Seed Producer Cooperative Development: Experiences of Integrated Seed System Development (ISSD) Ethiopia Programme
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Outline of presentation

• Introduction to Integrated Seed Development (ISSD) Ethiopia Programme

• Seed Producer Cooperative (SPC) Development
  – Process
  – Achievements
  – Way forward
Through a vibrant and pluralistic seed sector quality seed of superior varieties becomes available and affordable to a larger number of farmers, thereby contributing to agriculture for food security and economic development in Ethiopia
Coordinating partners:
• 4 Ethiopian universities: Bahir Dar, Haramaya, Hawassa and Mekelle University
• Oromia Seed Enterprise and the Ethiopian Seed Association
• Wageningen UR Centre for Development Innovation

Collaborating partners:
• Federal, regional, zonal and woreda governments; public & private seed companies, NGOs and seed producer cooperatives and their partners

Donor:
• The Netherlands Government
Integrated Seed Sector Development

• **ISSD is an inclusive approach**
  • Public
  • Private
  • Seed producer cooperatives + CBSP

• **ISSD principles**
  • Informal and formal seed systems, with integration
  • Work according to structure seed value chain
  • Promotes innovation, entrepreneurship, market orientation
  • Enabling and evolving policy
Components in ISSD Ethiopia programme

- Seed Producer Cooperative Development
- Seed Companies
- Seed Producers
- Partnership and innovation
- Support services:
  - Research & studies
  - Capacity development
  - Sharing experiences and lessons learnt
- Enabling and evolving policy environment
Seed Producer Cooperative (SPC) Development

- Objective is to contribute to sustainable seed supply at village level through:
  - Organizing a team of farmers into seed producer cooperatives
- Gradual market growth to district, zone, region, country levels
- Provide support at initial stage with regard to:
  - Technical capacity development
  - Organization and financial management
  - Business management
  - Linkage with support and service providers
  - Innovation grant, with co-funding
Seed Producer Cooperative (SPC)

- **Also called local seed business (LSB)**
  - Local = Operate kebele and woreda level
  - Seed business = produces and sells quality seed cost effectively with a view to making a profit.
    - Low transaction cost
    - Public support

- **Autonomous farmer groups** - Self-reliant in all aspects of seed production & marketing

- **Professional** - Technically well equipped with a drive for excellence

- **Entrepreneurial** - Market-oriented, innovative, forward thinking and risk taker
Advantages of SPC

- **Bridge:**
  - formal and informal;
  - public and private

- Focus on crops and varieties with high local seed demand, but
  - **Less attractive for private sector**
    - e.g. Seed potato, groundnut, red-seed haricot bean, OPV maize, pulses and oilseeds = niche product & market
  - **Less dealt by public seed enterprises**

- Production of quality seed of at local level

- Vector for introducing newly released varieties into production system
Advantages of SPC ...

- Low transaction cost, making seed affordable
- Market niche for quality seed of locally demanded crops and varieties
- Demand driven approach contributing to seed security
- Support through public funded input and service delivery
- Commercial sustainability of SPCs?
Goal of SPCs

To become technical capable in seed production, processing, marketing & distribution
To be well organized, and
To become more autonomous in their seed entrepreneurship

To solve seed shortage and inefficiency of seed system from kebele onwards
To contribute for seed sector and economic development in rural Ethiopia
How will SPCs achieve their goals?

• Organize to work as a team to achieve agreed goal

• Pull together resources:
  – Farm land, oxen
  – Finance in the form of share and re-invest part of dividend
  – Materials
  – Knowledge, experiences and labor

• Initially supported by public & Dev’t programs
  – Strategic linkage to support and service providers
  – Legally licensed for seed production
<table>
<thead>
<tr>
<th>Organizations</th>
<th>Motivations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>Outreach &amp; community service</td>
</tr>
<tr>
<td>Research Institutes/centers</td>
<td>Technology promotion</td>
</tr>
<tr>
<td>BoA/MoA</td>
<td>Increase seed supply</td>
</tr>
<tr>
<td>Cooperative Promotion agency/Coop. Unions</td>
<td>Cooperative development</td>
</tr>
<tr>
<td>Development partners</td>
<td>Development/ productivity</td>
</tr>
<tr>
<td>Public seed enterprises</td>
<td>Enhance seed production</td>
</tr>
<tr>
<td>ATA</td>
<td>Agric. transformation</td>
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</tbody>
</table>
Steps followed in developing SPCs

1. Innovation sites & potential SPC selection
2. Baseline study & documentation
3. Prioritization of Key Actions & Activities
4. Interventions on the gaps identified
5. Strengthening Institutional linkage

Since August 2009 in 4 regions (Amhara, Oromia, Tigray & SNNPR)
Challenges in Organizing SPCs

