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NOT ALL SEED IS DECLARED EQUAL: IMPROVING ACCESS

Q&A AUDIO TRANSCRIPT

FEBRUARY 28, 2017

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Louise Sperling:

Okay, let's start with the questions, and there's a real cluster of dynamic questions, and actually I'm going to start with those who have been writing, because they've been doing it quite vigorously. Okay, there are a cluster of questions on scale and geography, and I'm just going to say them together. So QDS, this is from Julia, QDS seems very local. Are there examples of QDS honestly going to scale? And then related to that, from Setegn, there are very strong geographic limitations to the sale of QDS. How limited are we really talking about? And then a third link to this from Loretta, would farmers have greater incentive if they were allowed to market it wherever and not just locally? So very hard questions on geography.

Niels Louwaars:

Shall I kick off? I think the origin of thinking about QDS comes from the fact that far away regions are very difficult to reach by the inspectors from the official certification office. So I suppose that's the origin of thinking about QDS. When we talk about farmer seed groups in such, well, call it far away regions, I think that's where the concept really emerged. Whether you need to legally limit the sales of seed produced by such producers and that such quality control system to a district or whatever, I'm not sure whether that's actually really necessarily, but that's part of local policies for implementing such a system. The first step to be taken is that it is made possible at all in a national legislation, and that took, after the introduction of the concept by FAO, that took quite some time in many countries. And now I think it is up to different countries to implement it in the way that suits their local condition. So I don't see a real need as a principle to limit the movement of quality declared seed within a small distance.

Astrid Mastenbroek:

Let me also add on this, I would like to stress that the Quality Declared Seed system is a national system in Uganda, so it's a government system, so it is being rolled out nationally, all the district agricultural officers are being trained, and also with the new ISSD project, we are going to work with like-minded organizations to train more farmer groups to cover the entire country. What we've seen is that there is sufficient market incentive for the groups to produce and market the seed, for them to go to scale, so in that

sense, they already have sufficient incentive to produce and market the seed. They generate quite some profits at their levels.

Latha Nagarajan:

Yeah, in the case of Tanzania also it's a part of the national law and in Tanzania it's been in practice for quite some time, as you saw that. Yes, that's the one, even through SSTP project, removing these kinds of geographic limitations, the policy level interventions are mainly focusing on, you know, working with the existing system, the legal system, to remove some of the constraints imposing the constraints on the geographical restrictions. Yes, farmers have — not only farmers, the commercial seed firms are becoming more and more aware of the quality of the seed produced by these QDS producers and they are showing actually in the case of Tanzania, the projects which SSTP is implementing, we are seeing the push from the commercial seed firms, the private firms, who are already doing maize or any of the cereal crops, in order to diversify as they also grow, mature, they want to add one more crop into the system, diversify their portfolio, and they see QDS as a major vehicle through which they can expand more. And in any of these countries with very little varieties, modern varieties, available, like in the whole of Tanzania, you would think that they know, and in legume seed especially, it's a maximum of 30 varieties are only available, so it is easy if you can remove these kinds of locational restrictions, because most of the varieties released by the national or the international ag systems consider these locational or the ecological aspects of it and then they are much more suitable for a wider geography than restricting to the local systems like some of the highly cross-pollinated crops like maize.

Louise Sperling:

Okay, following on that question, another one from Teshale, doesn't QDS really diminish the business for commercial enterprises? You say they're different market segments, but what is the real evidence that there is no competition?

Astrid Mastebroek:

So I think as I've also shown in the graphs before, it's actually expanding the business, also the business potential for the commercial companies because it makes farmers get used to buying quality seed, and then from a silver standard they can upgrade to a gold standard like certified seed. Plus most of these crops, the QDS crops, are not crops taken up by the commercial seed companies, so we should not also forget that. There are a few crops where there is some overlap, like beans for example, but if you look at the potential bean demand, there's space enough for everybody. If 70% of the smallholder farmers are going to buy quality seed, there's space enough for everybody.

Louise Sperling:

Okay, so now we're taking a question from the audience here in Washington, D.C.

Audience Member:

Thank you. Rob Nooter with IFDC. I have a question for Astrid, but Latha may also be able to shed some light on this. You showed the differential in productivity of the QDS seed compared to farmer-saved seed on beans of 670 kilograms, I think it was. But if I was a farmer and I was looking at my alternatives, I'd want to know what the differential between QDS and certified is to see if the extra little investment that I make in certified seed would pay off. Do you have those data?

