

Sowing the "Seeds of Development" in Africa

Ed Mabaya, Phd
Assistant Director, CIIFAD
em37@Cornell.edu

Outline of Presentation

- Premise and assumptions
- Background of Africa's seed sector
- Rationale for intervention
- Seeds of Development Program
- Controversy on private seed companies
- Discussion and Q&A

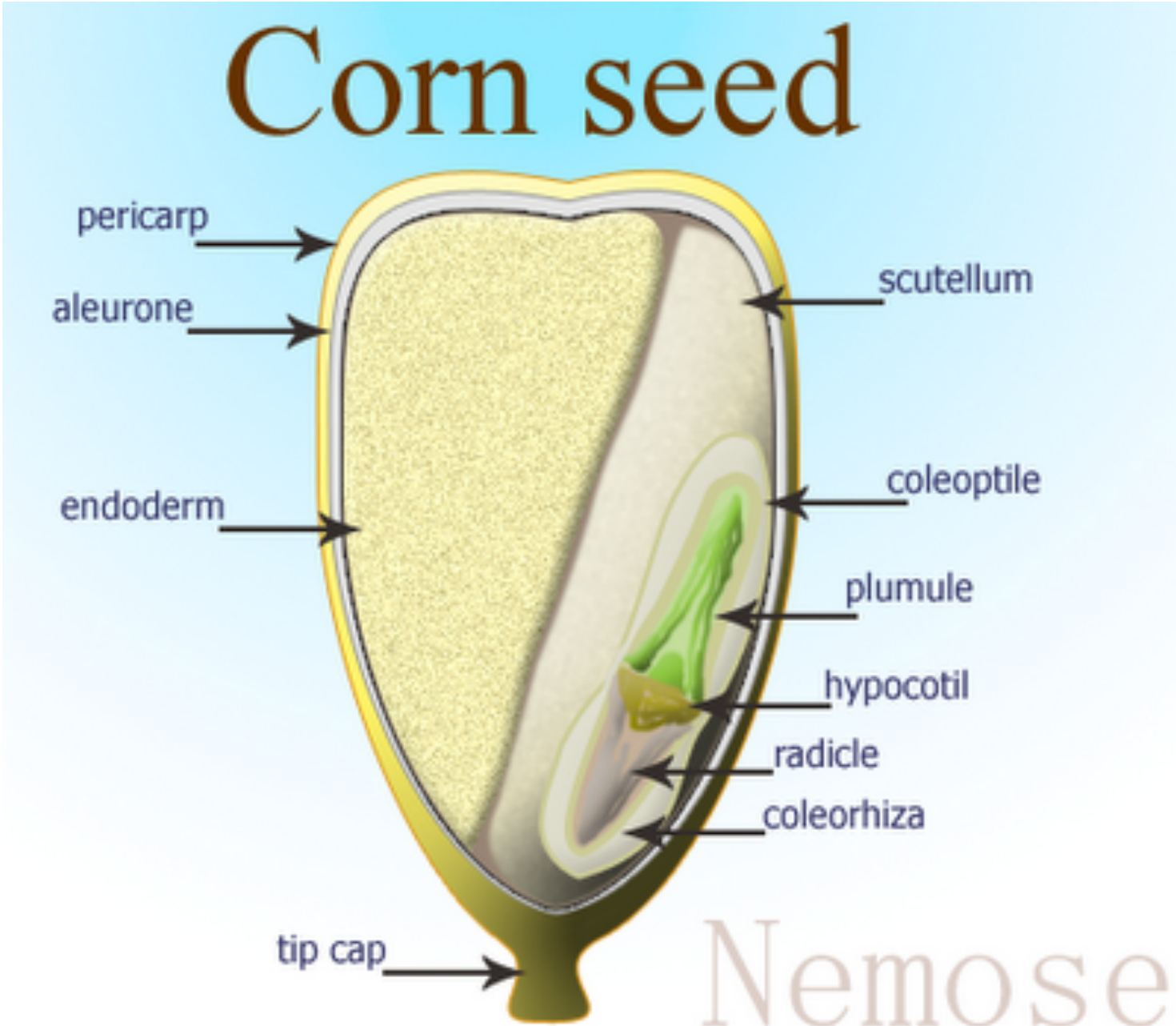
Premise and assumptions

- Food security is primary development goal for Sub-Saharan Africa.
- Used correctly, improved seed varieties have potential to increase productivity, lower risk and to improve nutrition among resource poor farmers.
- Private seed sector is the most efficient way to produce and distribute seed improved seed.
- For most cereals crops GM crops > Hybrids > OPV > farmer saved seed.
- Exceptions for vegetatively propagated crops.

