have a Skype meeting with us and discuss different possibilities.

**Exclusivity Rights:** A lot of our products are exclusive to our existing buyers. We tend not to put these products in our catalogues. But occasionally, a new buyer comes along, who asks if we can make the same products for them. In these cases, we check with our existing buyers if they are willing to share the product with a new buyer. Without their approval, we won't be able to share this information with anyone.

Little by little,  
a little becomes a lot.

-Tanzanian Proverb

**NDA Agreement:** If you want to gain exclusivity rights for a particular product that you have developed with our assistance, you will need to sign an NDA agreement. You can download our

standard NDA agreement template by clicking this link: <https://bit.ly/2FLrxQJ>

**Exclusivity rights** are the most efficient way to make sure that your designs are protected, but before signing such a document, you need to agree with us on a minimum order quantity (MOQ).

**Labeling:** If you have your own labels or tags, you can share the artworks with us. It's always cheaper for both parties to make the labels/tags here in Dhaka. We can use different types of fabrics, machine made paper, or our own handmade papers (cotton, jute, leather, recycled paper, etc.) to make the labels/tags.

**Product Pricing:** During the sample development process, we tend to use all the resources necessary to make a requested sample, and as a fair trade organization, we are quite transparent when it comes to pricing a product. So, if you wish to know how we have calculated the price of a particular product, let us know. We will send you the pricing sheets.

For any other query regarding sample development, please email us at [contact@prokritee.com](mailto:contact@prokritee.com).

Golam Dastagir  
Design Manager



## CELEBRATING 10-YEAR ANNIVERSARY



Each year, Prokritee participates in various trade fairs, such as the Ambiente Fair in Germany, NY Now Show in the USA, Apparel Textile Sourcing Fair in Canada, and others. We meet many new buyers in these fairs, and they always want to know about us and what we do as a fair trade organization. Last year, while I was at the NY Now fair, I had the privilege of meeting some of Prokritee's new and existing buyers and observed how much they love our products.

Most of the existing buyers know us as one of the leading fair trade organizations in Bangladesh. They know that we work with underprivileged women who are skilled at making hand-craft goods. Although, this is a fairly accurate description of our organization, but I believe - it doesn't paint the full picture.

To know the real Prokritee, one needs to come here and visit our artisans. Without meeting them, no one can possibly know the true value

of their work. We have single moms working as basket weavers who are worried about the future of their children; we have ex-sex workers making natural soaps, who are still afraid of making eye-contact with outsiders; we have widowed women who were abandoned by their families and for whom working at Prokritee is the only social life they have.

When we first recruit these women, often times, they are scared to work with us. They believe that life has mistreated them in many ways and sorrow is the only thing they deserve. But, we tell them that they are not alone, that there are many like them working with us and rebuilding their lives. Most of the time we can help them out, but there are many who are still out of our reach.

Here at Prokritee, we are always trying to come up with new ways to reach those women who are still out of our reach. With the expansion of our business, we hope to employ more of these women, and the only way we can do that is to tell their stories to our buyers.

We believe in fair trade and its social and economic implications. We believe fair trade can change lives and generate stories that are worth telling. So, next time you want to know about Prokritee, read our stories, or better yet, come and visit our production units where you will see the women whose hands are turning dreams into realities.