Astrid Mastebroek:

No, we don't have those data at the moment. I know that the seed inspection company, AgVerify in Uganda, is going to collect that data, but I want to stress that the germination rates are the same, so I would expect the yield benefits to be the same, to be honest.

Latha Nagarajan:

In our case, you know, yes, there was a difference, a slight difference, you saw in the benefit-cost returns between the certified seed and the QDS seed production, you know, in Tanzania. Again, I explained that it's just a snapshot, and then it's to one particular variety, and with variety changes

and stuff, it's going to change. But again, QDS, the difference between the QDS seed and the certified seed is basically QDS is still depending on, especially for this early generation seed, the supply of — it is depending on some other system. It doesn't have, you know, the best quality seed compared to the certified seed, because even the QDS producers are depending on the previous foundation seed, which sometimes is not available or may not be the best quality and all those things. So there is a slight difference, and that takes care of — you know, that's the one that was showing in Tanzania's case.

Louise Sperling:

Okay, we're taking another question from Washington.

Audience Member:

Lauren Good from the Bill and Linda Gates Foundation. I am very interested in this connection between the formal system and the semi-formal QDS, and Latha, I think what you just said, I think maybe there's a little discrepancy between what you're seeing in Tanzania as Uganda, because my understanding was in Uganda, the source, you said in your presentation, was the same, it's foundation seed, and by extension, if you say it's foundation seed, if it's called foundation seed, it's certified, and that means that it has traceability back so it comes from basic seed or pre-basic or breeder seed, which means that it is of a released variety. So what this is saying and I appreciate is that QDS ideally is also a system for disseminating and getting a constant replacement of varietal turnover, varietal change there. But it sounds like there's a little difference in actually how it's implemented whether it really is, so maybe you want to comment on that. And the other just question that I'm curious from where you've seen this working well. I know in Tanzania it's been used for a long time, I wouldn't say it's very widespread and working well. What is the connection to the seed regulators for the QDS system? Is that an extension of the formal system? Should those inspectors be gazetted, trained, you know, build their capacity by the national program that also does certification? What's an ideal link? And the reason I ask that is currently QDS, for example in Tanzania, is still ward level, that's sub-district level, so if you were going to

go and build capacity for those local inspectors, and that was done under TOSCI [Tanzania Official Seed Certification Institute], we would never get that amount of training unless TOSCI increased in size tenfold, so I'm just curious as to kind of the connection. What does an ideal system look like for the connection?

Niels Louwaars:

So to think about ideal systems, I like that. The trouble is that the world is not always ideal, Lauren. I think the training of inspectors is a very important aspect, and in a big country like Tanzania or, well, there are many more, that's quite a challenge indeed. But the reward of doing that can be very big, because it means that you can produce quality seed in a much wider area than when you have to deal with only the centralized certification system. So my little experience in some countries is that some inspection agencies consider QDS and working on QDS as losing some of their power, so inherently, management-wise from the certification agencies, they may not be very much in favor. On the other hand, other certification agency managers do consider this as a chance to increase the output of what they do, not because they have to do it themselves, but by delegating acts to others, and that's the kind of mindset of the institutional leaders. I think that is a bit of an issue in some countries.

Astrid Mastenbroek:

So maybe in the case of Uganda, I think there are some differences between the way it is rolled out in Tanzania and in Uganda, and there were governmental or ministerial choices to set it up in this way. I think definitely QDS is a great way to disseminate new varieties, especially for low-margin crops. At the moment, indeed, all the seed is from foundation seed from NARO [National Agricultural Research Organization]. The seed policy allows for local varieties as well, but that would need maintainer seed, so we haven't reached that level, so there are no practical examples, but if farmer groups would want, they could also produce local varieties. But I think the main benefit is also to disseminate new varieties, especially now with climatic changes, drought tolerance, pest and disease tolerant varieties. We have seen that there is a high interest actually from district-level

authorities to be involved in seed inspection because it's actually a service which is demanded, so the farmers are demanding them, so finally they also feel that there's work that is appreciated, and the ministry is training the district agricultural officers. Of course, there is a reasonable turnover, and with 107 districts, it is a bit of a challenge. At least for the next four years, we are funding to support the training, but then of course what happens thereafter? Hopefully it will be institutionalized within the ministry budget as well.

Louise Sperling:

Okay, related question to that on inspection from Irvin Widders. With the advent of advanced remote sensing and communication technologies, has anyone looked at more innovative approaches to verification and accountability versus sending inspectors to a percentage of the fields?