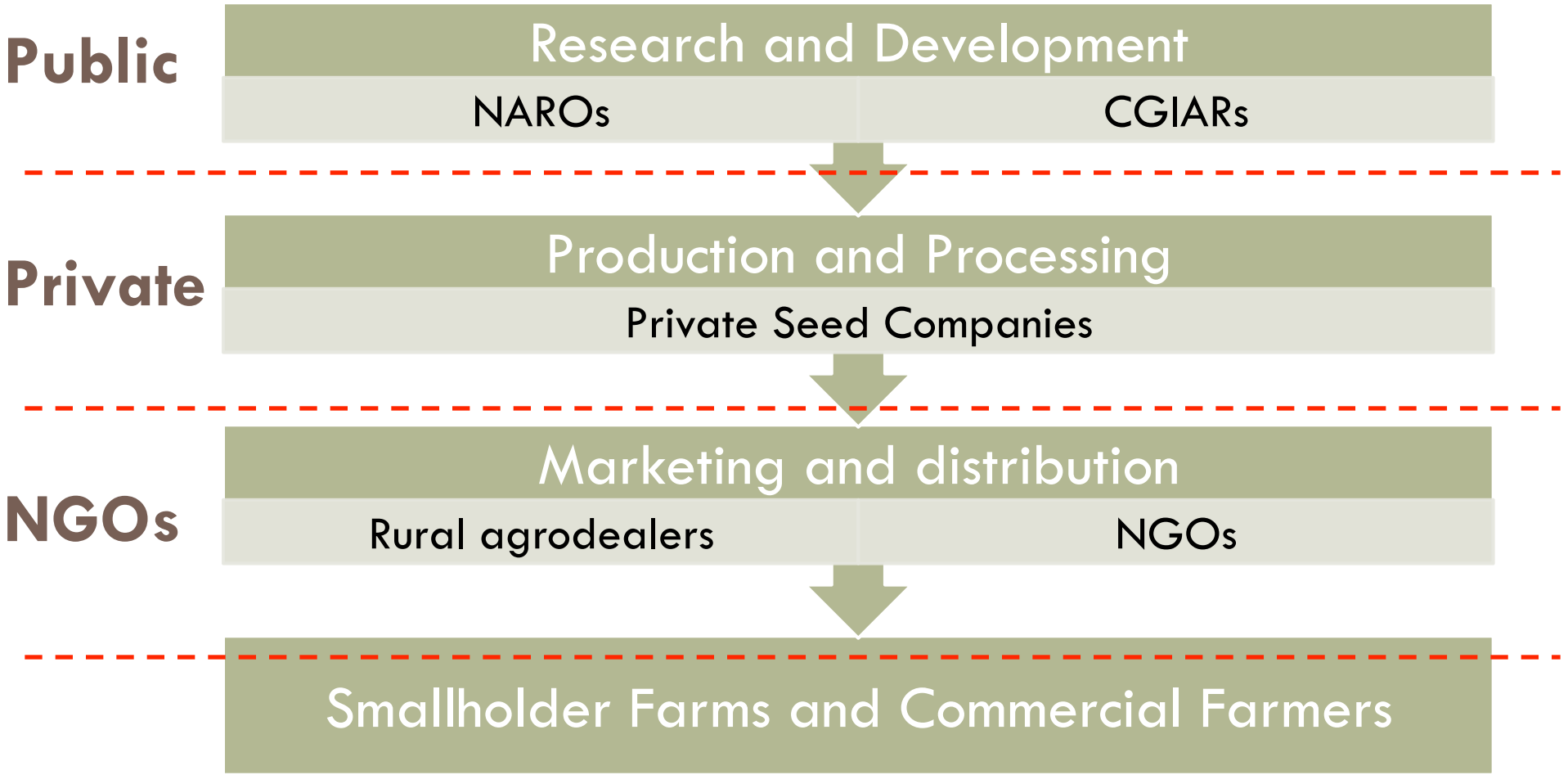
Why Seeds?

- Seeds are to rural agricultural development what pills are to modern medicine.