Afzalun Nessa Chowdhury  
Chairperson, Prokritee Board of Director

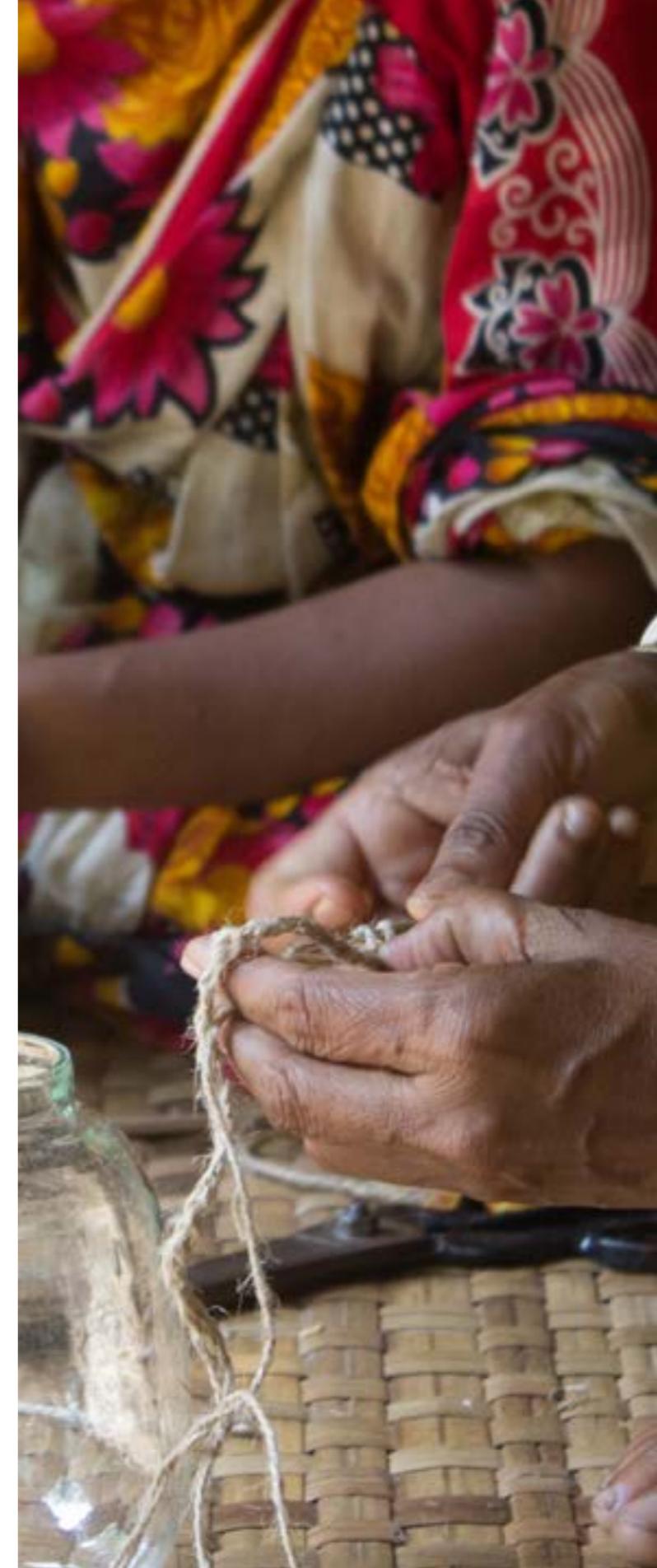
## FUTURE PLANS



You will be glad to know that last year we signed a partnership agreement with WEESMS (Women's Economic Empowerment through Strengthening Market Systems) of IDE Bangladesh. They have over 10,000 artisans working for them right now in Bangladesh. We know that this partnership would really help us to boost-up our production capacity in the coming years and help these women to connect with the world market. IDE has the same goal as Prokritee, which is to help underprivileged women obtain the right to secure their livelihoods.

IDE's artisans have been working in Bangladesh's handicraft industry for a long time, and some of them are highly skilled at making handicraft goods that have prominent market potentials.

Abdul Majid Mallik  
Board of Director



## SUCCESS STORY OF BAGDHA ENTERPRISE



I am Kalipada Adhikary, the unit manager of Bagdha Enterprise. Established in 1982, Bagdha Enterprise was initiated by MCC Bangladesh. Back then, we had only 18 artisans, but now we have over 200 (Permanent & Seasonal) women working with us. Of all the production units under Prokritee, Bagdha is the biggest one in terms of production capacity. But, it wasn't always like this.

When we first started out, our artisans lacked the skills required to make high quality goods. So, we had to train them for months. Back then, we used to make rope and twines, using hemp, jute, and other locally available raw materials, and we weren't doing very well. But in 2001, we received a call from Prokritee Head Office asking us if we could make bath mitts. The request was from a big buyer called The Body Shop International, so we were excited to give it a try.

Body Shop gave us detailed instructions on how to make the bath mitts. Designers from Dhaka came to Bagdha to train our producers. After developing a sample, we were more than happy to receive an order of 4,000 units of Bath Mitts right away. We worked tirelessly for 3 months. It was all going so well, but disaster struck after the first shipment, when Body Shop refused to take the finished goods due to their lack of consistency. We compared the finished products with the approved samples and saw that Body Shop was right about the consistency issue. It was a slap in the face, but we didn't want to give up that easily. So, we asked the Body Shop to give us another chance, and they were kind enough to grant us one.