Latha Nagarajan:

We are implementing a project on agriculture technology transfer in Ghana, ATT Project, where we do use some kind of a drone, some kind of a remote sensing technology to assess what kind of — what variety is being planted, especially for soybeans and maize. We started on a very pilot scale, this is also under the USAID-funded project on a pilot scale, we are implementing that, not to replace the seed inspection as such, at least at the project level, we wanted to know the extent of a particular variety that's being cultivated, so we have used that on a very pilot scale, but yes, there is quite a bit of possibility.

Louise Sperling:

Okay, just a quick practical question from Adolfo to Astrid. How long does it take to typically train a farmer to become a QDS producer?

Astrid Mastenbroek:

Actually, of course, the farmers already have agronomic practices for field crop production, so in our experience it takes about a year or maybe two, but then especially focusing on the internal quality assurance committees, the professional organization of the group itself and the marketing, because

initially the groups were expecting us to do the marketing for them. So it takes a bit of time, but it doesn't take that long. Once farmers see there is a demand for their products, they also become more excited and energetic.

Louise Sperling: Okay, a question from Washington.

Audience Member: Hi, good morning, my name is _____, I come from a country called Sri Lanka. Niels has been to Sri Lanka, so he knows what it is. I own and operate a small seed production facility in the Kandy district in Sri Lanka, and I had never heard of QDS to be honest, and my question is how can we get access to this type of technology and take it to a country like Sri Lanka and function as a small model, so that we can, you know, popularize this system in that part of the world which is developing in agriculture? Thank you.

Niels Louwaars: Well, welcome. I spent some beautiful years in Kandy itself. Why did this not come to Sri Lanka? Maybe because the seed certification service in Gannoruwa is an excellent example of how to do decentralized full certification, at least it was when I was there last, and that's quite some years ago. So how the information can come to you and to the authorities? Well I think Louise showed some FAO documents and maybe if you invite her she might even come, and otherwise I will do because it's lovely to go to Sri Lanka.

Louise Sperling: Okay, a question from the audience on the webinar. You mentioned that QDS limits fake seed. We don't understand how. Could you elaborate?

Niels Louwaars: That was me saying that. Experience in some countries shows that when there is quality seed produced in a decentralized way by farmer groups, the kind of not so much official market control, which is the system in

certification systems that people go to shops and take samples and find rubbish, that there's in addition to that also a kind of social control, that the farmers in those regions that produce quality seed, that they observe copied labels, bad bags, seed colored with lemonade coloring or whatever, they see it much earlier than the official inspectors, so that would be the effect of the system.

Louise Sperling:

Okay, Washington?

Audience Member:

Hi, I'm Amber Stewart, and I was formerly working for an agricultural social enterprise in Mali, so I was wondering about production of the QDS. Is it profitable enough that you've seen a lot of farmers take a lot of interest in getting involved in it? You mentioned that training maybe takes a couple years, so I wonder if that's a deterrent to get involved in it, and if you could just talk a little bit about that.

Astrid Mastenbroek:

Okay, what I've seen myself, also there is some anecdotal case whereby a new farmer group visited a group that has been producing the seed for quite some time, and they actually commented on how well the women were fed, how well the houses looked, so this more kind of the anecdotal evidence. I have seen especially female farmers that have constructed their own houses. So sometimes when we do the economics from outside and we cost all the labor costs, it looks like it's not very profitable, but for the farmers themselves, their testimony says they are making money.

Louise Sperling:

Okay, let's talk about volumes, and this is a question from Aline, Aline O'Connor. Has anyone compared certified seed volumes to QDS volumes, and I assume for the same crop, in countries that allow both? Do we have any data?

Latha Nagarajan: In Tanzania, yes, we do have some data given by the TOSCI and ASA, the Agricultural Seed Agency. At the moment QDS, like you saw especially for the legume crops, they are not much compared to the certified seed supply. That's the same case with maize and rice also. So QDS is gaining momentum still in Tanzania, it has its own constraints because of the localized production limitation.

Astrid Mastebroek: So for what it's worth, in 2014, the volume of bean seed that was sold was about 4,000 metric tons, and we compared QDS volumes, which was only in three regions in the country, which is around 200 metric tons, so that would be about 5%, and it's just starting, but this is a government data set.

Louise Sperling: Okay, question from Washington?

Audience Member: Thank you. My name is Gordon Day, I'm with CNFA. My question is in the first couple years of a project focused on QDS, what do you all see as the priorities, sort of the top priorities to get a QDS system up and running?