• The following are major challenges identified in baseline survey:
  – Early generation seed
  – Seed marketing
  – Cooperative management
  – Financial management
  – Facilities
  – Access to credit
Key support areas for SPC development

- Institutional linkage
- Self-reliant SPC
  - Seed production
  - Organization management
  - Seed Marketing
Key intervention strategies:

• Capacity building
  – Technical, organizational, marketing
  – Coaching, advising, follow up,
  – Arrange experience exchange visit/twinning

• Facilitate of Institutional linkage

• Participatory variety selection (PVS)

• Facilitate partnership platforms & seed core groups

• Facilitate business plan development

• Provide innovation fund + matching fund
<table>
<thead>
<tr>
<th>Four key performance areas</th>
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<tbody>
<tr>
<td>Technically well equipped in pre- and post-harvest seed production and processing (2 KPI)</td>
</tr>
<tr>
<td>Professionally well organized</td>
</tr>
<tr>
<td>• Leadership</td>
</tr>
<tr>
<td>• Organization management</td>
</tr>
<tr>
<td>• Financial management</td>
</tr>
<tr>
<td>• Facility/infrastructure development (3 KPI)</td>
</tr>
<tr>
<td>Market-oriented (2 KPI)</td>
</tr>
<tr>
<td>Strategically linked to</td>
</tr>
<tr>
<td>• Input providers</td>
</tr>
<tr>
<td>• Service providers (1 KPI)</td>
</tr>
</tbody>
</table>
Achievements (1): 275 SPCs organized in 4 regions of Ethiopia

\[34 + 241 = 275\]

20,000 members

13% women farmers
## Distribution of SPCs in the AGP and PSNP Districts by 4 Regions (2009-2015)

<table>
<thead>
<tr>
<th>Region</th>
<th>Districts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AGP</td>
<td>PSNP</td>
</tr>
<tr>
<td>Amhara</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Oromia</td>
<td>30</td>
<td>43</td>
</tr>
<tr>
<td>SNNPR</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Tigray</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>85</td>
</tr>
</tbody>
</table>

AGP = Agricultural Growth Programme  
PSNP = Productive Safety Net Programme
Achievements (2): Amount of seed produced (qtl) by SPCs for grain crops

<table>
<thead>
<tr>
<th>Year</th>
<th>Amhara</th>
<th>Oromia</th>
<th>SNNPR</th>
<th>Tigray</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>31,098.8</td>
<td>35,252.3</td>
<td>121,365.8</td>
<td>166,721.0</td>
<td>233,954.0</td>
</tr>
</tbody>
</table>
Achievements (2): Amount of seed potato produced (qtl) by SPCs

<table>
<thead>
<tr>
<th>Year</th>
<th>Amhara</th>
<th>Oromia</th>
<th>SNNPR</th>
<th>Tigray</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>10,000</td>
<td>8,425</td>
<td>0.00</td>
<td>0.00</td>
<td>8,425</td>
</tr>
<tr>
<td>2011</td>
<td>20,000</td>
<td>15,849</td>
<td>0.00</td>
<td>0.00</td>
<td>15,849</td>
</tr>
<tr>
<td>2012</td>
<td>30,000</td>
<td>36,456</td>
<td>0.00</td>
<td>0.00</td>
<td>36,456</td>
</tr>
<tr>
<td>2013</td>
<td>40,000</td>
<td>54,475</td>
<td>0.00</td>
<td>0.00</td>
<td>54,475</td>
</tr>
<tr>
<td>2014</td>
<td>50,000</td>
<td>62,802</td>
<td>0.00</td>
<td>0.00</td>
<td>62,802</td>
</tr>
</tbody>
</table>

Key:
- Blue: Amhara
- Red: Oromia
- Green: SNNPR
- Purple: Tigray
- Blue: Total
Achievement (3): Crop-Variety Portfolio of SPCs in 2014

<table>
<thead>
<tr>
<th>Region</th>
<th>Crop</th>
<th>Variety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amhara</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Oromia</td>
<td>19</td>
<td>60</td>
</tr>
<tr>
<td>SNNPR</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Tigray</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>National</td>
<td>23</td>
<td>110</td>
</tr>
</tbody>
</table>
Seed Marketing Strategies of SPCs

• Direct sell to their fellow farmers
  – In cash
  – Bartering seed for grain

• Institutional buyers

• Contact growing with public seed enterprises, Coop unions and other organizations

• Combinations of two or more of these
The Way forward

• Consider the following to keep SPC in business
  – Support in organization and financial management
  – Institutionalize SPCs access to quality basic seed
  – Promote SPCs’ access to credit
  – Facilitate SPCs’ linkage to seed market
  – Include SPCs in commodity value chain development
  – Support SPCs in capacity development
    • Facility/infrastructure Technical,
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Programme on Integrated Seed Sector Development in Ethiopia

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