This time, assigned staff members and designers from Prokritee Head Office came to Bagdha and stayed with our artisans for more than a month and showed them how to make the bath mitts correctly and why it was so important to maintain a consistency. As the delivery deadline approached for the second time, I was losing sleep. The fear of another rejection was unbearable. But, at last, all was not lost. In the second shipment, Body shop accepted 95% of the bath mitts we produced. The following year, they ordered again, and we got better at making bath mitts. Now, The Body Shop International is our biggest buyer, and we are grateful to them for being so patient with us throughout our journey.

Kalipada Adhikary  
Unit Manager, Bagdha Enterprise

## FROM OUR ARTISAN



Dear buyers, you have probably heard this many times before, but I am going to say this again: Please order more. We always say this because, for us, that's what matters at the end of the day. Like me, most of the artisans working here at Prokritee come from poor families.

**“I love my job and will work here until my last breath!”**

I am a single mom and the only earning member of my family. When you place more orders, I get more work, which helps me send my kids to school. So, please tell our stories to your customers and let them know that we can make the best handicraft products in the world.

Rahima Khatun  
Artisan, Prokritee



## SUCCESS STORY OF NEW KEYA CRAFTS



My name is John Tony Bala. I am the Proprietor and Manager of New Keya Crafts, one of the partner organizations of Prokritee. My father, Mr. Sushanto Bala, started this business in 1982. Back then, we only had 10 artisans working with us. In 1986, we became the first independent artisan group working under MCCB's (Mennonite Central Committee Bangladesh) job creation program. Back then, Prokritee was a part of this program. But in 2001, when Prokritee became an independent organization, we started working with them.

Initially, we were working with Palm and Keya leaves. We used to make Christmas Decoration items and sell them to Prokritee. As time went by, Prokritee introduced us to other local handicraft organizations and some international buyers, and we were receiving constant orders from them. We were doing very well for a while. But somewhere around the mid 90's, the orders

started slowing down. My father got really worried, as we kept losing customers. By the end of 1996, we had lost all our major buyers, except for Prokritee. To save ourselves from bankruptcy, we were planning to shut down.

But then, Prokritee invited us to their Head Office and convinced us not to give up. They gave us new product ideas (recycled sari stools, chairs, etc.) and provided financial support so that we could keep moving forward. Even with the help from Prokritee, we were still going through hard times, but Prokritee stayed with us and encouraged us to develop new products. Their marketing team was always looking out for us and trying to sell our products to new foreign buyers.

Currently, we have 30 artisans working with us. They are really grateful to Prokritee for supporting them over the last two decades. I consider Prokritee my second home. In other organizations, I always have to ask permission to talk to someone or to sit down. But at Prokritee, everyone knows me, my family, and my artisans. They ask me if my family is doing well or not every time they see me. I feel safe knowing that Prokritee will always be there in our time of need.

John Tony Bala  
Proprietor and Manager, New Keya Crafts  
A partner organization of Prokritee