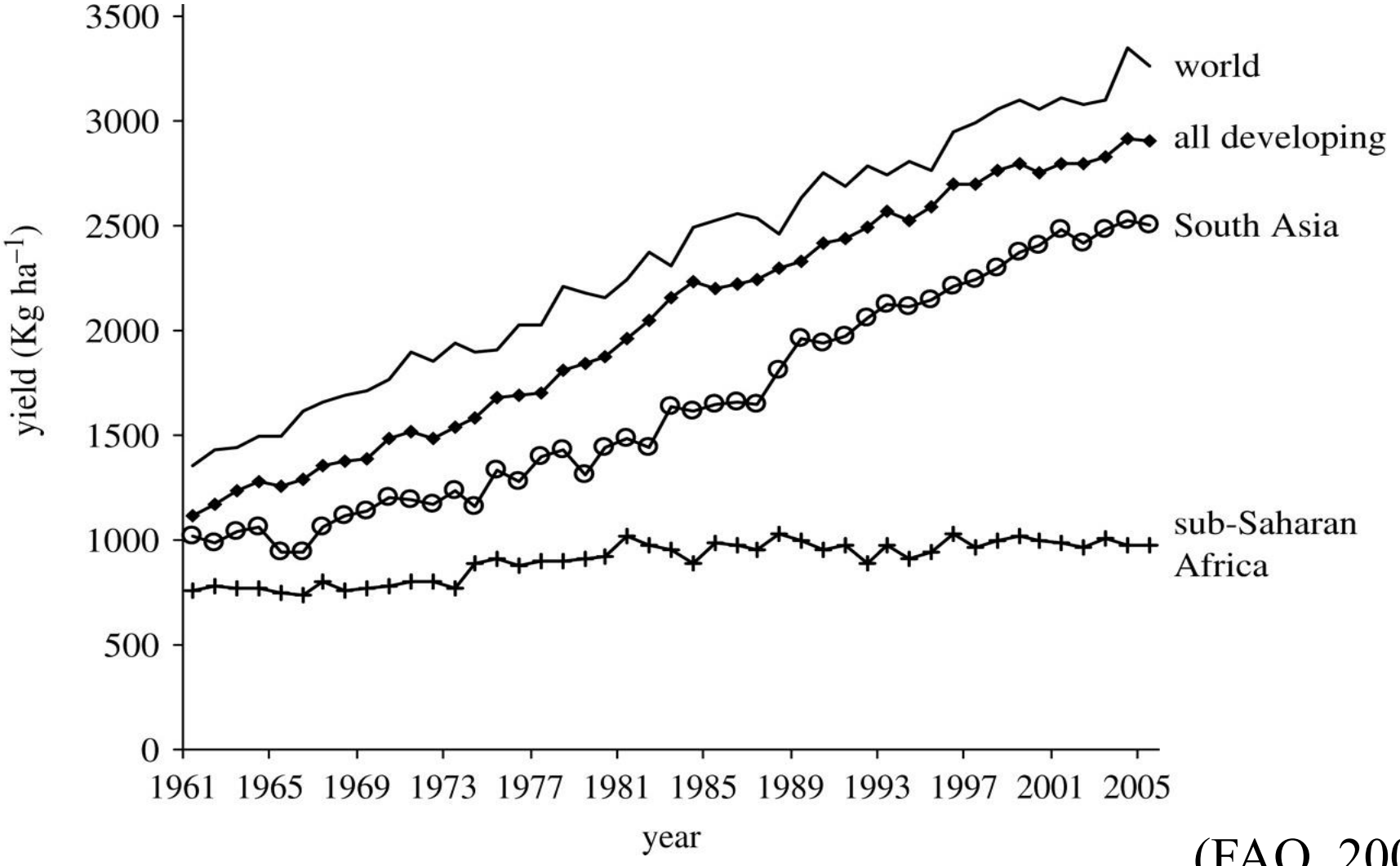



Corn seed
pericarp
aleurone
endoderm
scutellum
coleoptile
plumule
hypocotil
radicle
coleorhiza
tip cap
Nemose

