Private seed sector
development in
East and Southern Africa

Lloyd Le Page, CEO Heartland Global Inc.
Advisor to African Seed Trade Association
Agenda

• Acknowledgements and Introduction
• AFSTA Background & Mandate
• Role of Seed Associations in Seed Sector Growth
• Challenges to Seed Industry Growth
• Observations & Conclusion
Acknowledgements

• AFSTA Secretary General & Board
• World Bank
• Heartland Global, Inc.
  – Nearly 70% of our team come from seed sector
  – Conducted analysis of the Seed Value Chain in Tanzania
  – Exploring direct investment in Foundation Seed in Africa, in association with public and private sector role players
  – Investing and providing technical support to seed sector opportunities in West Africa.
Who is AFSTA?

- African Seed Trade Association
- Private sector, voluntary membership organization, founded in 2000. Members are committed, loyal and pay dues.
- Represents National Seed Trade Associations (NSTAs) in over 26 Countries across the Continent.
  - Nairobi Secretariat + West Africa Regional Office.
- National Associations average 30 local seed company members.
- Additional 84 companies that are direct members
  - majority of these are African companies.
- Budget relies primarily on membership contributions and annual congress
- Strength is neutrality, transparency, down to the ground.
AFSTA Mandate

• Formally recognized by the African Union as the Apex Private Sector Seed Organization for Africa
• Has formal agreements with both ECOWAS and COMESA and is executing PPP’s with those bodies.
• Has diplomatic status in host country (Kenya)
• Observer status with ISTA and UPOV, ASTA and APSA
• Board Member of International Seed Federation (ISF) and strong relations to GNIS(France), Plantum (Netherlands), APSA (Asia), ASTA (USA)
• MOU with several international research centers, as well related organizations such as African Agricultural Technology Foundation (AATF), IFDC, etc.
• Works in collaboration with other regional African institutions such as ASARECA, CORAF, CILLS, etc
AFSTA Mission

*To promote trade in quality seed and technologies in Africa for the benefit of members and farmers*

- Promotes the use of improved quality seed,
- Strengthens communication within African seed sector and with the world,
- Facilitates establishment of national seed trade associations in Africa,
- Provides market and technical information and capacity to members,
- Interacts with regional governments and NGO’s involved in seed activities in order to promote the interests of the seed industry,
- Promotes activities that lead to regulatory harmonization throughout Africa to facilitate movement of seed, and
- Maintains a statistical database on African seed production and trade.
Activity Examples (1)

• Annually holds the African Seed Trade Congress, the prime annual event for the African seed industry.
  – Attendance is self-funded by member companies, suppliers, associates, stakeholders and individuals.
  – In the 2013 (the 13th) Congress record attendance of 225 attendees including delegates from Africa, Asia, Europe, US.
  – Business and trade is very evident during the congress and the trading floor always full with side meetings.

• Strengthening the capacity of AFSTA members
  – through various training sessions on important topics such as agribusiness management, seed technology, communication on modern biotechnology, lobbying techniques and seed association management, etc.;
Activity Examples (2)

• Carried out harmonization of COMESA seed regulations within 2.5 years funded by the EU’s COMRAP program.
  – Now involved with domestication of the regulations in COMESA.

• In West Africa was cofounder of WASA, and now involved with WASP
  – ECOWAS asked AFSTA to assist CORAF in establishing ASIEWA

• In East Africa formed the Alliance for the Seed Industry in East Africa a PPP with COMESA
  – Successfully conducted work for EU and USAID in association with COMRAP and ACTESA
  – ASARECA Implementation, 4 years.