## FROM OUR ARTISAN



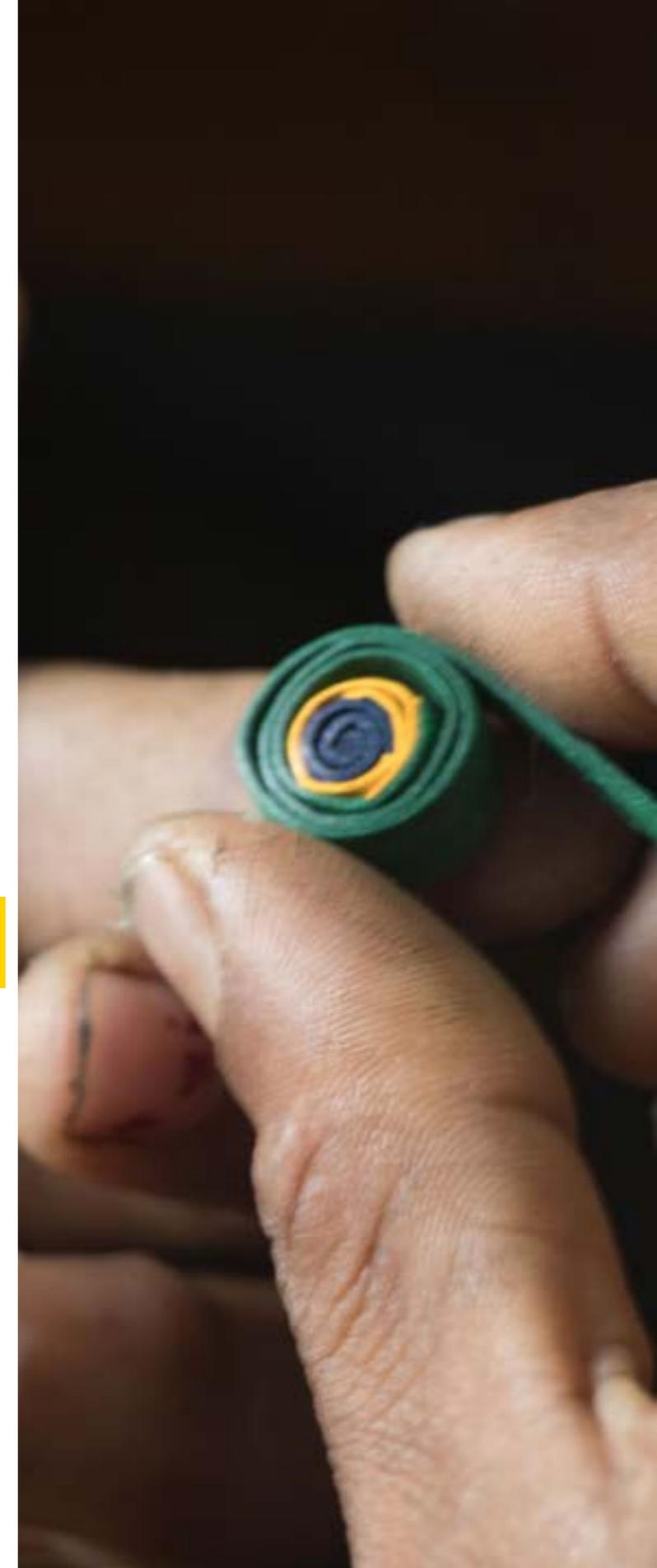
I have been working here at Prokritee as an artisan for over 6 years. I like working here because I get to see foreign buyers from time to time. Whenever they come to visit us, our production unit becomes a place of celebration.

“I feel safe here.”

We get to make flower necklaces for them and eat special sweets alongside.

Most of the time, I can't understand what they say, but I know they are the ones giving us work. I wish I could tell them how grateful I am to make their products. I always pray to the Almighty for them and their wellbeing.

Shila Haldar  
Artisan





## hajiganj basket unit

**Founding year: 1998**

**Location: Hajiganj, Nilphamari**

**Unit Manager: Sk. Ahmed Uallah**

**Total Artisans: 30 regular; 96 seasonal**

**Best Selling Products: Baskets made from recycled saris, Kaisa grass, Palm leaves, Hogla (sea grass).**

**Last Year's Sale: US \$ 106,747.61**

## hajiganj crochet unit

**Founding year: 2005**

**Location: Saidpur, Nilphamari**

**Unit Manager: Sk. Ahmed Uallah**

**Total Artisans: 35 regular; 52 seasonal**

**Best Selling Products: Crochets made from recycled sari**

**Last Year's Sale: US \$ 75,519.66**



## bagdha enterprise

**Founding year:** 1982

**Location:** Bagdha, Barishal

**Unit manager:** Kalipada Adhikary

**Total artisan:** 45 regular, 158 seasonal

**Best Selling Products:** Bath mitts made from hemp and jute.

**Last Year's Sale:** US \$ 201,190.30

## sacred mark enterprise

**Founding year:** 2009

**Location:** Mymensingh

**Unit Manager:** Ishrat Jahan Deepa

**Total artisan:** 28 regulars, 31 seasonal

**Best Selling Products:** Soap made from coconut/ palm oil and essential oil, and recycled sari blankets

**Last Year's Sale:** US \$ 95,570.88



## bonoful handmade paper

**Founding year:** 1995

**Location:** Muktagacha, Mymensingh

**Unit Manager:** Richard J Sarkar

**Total artisans:** 50 regulars, 22 seasonal

**Best Selling Products:** Paper and stationery items made from jute, hemp, wheat straw, pineapple leaves, coconut fibers, recycled newspapers, cotton waste, etc.