Africa's Seed Value Chain

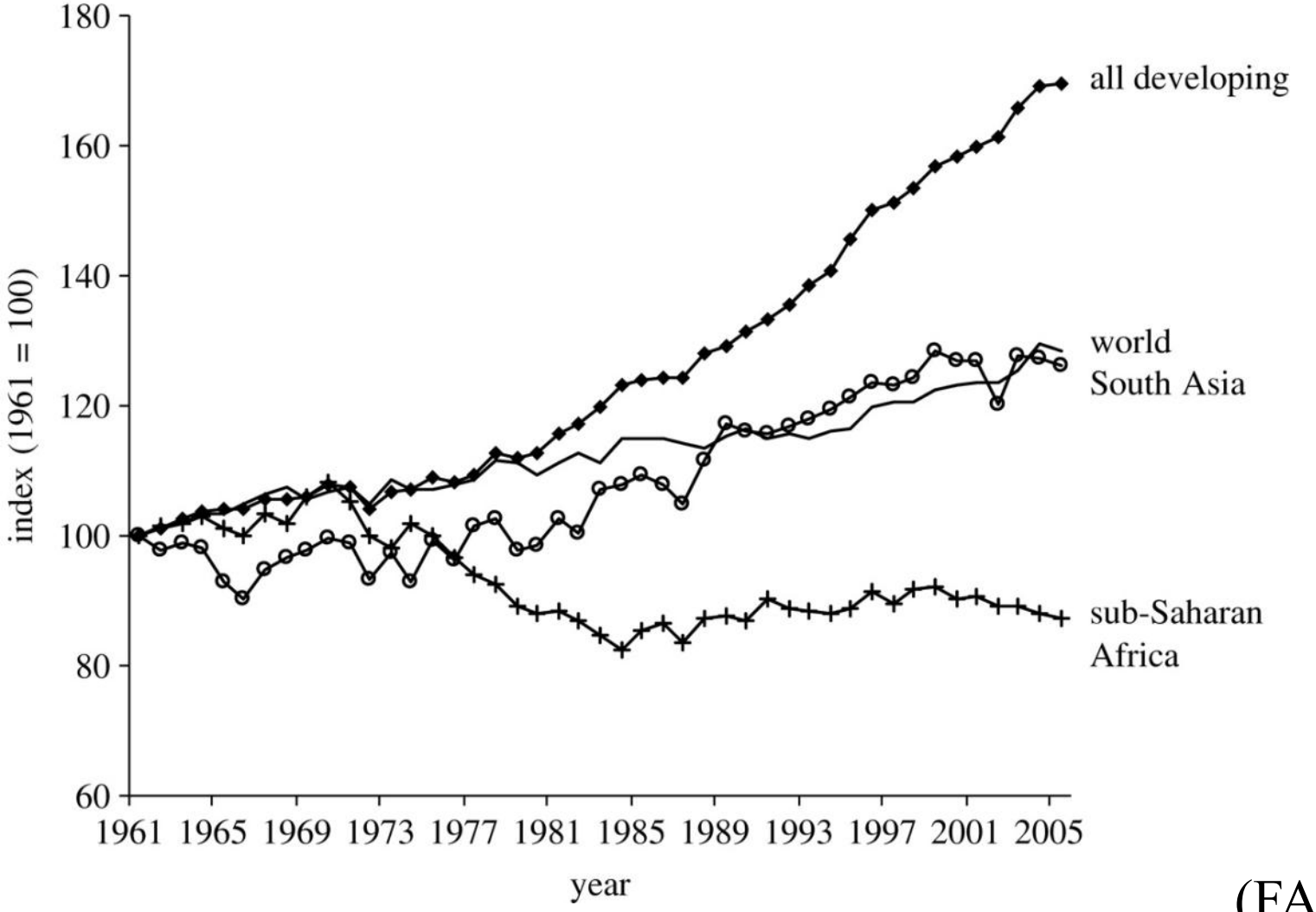


Cereal yields by region



(FAO, 2006)