• In COMESA each national seed trade association worked with local seed stakeholders and government to identify key obstacles.
  – A summary of these is represented on the following slides.
### National and Regional Policy Constraints

**(Government and REC level)**

- Ineffective implementation of policy and regulations for regional harmonization of seed related agreements and protocols (EAC, COMESA, SADC, ASARECA, etc)

- Government does not consistently *enforce* existing regulations, certification or laws, copyright, IP (resulting for example in fake seed prevalent in the market)

- Government policy hampers private sector from flourishing, (in some cases competes or undermines private seed sector production & distribution systems through controls or subsidized seed supply and national seed distribution)

- Lack of effective Government and Donor consultation with African private sector, lack of coordination, and limited support for strengthening the commercial seed sector and seed value chain

- Business environment creates challenges for the seed industry to operate effectively. (taxes, transparency, labor, business law)
| National and Regional Policy Constraints  
<table>
<thead>
<tr>
<th>(Government and REC level)....2</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Inefficiencies in the National and regional seed certification/accreditation process discourages internal and regional credibility for seed producers.</td>
</tr>
</tbody>
</table>
| • Ineffective or untimely information from National and Regional governments on market supply and demand signals, market price controls, changes in subsidy, etc.  
  (Results in high volatility of seed and grain markets) |
| • Regional and National agricultural infrastructure, including roads, ports, electricity, telecoms, irrigation hampers seed industry growth |
| • Cross border trade needs improved, more transparency and less bureaucracy, and effective monitoring |
| • National seed policy and regulations do not comply with or meet standard of international seed schemes (OECD, ISTA, UPOV, etc) |
## Local and Regional Seed Market Environment
(Seed industry and associations level)

- Need national level support for more well-trained professionals in seed value chain at all levels in both public and private sector. (Not only breeders: also production, sales, marketing, admin, distribution, dealers, growers, import-export, quality management, managers, business development, governance)

- Lack of accurate and timely grain and seed statistics, and marketing/demand information to support decision making at company, national and regional levels

- Ineffective advocacy with Government and Donors for strengthening support to private seed sector and value chains

- National seed trade associations lack skills (tech, administration, communication and PR, advocacy)

- Lack of available land and professional farmers for seed production, especially irrigated land for more reliable seed supply (isolation and irrigation critical for ensuring quality)
| **Business and Company Development**  
<table>
<thead>
<tr>
<th>(Seed company level)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lack of availability or knowledge of how to access grants, soft loans and financing for seed business and value chain development</td>
</tr>
<tr>
<td>• Lack of supply and demand planning expertise, as well as production and sales risk management strategy to ensure reliable availability and proper distribution of quality seed</td>
</tr>
<tr>
<td>• Lack of human resource skills at company level in seed chain</td>
</tr>
<tr>
<td>• Lack of upto date technical knowledge and capacity of seed companies on seed research, testing, production, processing, packaging, marketing and storage</td>
</tr>
<tr>
<td>• Lack effective training and development of distribution partners / networks including stockists or dealers.</td>
</tr>
<tr>
<td>• Lack of quality management system skills (ISO, seed quality management, etc.)</td>
</tr>
</tbody>
</table>
Farmer Level Constraints  
*(Customer Level)*

- Government extension does not effectively promote use of best farming practices, or create/encourage demand for quality seed among farmers.
- Lack of awareness and understanding among farmers of the value of quality and certified seed.
- Lack of awareness of farmers in how best to respond / manage climatic/weather changes.
- Farmers lack effective and predictable market access for their grain, therefore not willing to make good seed decisions.
- Lack of Cash flow and crop risk management skills, or risk solutions.
Key Observations

• Solutions to these challenges have been proposed by COMESA and AFSTA’s partnership ASIESA (see Annex)

• AFSTA has a long record of sustained, on-the-ground presence in seed issues through National Seed Associations and directly at Regional and International level
  – Should be given more opportunities in the African Seed Sector
  – No exit strategy required – direct involvement
  – Well established secretariat.

• Private sector on the ground knows farmers,
  – lasting and accountable relationship through the voice of the customer, ever improving distribution networks.
  – Issues generally solved rapidly for example low germination, replaced immediately.
  – Loyal customers – good knowledge customer-customer relations.
  – Even poor farmers recognize the value high value seed. Not exploited.
Key Observations (2)

• More companies coming demonstrates the increasing value of African seed markets.
  – Companies expect a reasonable profit for sustainable growth
  – Companies also concerned on increasing production cost – for their own and customers production

• Minimize the duplication at regional and national level.
  – Important to counteract creating unbalanced and preferential approach for ‘new’ business.
  – Need more engagement of existing Private Sector and their NSTAs
  – Reduce duplication among donors

