Seeds2B

Scaling up smallholders' access to and adoption of improved technology

SFSA's demand-led approach to bridging the seeds divide

February 2015

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Overview

- Seeds2B is SFSA's approach to improving smallholder access to seeds
- SFSA's current seeds investments (2014-2016)
  - Seeds2B Africa: «Connect» model (identifying the best technology)
  - Seeds value chain development: «Build» model (local seed production)
  - Policy reform
- Opportunities for further growth (2016 onwards)

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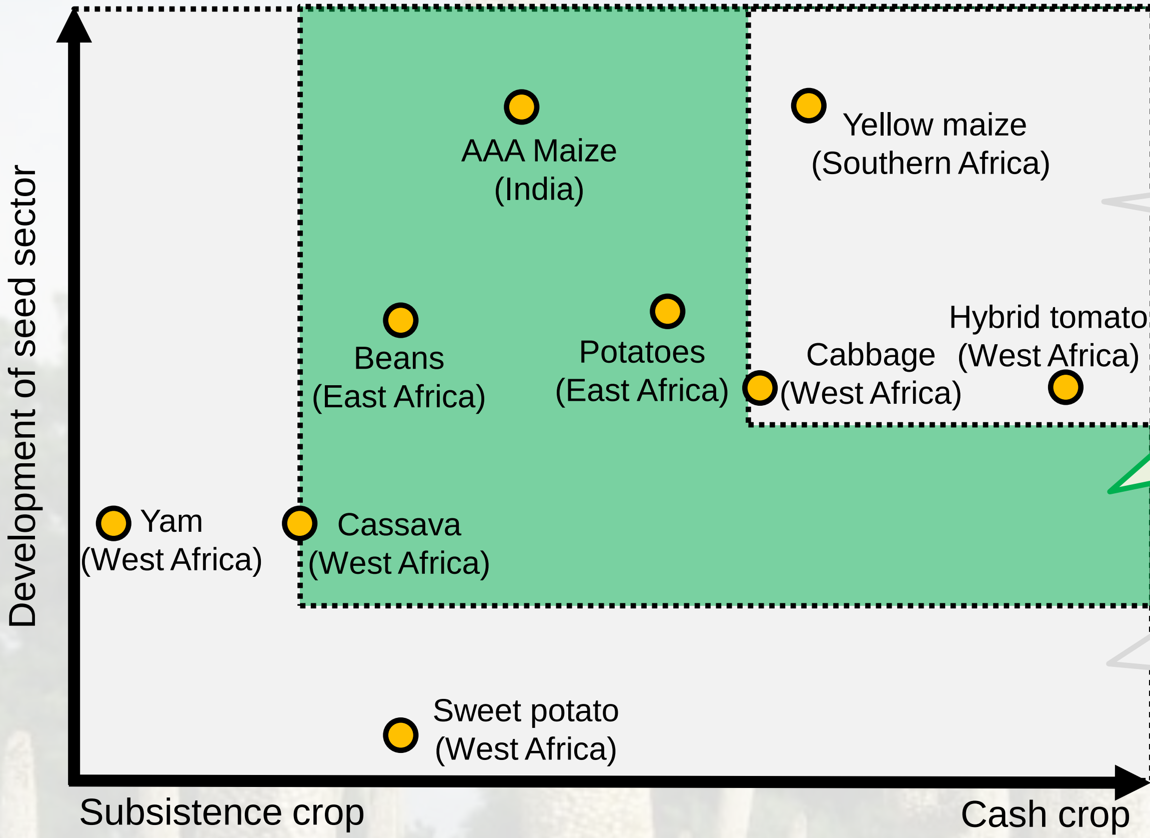
Kickstarting seeds markets to close the yield gap

Local seed companies involved in bulking, marketing and delivering improved seed



No need for SFSA: strong private interest

Current SFSA investments: pre-commercial market segment, several years away from private interest

Minimal private interest (no current involvement by SFSA): as seed sectors develop, many crops expected to become more commercial

We work in areas of market or institutional failure, responding to requests for assistance & encouraging the private sector to invest (more crops, more marginal markets)

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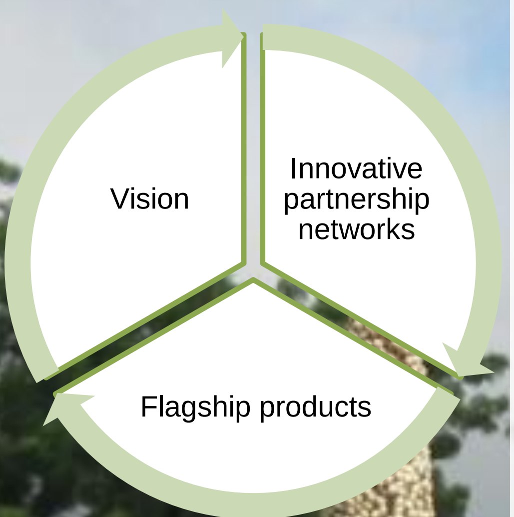
Seeds2B as a vision grounded in partnership



Goals

Sub-Saharan Africa

- Foster intensification and improve farm income
- Catalyse private investment in seed sector
- Contribute to CAADP productivity growth goals (African-led agenda)

South/South-East Asia

- Address areas of poor technology adoption
- Extend private investment to wider range of crops

Millions of smallholders in SSA and S/SE Asia able to use the best genetics and seed technology to help address the yield gaps seen around the world