**Last Year's Sale:** US \$ 77,870.80

## keya palm handicrafts

**Founding year:** 1987

**Location:** Boromogra, Barishal

**Unit manager:** Jaganath Datta

**Total Artisans:** 40 regular, 30 seasonal

**Best Selling Products:** Home decor and jewelry made from Palm and Keya leaves.

**Last Year's Sale:** US \$ 46,395.01



## jobarpar enterprise

**Founding year:** 1984  
**Location:** Jobarpar, Barishal  
**Unit manager:** Papri Mondal  
**Total artisans:** 43 regular, 35 seasonal  
**Best Selling Products:** Christmas decors and ornaments made from handmade paper.  
**Last Year's Sale:** US \$ 80,792.10

## torulota crafts

**Founding year:** 2011  
**Location:** Nagarbari, Barishal  
**Unit Manager:** Jaganath Datta  
**Total Artisan:** 15 regular, 17 seasonal  
**Best Selling Products:** Baskets made from pathi grass. Other products: table mats, jewelry boxes.  
**Last Year's Sale:** US \$ 48,288.03



## biborton handmade paper

**Founding year:** 1993

**Location:** Kalurpar, Barishal

**Unit manager:** Sajal Krisna Datta

**Total artisans:** 51 regular, 46 seasonal

**Best Selling Products:** Paper made from jute, water hyacinth, and silk.

**Last Year's Sale:** US \$ 106,547.88

## shuktara handmade paper

**Founding year:** 1989

**Location:** Charipur, Feni

**Unit Manager:** Muhammad Abul Kalam

**Total artisans:** 32 regular, 15 seasonal

**Best Selling Products:** , Paper made from water hyacinth, jute, cotton waste, banana fiber, bags made from jute and recycled sari.

**Last Year's Sale:** US \$ 99,885.09

# SEASONAL CHART

External Variables		Jan	Feb	March	April	May	Jun	July	Aug	Sep	Oct	Nov	Dec
<b>Raw Materials</b> Red = Low availability (High Price) Green = High Availability/Can be stored/Harvest time	Jute	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Waste Jute	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Hemp	Orange	Yellow	Yellow	Light Green	Green	Green	Green	Yellow	Yellow	Orange	Red	Red
	Pineapple fabric	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Wheat Straw	Green	Green	Green	Light Green	Green	Green	Green	Yellow	Yellow	Green	Green	Green
	Rice Straw	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Water Hyacinth	Orange	Orange	Yellow	Yellow	Light Green	Green	Green	Green	Green	Green	Yellow	Orange
	Hogla Leaf	Yellow	Yellow	Green	Green	Green	Light Green	Yellow	Yellow	Light Green	Green	Green	Green
	Kaisa Grass	Red	Red	Red	Red	Green	Green	Green	Green	Green	Yellow	Red	Red
	Palm Leaf	Green	Green	Green	Green	Red	Red	Red	Red	Green	Green	Green	Green
<b>Environmental Factors</b> Red = High Probably of Env Factors affecting the production process; Green = Low Probability of Evn Factors affecting the production process	<b>Sun</b> Light/Rain/Flood/Heat/Cold	Green (Sun icon)	Light Green (Sun icon)	Red (Rain icon)	Red (Rain icon)	Orange (Rain icon)	Green (Sun icon)	Green (Sun icon)	Yellow (Sun icon)				
<b>Social Factors</b> Red = Social Factor might affect production/shipment Green = Social Factors won't affect production/shipment	Festival Holidays/Ramadan	Light Green	Green	Green	Green	Orange	Orange	Green	Light Green	Green	Green	Green	Yellow

To know how we use this chart, please click this link: <https://youtu.be/UZXELIkp-qY>

## STORABLE ITEMS



Leather



Wood



Recycled sari



Silk



Cotton



Bamboo



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