Per capita food production



(FAO, 2006)

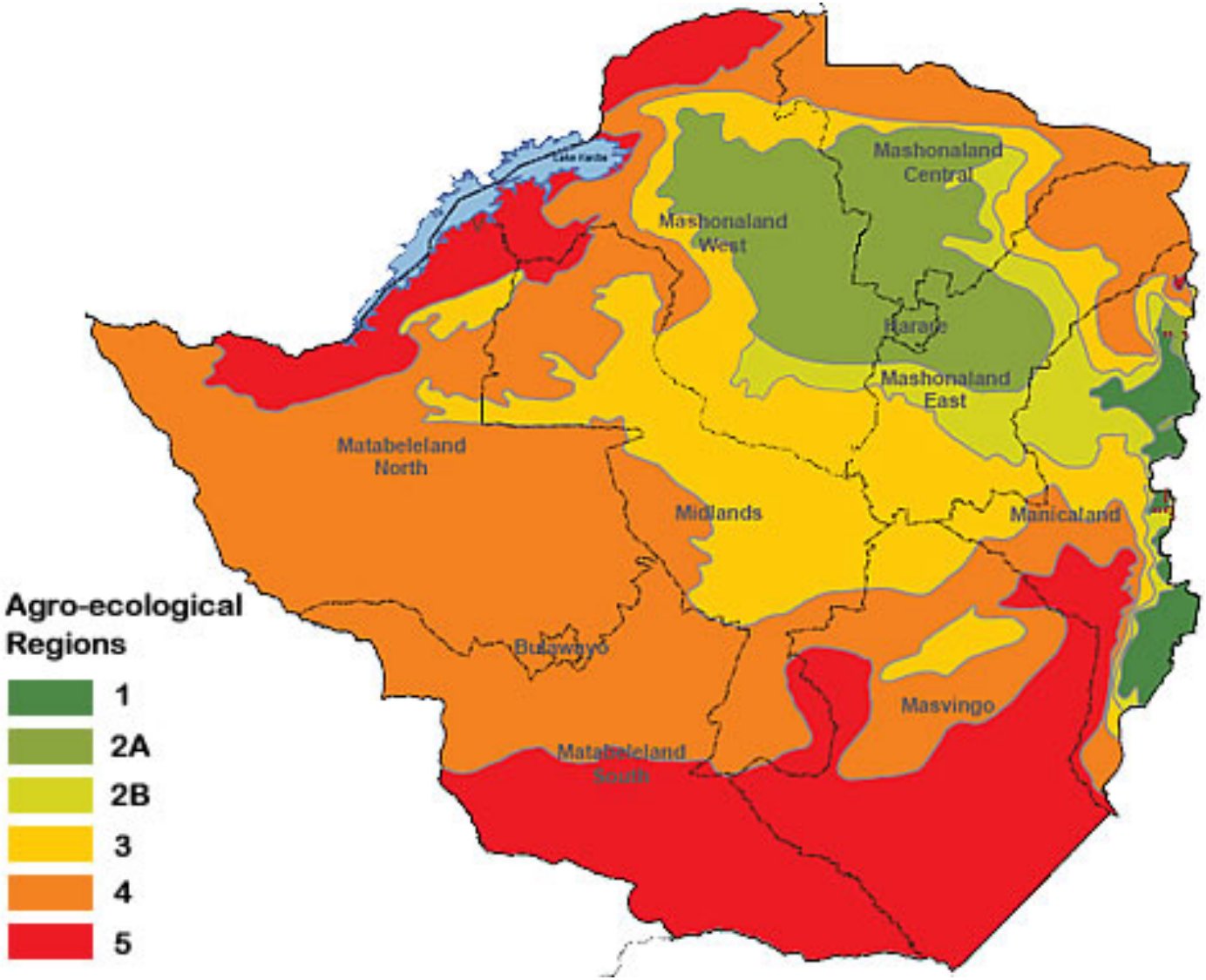
Private Seed Companies: Small is beautiful