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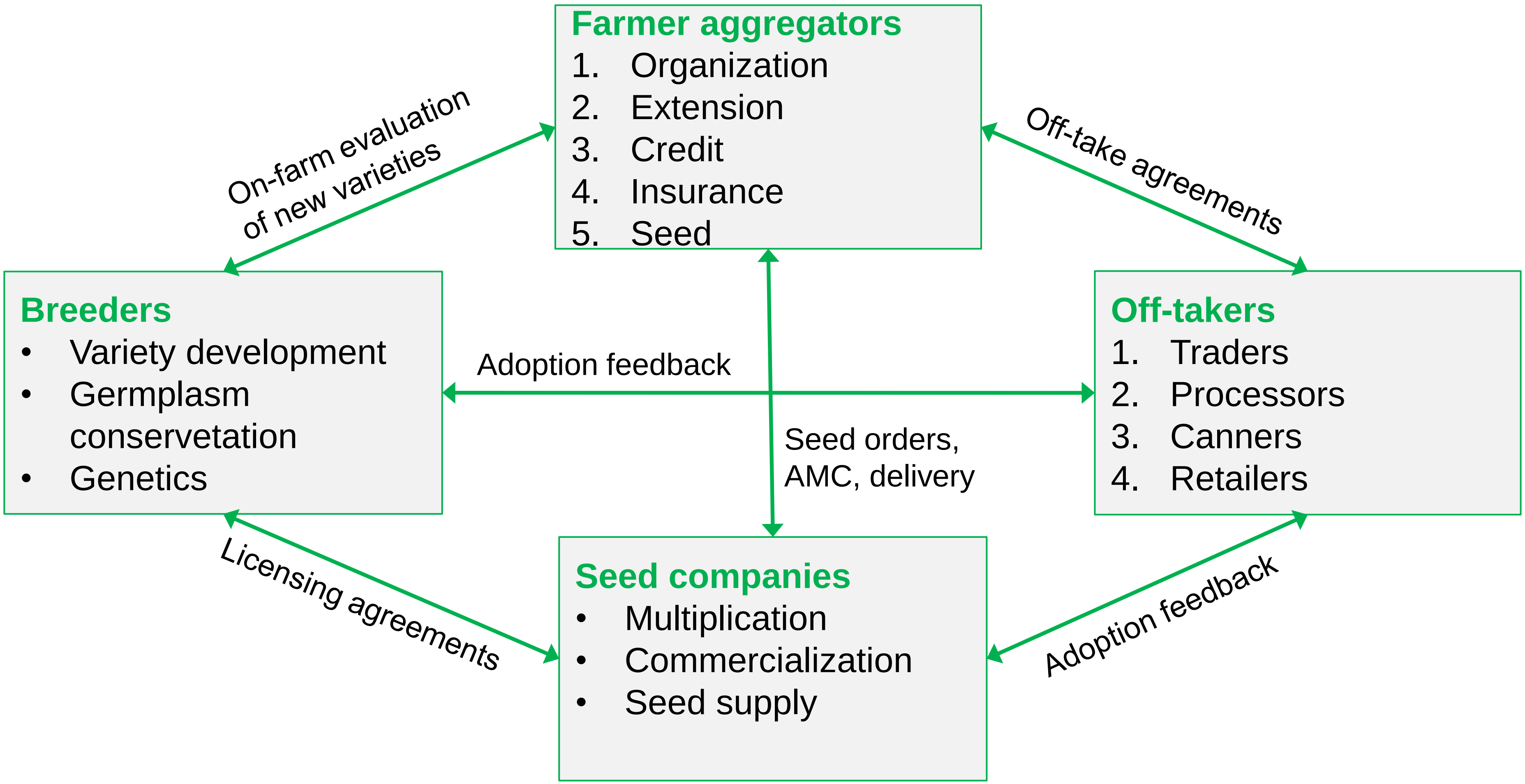
Seeds2B as a holistic approach to connect relevant players in value chain



Conducive environment: Insurance, Finance, Regulatory, Policy

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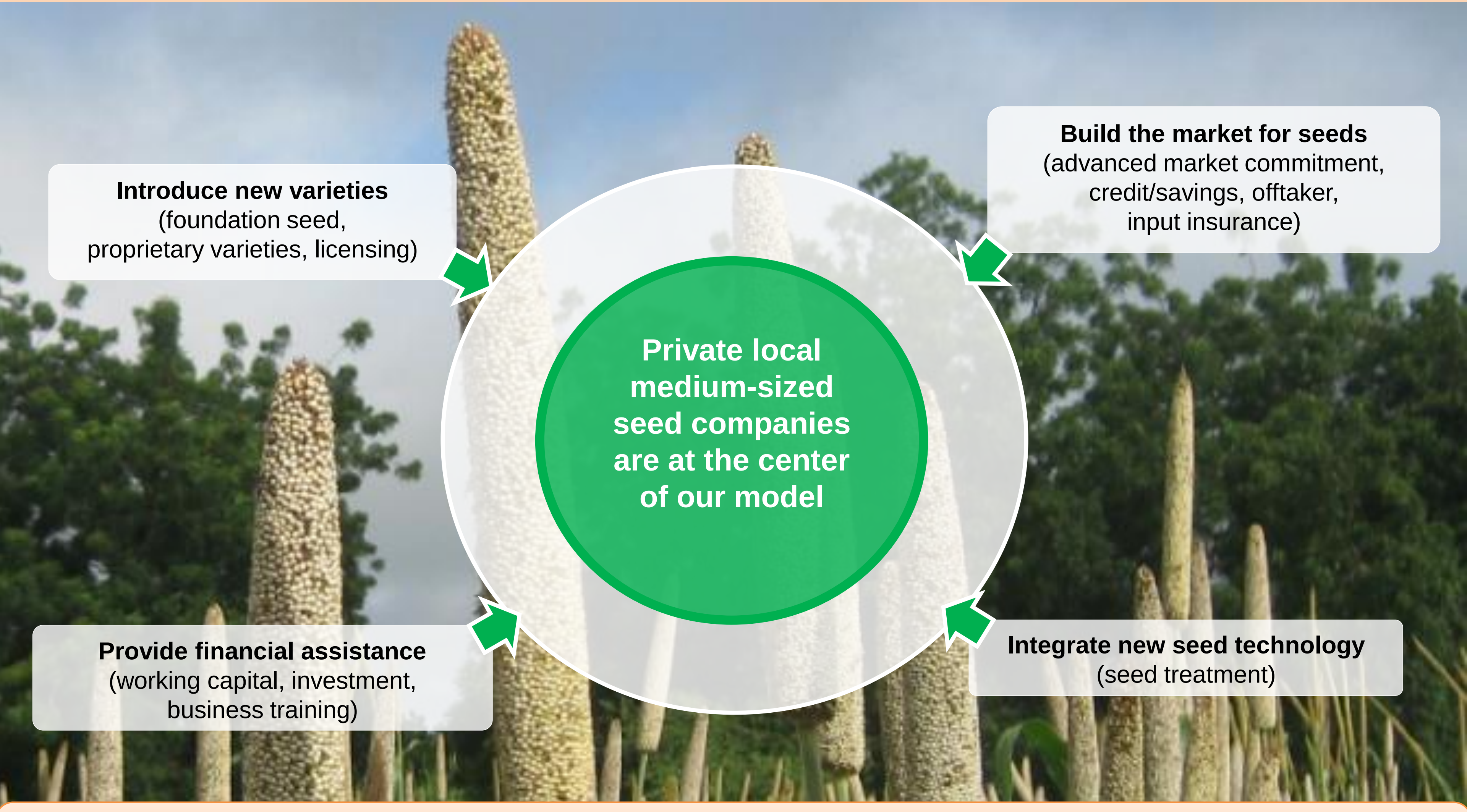
Demand-driven strategic partnerships in four core domains