• The Sec General calls upon all seed actors to come together, and develop rational strategies.
  – AFSTA ready to coordinate and play a leadership role across the continent.
Thank You
Annex
(Solutions)
Industry and Seed Association Level

• Strengthen seed industry role & influence at national & regional levels in order to provide guidance to local and regional authorities for the implementation of seed related improvements.
  – Provide leadership on African seed sector issues through more active engagement with regional and continental role players
  – Provide support and advocacy to COMESA (and SADC) priority and agenda-setting processes for seed production and trade, seed certification and policy harmonization
  – Strengthen AFSTA’s role as preferred partner and ‘go-to’ institution for information on African seed issues, and on African seed industry needs
  – Improve competitiveness and reliability of national commercial seed supply in support of national agricultural growth and food security objectives, and in support of enhanced farmer incomes.
  – Enhance ability of national seed associations to proactively provide leadership and input to national policy makers and development partners
Seed Company and Enterprise Level

- Enhance business competitiveness of seed companies and value-chain enterprises in Eastern and Southern Africa.
  - Identify seed industry and value-chain priorities by working with RECs, Seed Associations, Companies and Development partners
  - Improve access to knowledge, credit, insurance, finance, services, germplasm and research innovations for companies and distribution partners in the COMESA region
  - Improve individual company capacity and performance and improve competitiveness at national and regional level by providing technical and resource support to stimulate local seed companies and national and regional seed trade
  - Mobilize and engage other seed value-chain enterprises in the distribution chain to form a strong voice to advocate for their needs at the national and regional level
Market Access and Trade

• Improve inter-regional seed trade and access to regional markets through technical support for regulatory harmonization and implementation at COMESA level and in each country.
  – Facilitate and enhance regional trade by implementing harmonized seed policies and regulations across the region.
  – Ensure effective implementation of regional harmonization by supporting companies and national public institutions, and enhancing their knowledge, efficiency and capacity for certification, testing and trade.
Farmer / Demand Side

• Work with stakeholders to improve farmer knowledge and demand for high quality seed that leads to farm and national agricultural productivity improvement.
  – Increase awareness of benefits of improved seed across the region by working with stakeholders at global and regional level to develop and disseminate educational and communications tools and templates.
  – Increase awareness and uptake of improved seed by farmers by working with stakeholders at local level to ensure extension, NGOs, distribution chain and farmer groups have access to tools, and that farmers are provided with visible demonstrations of performance and best practice.
Projected activity highlights

- Formal input to COMESA, AU and NEPAD
- AFSTA facilitation annual seed dialog in COMESA (in conjunction with Congress)
- Preparation of whitepapers / policy briefs, backstopping NSTA’s
- AFSTA Communications and Advocacy Strategy, web and social media presence,
- National and Regional Seed Industry Database
- Recruit ASIESA staff in support of AFSTA, Launch ASIESA

- Technical backstopping to national seed trade association on seed legislation and harmonization implementation
- Bring industry perspectives, information, seed statistics, and policy briefs into existing or new seed related legislation, regulations and policy
- provide direction into agricultural development priority setting specific to seed sector development,
- projects that increase resources, support and training for local seed companies.
- Improve national seed association image and efficacy
Projected activity highlights - 2

- National capacity for seed testing, including support for accreditation process of national labs
- NSTA web presence and seed databases that can be aggregated at regional and continental level.
- Technical support to local seed business, leverage region.
- Commission independent world class bi-annual ‘flagship’ report on the *State of the Seed Industry in Africa*, (with ECOWAS and COMESA sections)
- Neutral field sites for ‘side-by-side’ comparisons and evaluation of commercial and pre-commercial varieties/hybrids, while also demonstrating best practice
- Identify need in seed company support gaps for financing, capacity development, trade, policy and affordable credit
- Improvements in commercial access to genetics, innovation, services and resources providers including venture capital partners.
- Seed ‘clearing-house’ mechanism with Multinationals, CGIAR and other public sources
- Access to venture capital and stimulate establishment of revolving fund for African seed business
- Support AFSTA facilitation of industry partnerships between companies, including equipment and service providers