- Primary market for SMEs is smallholder farmers (60–80% of seed sales).
- Most are located in close proximity to their market (lower transportation costs, close contact with smallholder farmers).
- Relatively low overheads = lower prices.
- Macroeconomic environment in Africa is highly dynamic - conditions favor smaller companies as opposed to large MNCs.
- Diverse agro-ecological and social conditions (low economies of scale, highly fragmented market favors niche marketing)

Africa need technological innovations that are **practical and affordable**



Africa has diverse agro-ecological zones



Market Matters INC.



Seeds of Development Program

Advancing Africa's Green Revolution Through Private Seed Companies

Seeds of Development Program

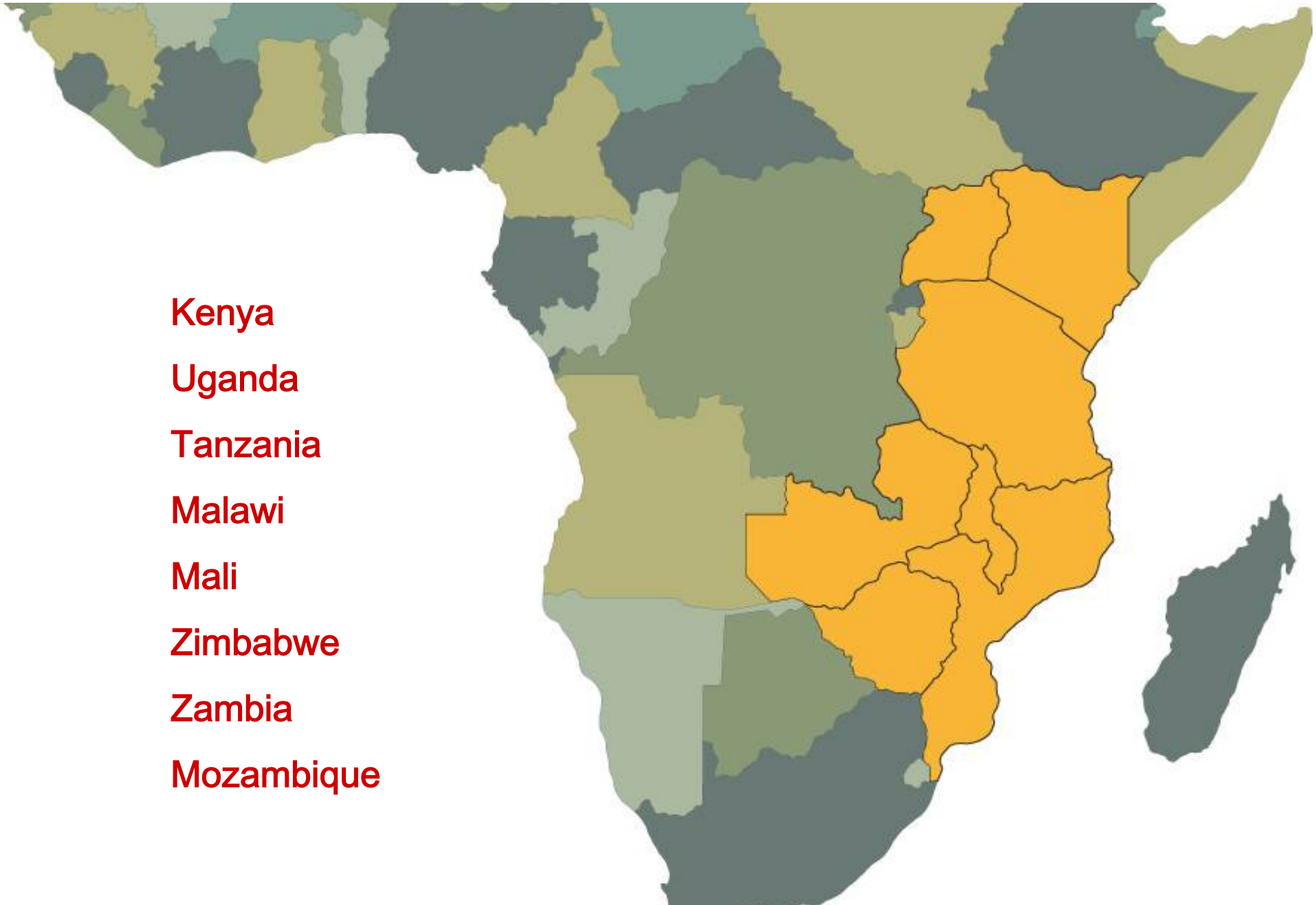


- Founded in June 2003
- Collaboration between CU Emerging Market Program and Market Matters Inc.
- Started with 10 companies (Fellows), have grown to 30 + 10 affiliates.
- Received L.A. Potts Success Story Award for making a significant positive impact in low-income communities (2006).