Introduce new varieties
(foundation seed,
proprietary varieties, licensing)

Build the market for seeds
(advanced market commitment,
credit/savings, offtaker,
input insurance)

Private local medium-sized seed companies are at the center of our model

Provide financial assistance
(working capital, investment,
business training)

Integrate new seed technology
(seed treatment)

African seed companies do not typically do breeding – they require links to breeders and assurance there is a market for new seeds

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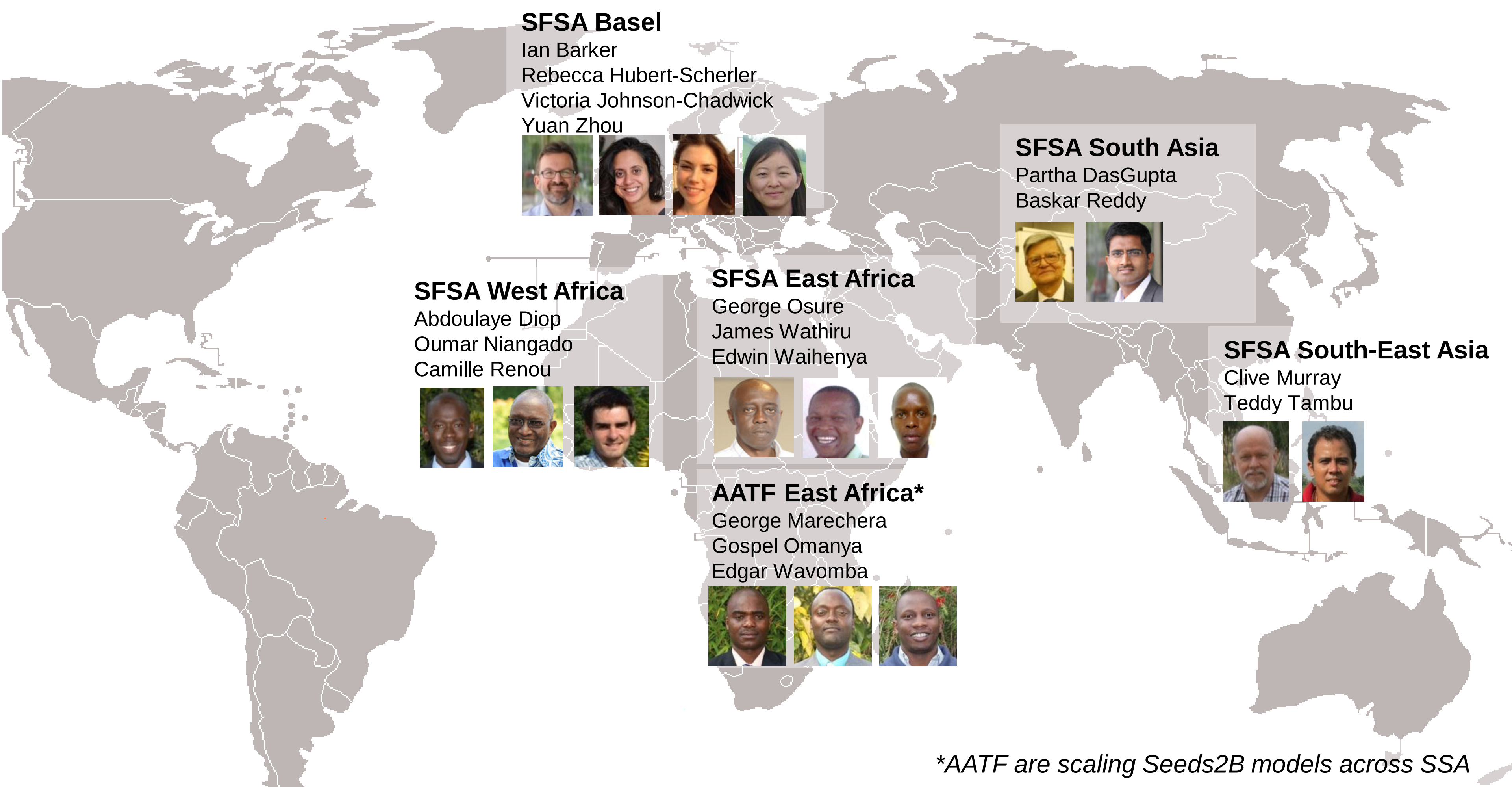
We advocate private sector playing a bigger role in seed delivery

Seeds2B people globally (SFSA and AATF)

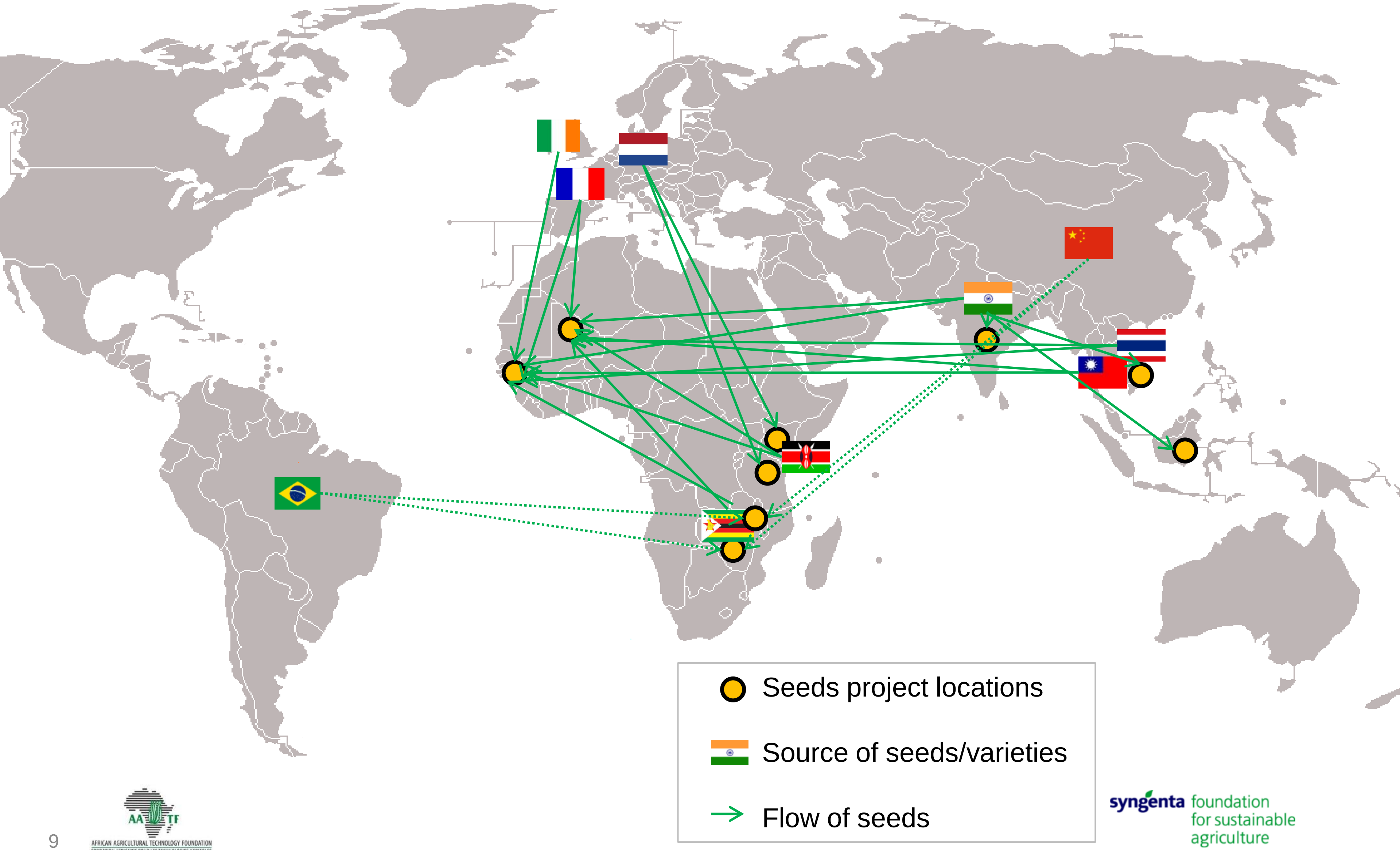


**AATF are scaling Seeds2B models across SSA*

Millions of smallholders in SSA and S/SE Asia able to use the best genetics and seed technology to help address the yield gaps seen around the world

Facilitating the global sourcing of new seeds and varieties to increase smallholder access

Increasing geographic reach through partnerships and technology transfer across borders («Bridges»)



AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION
FONDATION AFRICAINE POUR LES TECHNOLOGIES AGRICOLES

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Three Seeds2B models

Seeds2B

Policy
- Facilitating sub-regional harmonisation
- Advising individual governments to liberalise national seed policy
- *Active in SSA*

«Connect» model (inter- and intra-Africa trade)
- Identifying and assessing performance of new varieties
- If required, variety registration to permit sale
- De-risking entry and brokerage for distribution
- *Active in Sub-Saharan Africa (SSA) and South-East Asia*

«Build» model (building local capacity)
- Encouraging local production of seed
- Facilitating licensing of public-bred varieties to private sector seed companies
- Building the market for seed for smallholders (linking to offtakers, insurance, credit, savings)
- *Active in SSA; South and South-East Asia*

Supports emerging strategies and opportunities to improve the functioning of seed sectors (including some scalable Seeds2B flagship initiatives)

Two models for seed delivery

	"Connect" model	"Build" model
Goal	Identify and introduce new high-value seeds into market	Build up local production capacity for certified seed
Method	1. Coordinated, multi-locational trialing and evaluation of imported seed varieties (including hybrids) 2. Recommendation for local distribution of superior performing varieties	Local seed production
SFSA's role	Agent of change/service provider to IP owner	Principal
What is the process?	• Help develop service agreement with IP owner to trial varieties • Identify performing varieties and facilitate registeration if necessary • Identify potential distributors for new seeds and connect them with seed exporters	• Trial promising new varieties • Supply agreements between seed companies and off-takers (including AMC) • Develop additional partnerships to permit local seed production
What is the scale and value?	• Lower volume of seeds • Conceptually simple and tested model • Lower % success rate (expectation that lots of trialling is needed to find «winners»)	• Higher volume of seeds • Complex partnership requirements, but higher success rate

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Partnership approach to build capacity to test seed of promising varieties at scale

Promising Sorghum and Maize varieties tested at PLC 6.1 (196 grower groups in 2014)

2019 target: 100,000 growers across Senegal and Mali

Sasakawa Africa Association

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SFSA's current seeds investments (until 2016)

	Public to Private	Private to Private	Highlights
	Adaption trialling in Africa:		
"Connect" model	Sorghum Potato	Sorghum Maize Sunflower Okra Aubergine Watermelon Tomato Onion Pearl millet Groundnut Potato	• Intra-Africa technology transfer and sales • Sunflower seed order (600kg or 24ha) • Tomato seed order (0.5kg or 2ha) • Promising peanut, cucumber, millet and maize varieties identified
"Build" model	*Commercial production of seed in Africa and South/South-East Asia:*		
	Bean Maize Potato Sorghum	Potato Grevillea trees	• Beans: 35,000 smallholder purchasers (2014) • Potatoes: 14,000 smallholder purchasers (cumulative, 2010-13) • Grevillea trees: delivered to 60,000 smallholders (2014)