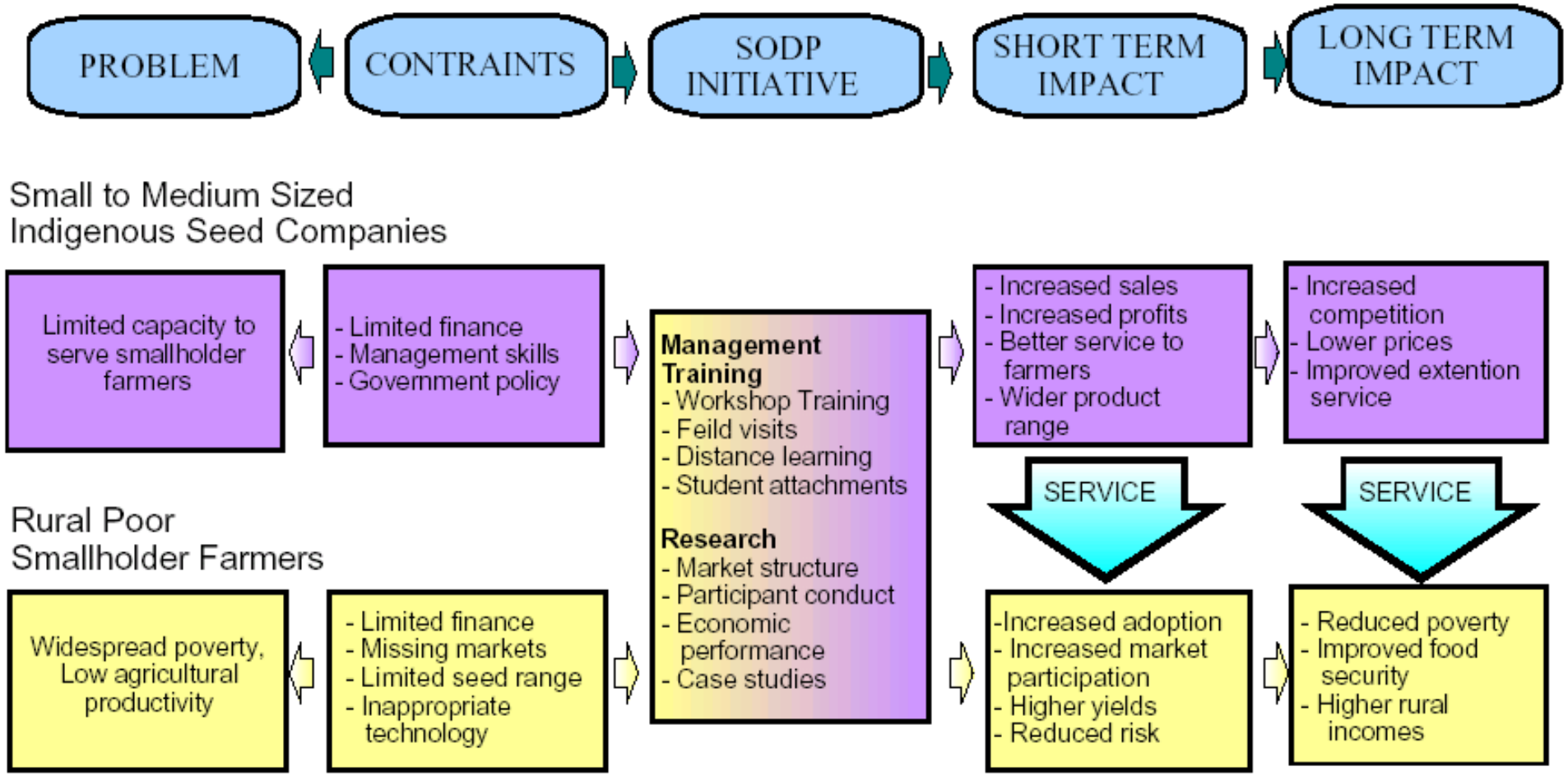
SODP Objectives

- To build management capacity of locally owned seed companies.
- To create platforms for networking among African seed companies.
- To conduct research on the seed industry that will guide company strategies and inform public policy.

Where we work – 30 Fellows



Theory of Change



Who we work with

- 30 medium-sized seed companies - Fellows
- They are small, but they think big.
- Where others see challenges, they see opportunity.



Who we work with…



Who we all work for…



Program Activities

- Workshop Training
  - Making Markets Matter
  - Technical workshop
- Network Creation
  - Seed Trading Forum
  - Field visits
  - Management modules
- Coaching
- Student attachments
- Research

Seed Trading Forum



International Field Visits



2010 SODP Field visits

SoDP Fellow (and country)	Destination	Main purpose of trip
Victoria Seeds (Uganda)	China	To procure crop protection products branded for efficient marketing and easier identification by farmers.
Fica Seeds (Uganda)	Rwanda	To explore business opportunities for certified seed sales in Rwanda and identify potential partners.
Naseco (Uganda)	Rwanda and Burundi	To explore export market opportunities for the company's products in neighboring countries of Rwanda and Burundi.
Kamano Seeds (Zambia)	DRC	To seal a Lease Agreement for a Sales Outlet that was identified in Lubumbashi Congo during a trade mission organized by Zambia Development Agency (ZDA).
Dryland Seeds (Kenya)	China	To procure seed processing equipment from SanLi Manufacturers in Shijiazhuang City, China.