Seed markets are not functioning - genetic resources do not flow from public to private (licensing/ ownership issue)

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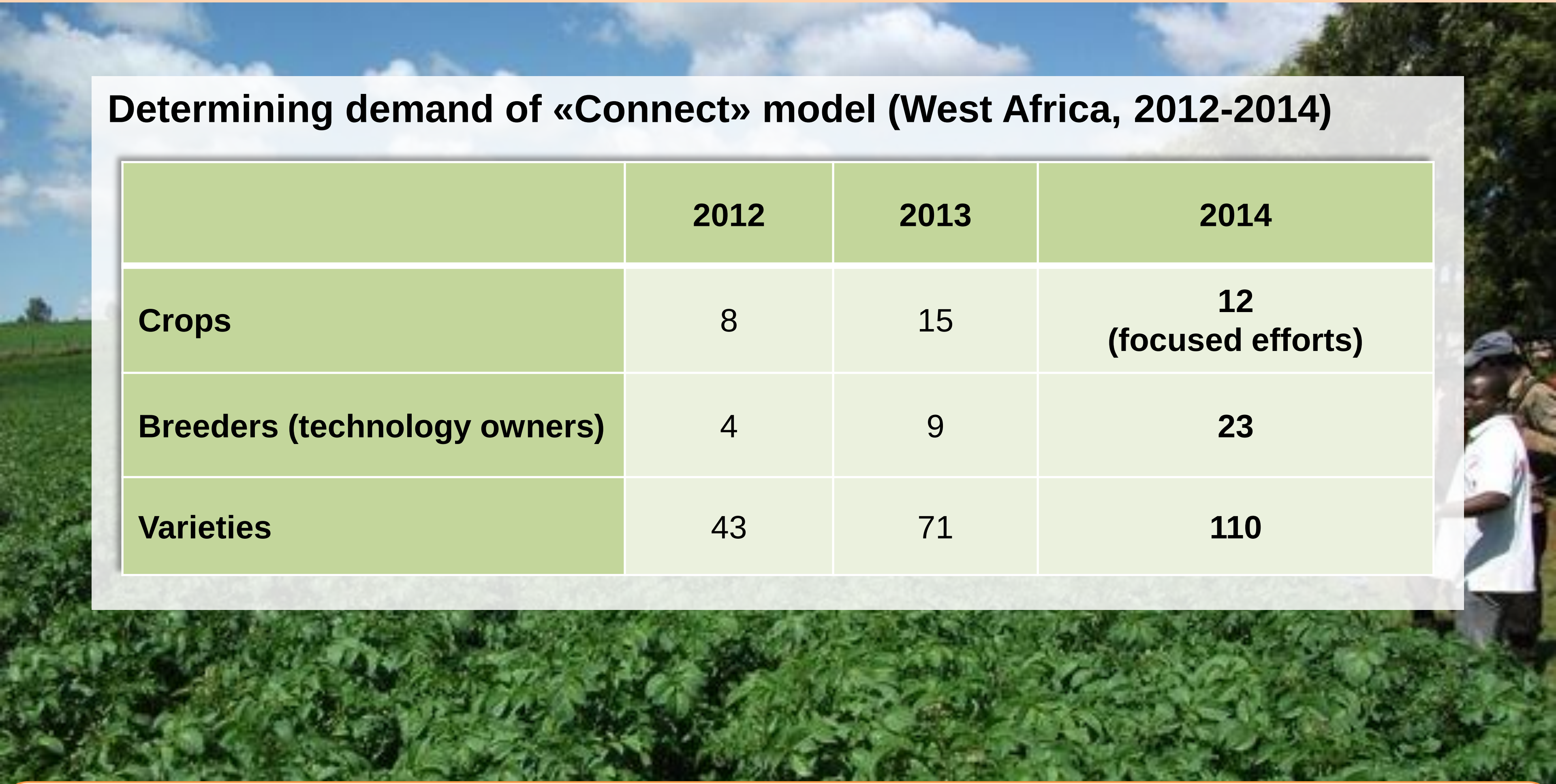
Strong demand for SFSA's Seeds2B Africa offer («Connect» model)



Determining demand of «Connect» model (West Africa, 2012-2014)

	2012	2013	2014
Crops	8	15	**12 (focused efforts)**
Breeders (technology owners)	4	9	**23**
Varieties	43	71	**110**

- SFSA and AATF are co-delivering an African initiative of Seeds2B Africa from 2015
- A demand-led trialing, registration and market linkage service designed to contribute towards food security in the region and strengthen the seed sector in Africa by bringing better varieties to the market

AATF African Agricultural Technology Foundation / Fondation Africaine pour les Technologies Agricoles

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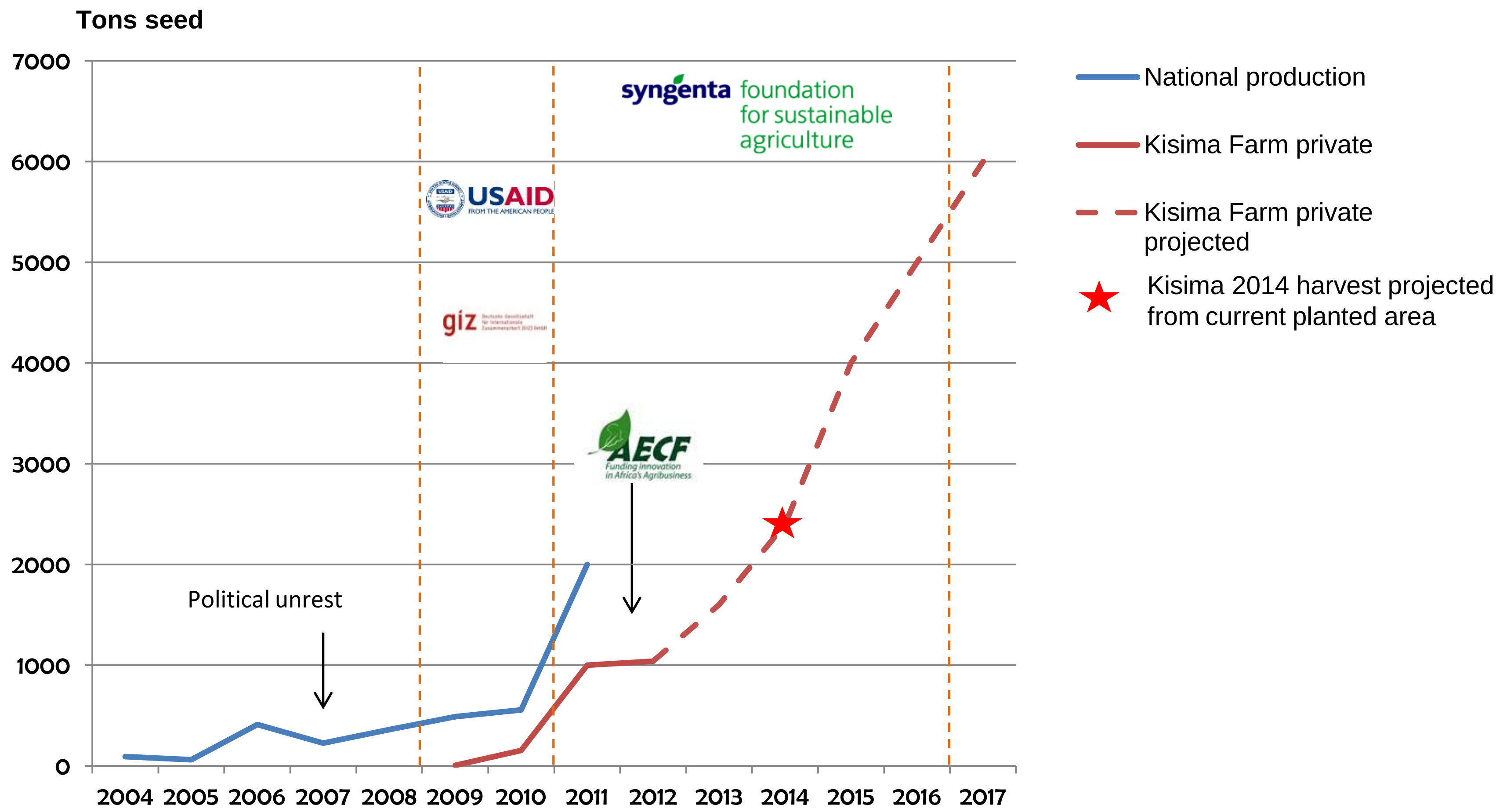
Entry of private sector into quality potato seed production in Kenya

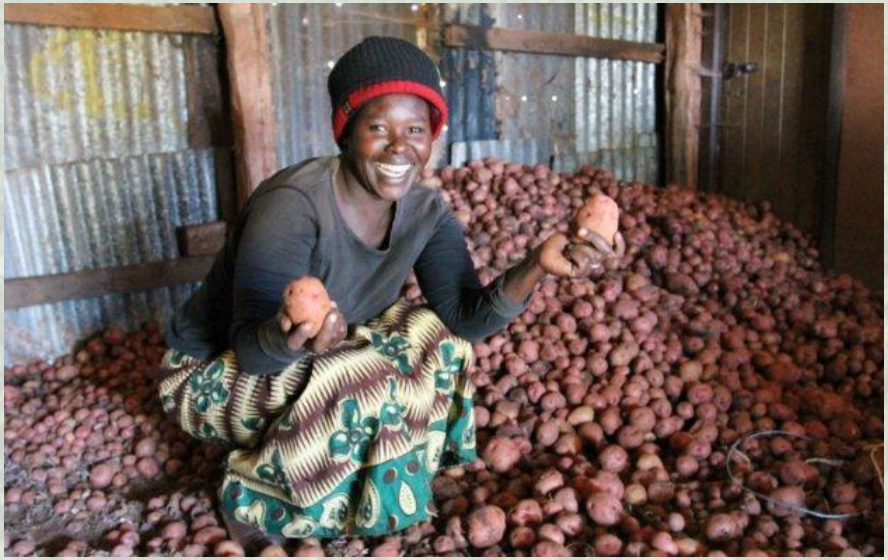


«Build» model: potatoes, Kenya (example)

Development costs and impact to date

Development costs (2011-2014)

Initial USAID, GIZ and later SFSA investment (capacity building and brokerage)	$0.7m
SFSA investment in Kisima	$0.2m
Leveraged AECF (DFID) investment	$0.5m
Kisima contribution	$0.5m
TOTAL	**$1.9m**