MMM: Agribusiness management training



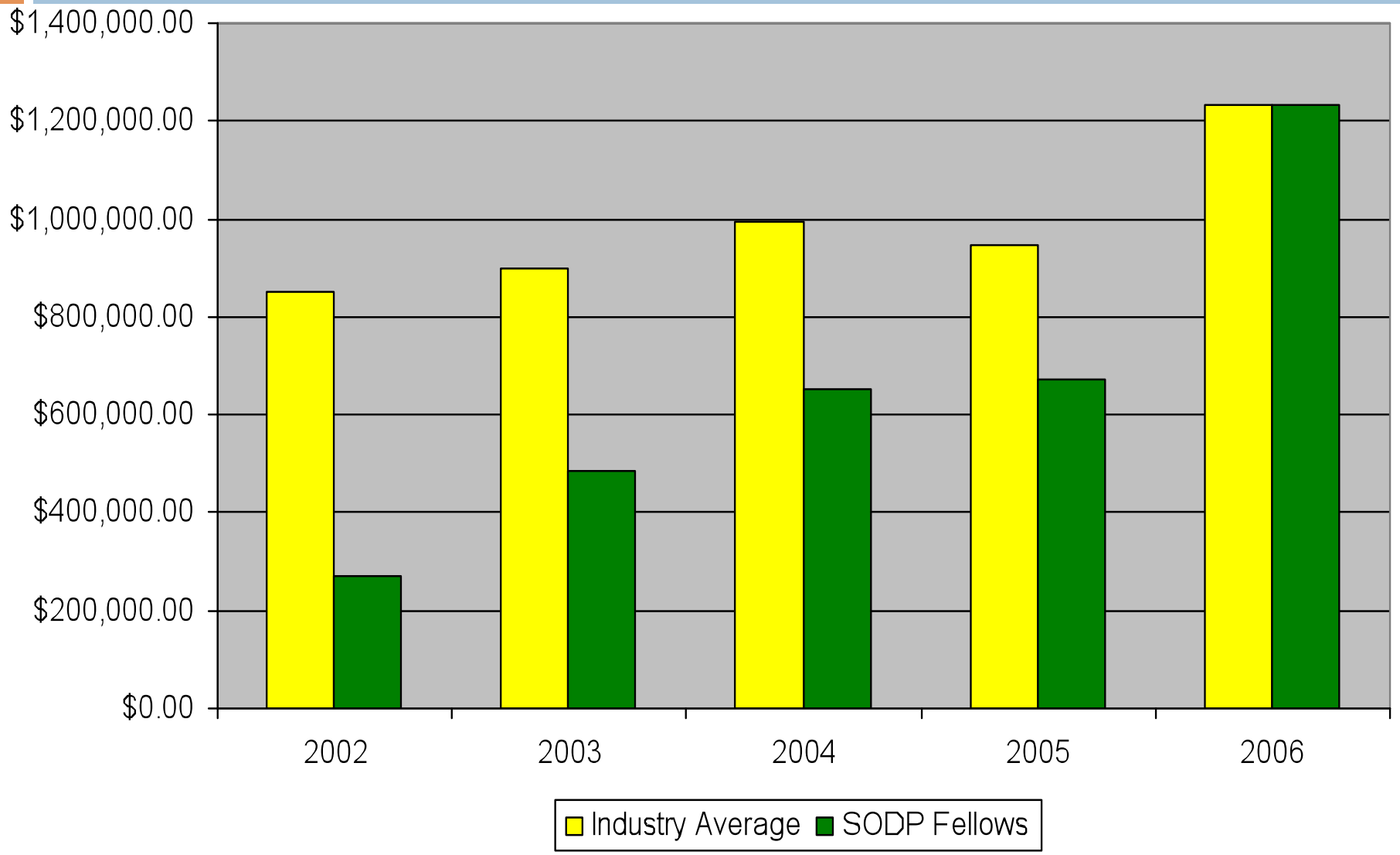
CU student field trips



Program impacts

Performance indicator (Averages)	**2003**	**2006**	**Increase**
Sales revenue	US$450,370	US$1,232,112	**174%**
Area under maize seed production	198,000 (ha)	448,000 (ha)	**126%**
Area under other seed production	146,000 (ha)	312,000 (ha)	**113%**
Number of maize seed varieties offered	4.2	7	**166%**
Volume of total seeds sold	229 (M tons)	682 (M tons)	**299%**

Average annual sales for Fellows (US$)



Theoretical basis of business networks

- **Neoclassical economic theory** - maximizing agglomeration economies or capturing positive externalities.
- **Strategic Management** - strategic advantages of collaboration include economies of scale, improved access to technology and expertise, reduction of risk, and improvement on the competitive structure of the firm.

Impacts of SODP networking

- Formation of new enterprises
- Cross registration of varieties
- Purchase and sale of seeds and equipment
- Sharing of information on technologies and markets
- Exchange of human resources

SODP: 2010 Networking Deals

Company	Business conducted with SoDP Fellows
AgriSeed (Zimbabwe)	• Exchanged seed sales with SODP Fellows to the value of USD30,000
Suba Agro Trading (Tanzania)	• Victoria Seed- $133,400 • Naseco Seed (Uganda) - $162,500. • Progene Seed (Zambia) - $156,000.
Faso Kaba (Mali)	• Conducted on-farm field visits in Mali with SODP fellows from East and Southern Africa in 2009, who were attending AGRA grantees' annual meeting in Bamako. • Visited SEED CO headquaters in Zimbabwe. • Negotiating to be a dealer of SEED CO products in Mali. • General email communications with SoDP Fellows.
DSL Seeds (Kenya)	• With Freshco - sharing information and germplasm. • With Naseco - sharing information and germplasm. • With Oil Crop - sharing information and germplasm.

SODP 2010 networking deals

Company	Business conducted with SoDP Fellows
SeedTech (Malawi)	• Shared information with SoDP Fellows **Pristine Seeds (Zimbabwe) and Semente Perfeita (Mozambique)** on maize seed OPV availability and price, on quantities of 100mt (value US$200,000). • **With Tanseed (Tanzania)** we set up demonstration plots to introduce new seed varieties into farming communities. • **Exchanged information with Dryland Seeds Co. (Kenya)** on coping strategies in times of droughts.
Funwe Farm (Malawi)	• Ongoing general interactions and information sharing with SoDP Fellows. • Joint procurement of chemicals with SeedTech 2009. • Visit to LELDET and other Kenyan seed companies.
Pristine Seeds (Zimbabwe)	• On behalf of Kamano seeds sold 80 MT of sorghum seed. • Sold to Semente Perfeita 30 MT of maize seed. • We co-marketed about 50 MT of cowpeas, 10 MT of sorghum and 20 MT of groundnuts with Progene Seeds in Zimbabwe. • The total value of these transaction is USD285 000.

Josephine Okot: Yara Prize 2007 laureate



- Victoria Seeds Ltd is SODP Fellow – born out of SODP

Private seed companies – the controversy

- Are we creating dependency on purchased inputs?
- Why not promote community based seed systems?
- Environmental concerns – is this sustainable?
- The fear and controversy around GMO
- SMEs will be bought by multi-national seed companies
- It takes more than just seed (soil fertility, finance, policy, extension)

Helping small companies …



Compete with giants!!



Q&A + Discussion

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