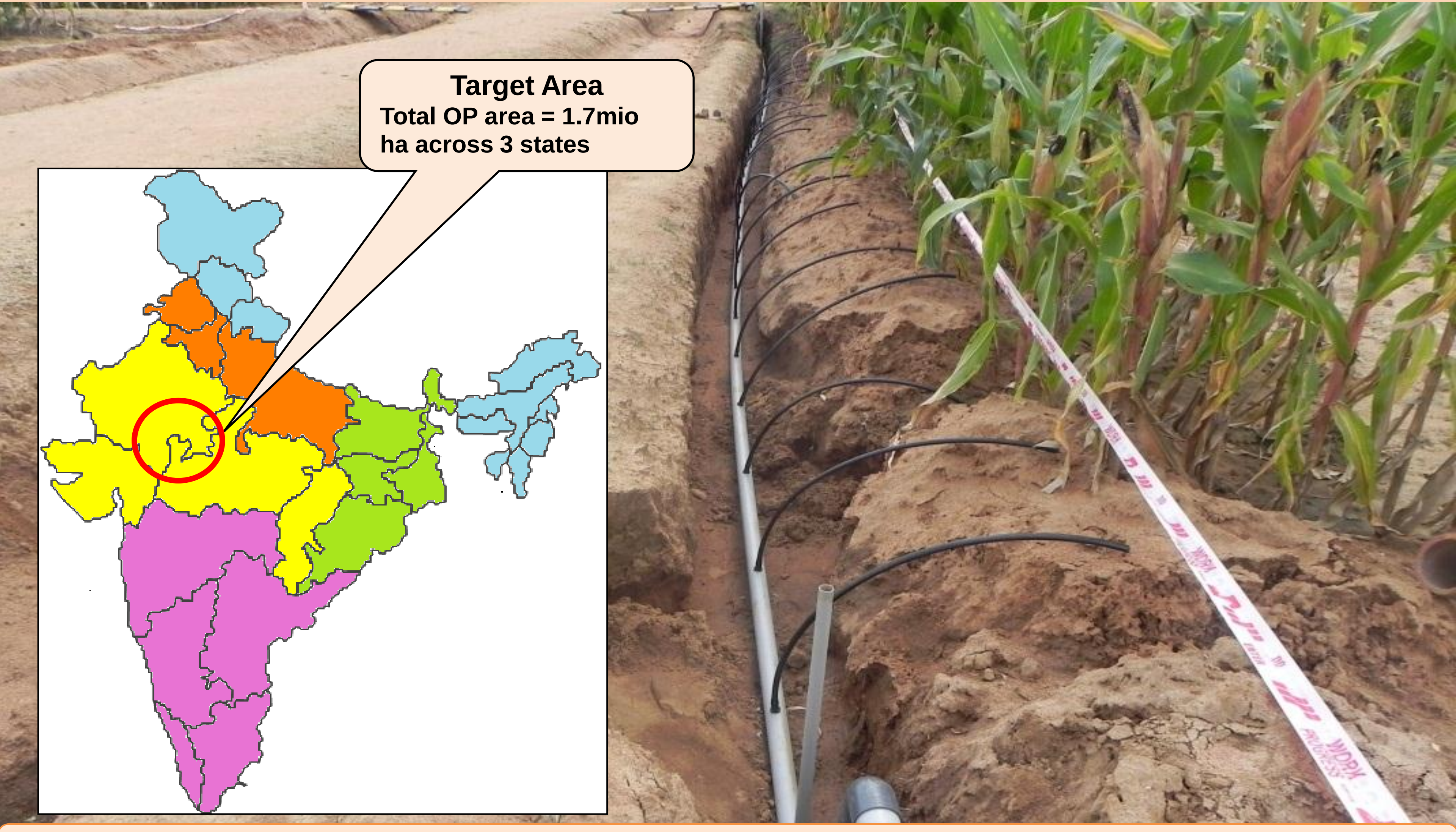
Impact up to 2014

Total smallholder seed purchasers (indirect and direct, cumulative)	14,000
Profit per smallholder seed purchaser (per acre per season)	$235
Additional profit to seed purchasers (2011-2014, cumulative)	$5.7m
Projected additional profit of smallholder seed purchasers (2011-2019, cumulative)	$16m

Progress: commercal bean seed production in Kenya 2014

2019 target: 50,000 growers across Kenya, Rwanda and Burundi

AAA maize expansion: 5 promising low-cost triple-cross hybrids selected for PLC6.1 trials with partner Indian seed companies in 2015



2019 target: 100,000 growers across India and Indonesia

Scale what?

One Acre Fund approach to product adoption

- New products taken through a three stage phased adoption process with increasing numbers of growers (up to 4000)
- Suitability assessed through loan-repayment rates

ONE ACRE FUND

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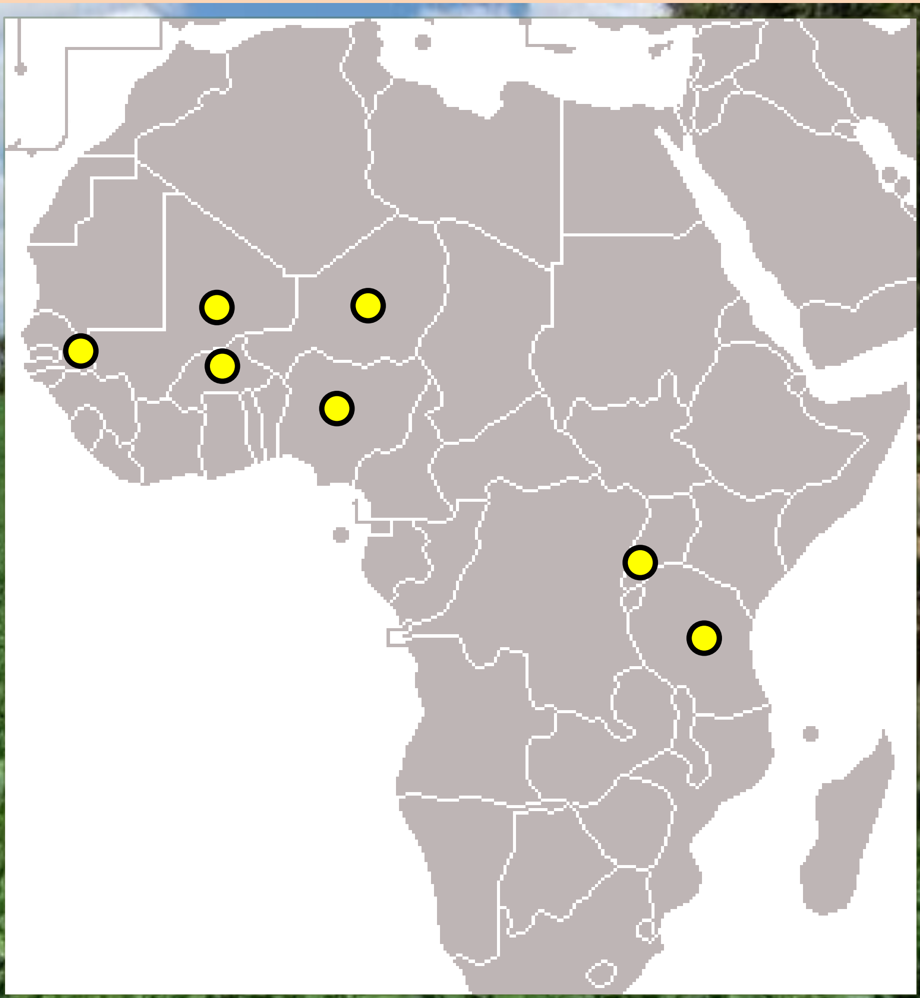
Harmonizing and liberalizing seeds policy in Africa

- **West Africa – ECOWAS** (300m consumers with 15 sets of national legislation)
  - Implementation of the ECOWAS harmonized variety release initiative
  - Working with CORAF/WECARD (WASP), national seed committees and NARS
  - Alignment with AGRA SSTP
  - Analysis of current seed policy implementation in Africa and lessons learned in global seed scaling
- **Rwanda:** Advising in the development of national seed policy
- **Tanzania**: Facilitating training in seed certification



A pre-competitive approach to facilitate the fluidity of markets (domestically, nationally, internationally) particularly at sub-regional level to improve smallholder access to improved seeds

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Scaling seeds: observations on the SFSA approach

- Need to work in a demand-led and product development oriented manner- engaging different specialist partners along the development path
- Understand public and private sector needs and limitations and develop innovative tools and modes of working for “win-win” outcomes
- Ability to work to work as both a funder and an implementer with the patience and skills to address un-foreseen issues

Adoption is a function of the technology itself; knowledge, accessibility, affordability of the technology and a condusive smallholder environment- *the value proposition*

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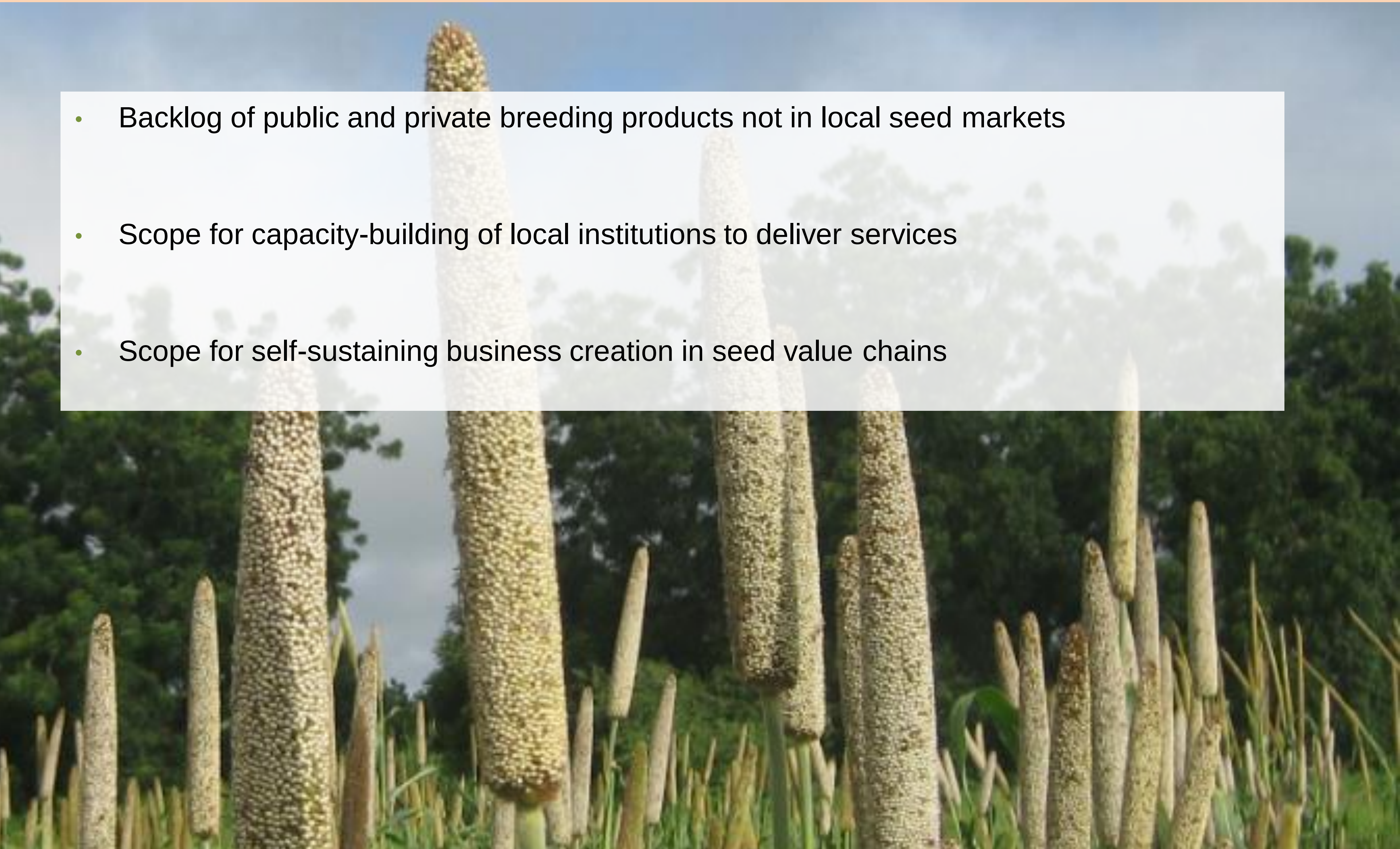
External opportunities



- Backlog of public and private breeding products not in local seed markets
- Scope for capacity-building of local institutions to deliver services
- Scope for self-sustaining business creation in seed value chains

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Setting new targets for smallholder impact

SFSA's further growth opportunity*

1m smallholders to benefit

$800m additional profit to smallholders

SFSA's current plan*

250,000 smallholders benefitted

$200m additional profit to smallholders

* Estimation based on expansion strategy for SFSA (from Connect and Build models)

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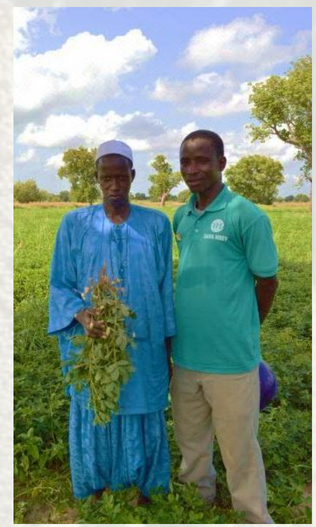
Our plan and opportunities for investment

1. Expanding the reach of Seeds2B Africa (“Connect” model) to include more countries in Africa
2. Increasing the number of value chain development projects («Build» model)
3. Expanding ECOWAS policy work to include SADC & EAC (COMESA)

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