Astrid Mastebroek: That's a good question.

Niels Louwaars: Let me do the first thing that you need to do is to include the possibility to do that in the national law. I mean that's a prerequisite. And that can take some time. So I understand that in Tanzania the system started already before the law was passed, well —

Latha Nagarajan: Yeah, 1998.

Niels Louwaars:

I would say well done. But that is something, and there I have some experience myself in countries where it is not known, for example probably in Sri Lanka, it requires quite some discussion whether there's a need, whether there's a use, etc., for it. And then, well, another important decision is what I said at the very end that it should not compete with commercial seed production. In my view, if you allow farmer groups to have a reduced official control bill, you should also give the same opportunity to seed companies, next to their certified seed, also produce quality declared seed. Otherwise you'll get a problem in the market. But that's more the policy areas. Next to that is of course if you want to use QDS in local seed production by farmer groups, etc., yes, you have to organize the farmer groups, give them support, technical support, agronomic support, but especially also, business management support, accounting and marketing. For most farmers, that is the most difficult thing, because agronomy, they know what it is, and a good farmer can produce good seed, but that part, in my experience from a number of years ago, that's quite an issue.

Latha Nagarajan:

Yeah, the marketing skills are very important. At the moment, at least in Tanzania, the QDS producers completely depend on the NGOs or the aid projects, whatever the aid projects available there to supply their seed, so that's very important, you know, how to become kind of a self-sustaining commercial group is a very important criterion.

Astrid Mastenbroek:

Yes, and maybe in addition to that, also just awareness raising among farmers that customers of quality seed which cuts across just increasing the use of quality seed, whether it's certified or QDS, I think that's also very important.

Louise Sperling:

Okay, question from the back, Washington?

Audience Member: Hello, I'm Dan Silverstein, I'm a private sector and capital markets strategic advisor. Because of the evolving nature of this program, it seems as though it's always going to need donor funding — no, I'm not correct? At what point does it become self-sustainable and how?

Niels Louwaars: Often indeed projects tend to make the users of projects dependent on foreign funding, which is a pity. Well I said no, so it's necessarily so, it might happen, but some experience in Ethiopia with these kinds of groups is that some groups, they basically got stuck producing better quality seed for their own members, some really expanded and started marketing in a wider and wider circle and became commercially independent, and some groups developed into contract grower groups for a larger company, and all these three models, they have a value. So I think we shouldn't get stuck to one idea that what these groups should become or what they should be. And some groups might disappear. Why not? And that's a pity, but it's part of reality probably. And in that way — I think he wants to comment, the mic, sorry Mrs. Chair — and in that way I think also that this stimulus of local seed production capacity is not contrary to private sector development. So with the larger investors, multi-national seed companies coming in, local investors investing in seed, etc., it's simply another leg of the same process. That's how I see it.

Audience Member: I tried to contain my question to just one idea, but I was thinking all of those things. So like everything else, it sounds to me, it's reliant upon somebody with a passion who is going to drive this, and if there isn't that person, then it sort of fades it by the wayside?

Niels Louwaars: I think it needs two things: a market, without a market, forget it, and passion indeed. I fully agree with that, thank you for that one.

Astrid Mastenbroek:

Yes, but I've also seen in Uganda there's a passion among the farmers because after three years they organized themselves in associations, it wasn't project supported, it was the local seed businesses came together and said we need an association to better lobby and to get better access to the inputs we require, as well as to the markets. So indeed, the farmers we work with, you see the passion there, and I hope that also in that way it's inbuilt within the system and also within the government system.

Latha Nagarajan:

And in Tanzania the commercial firms recognize the quality of the seeds produced by some of these groups, and for them, adding this as one of the crops in their portfolio will reduce their cost of producing seeds from scratch, so in that way, they would like to pursue these kinds of linkages.

Louise Sperling:

Okay, thank you all. I think we have to close the question part of the webinar, and it's nice to close it on a note of markets and passion. Thank you for the many questions, we've looked at cost, volumes, logistics, seed quality, seed policy, so obviously engaging in QDS requires continuing these kinds of discussions. And I'd really like to thank Microlinks, Agrilinks, the U.S. Office of Foreign Disaster Assistance for allowing this kind of free-ranging discussion, you know, we don't always have the space to pursue these issues. And then I really want to thank the three presenters, not being shy, you know, sharing your vision and also sharing data and their own concerns. So all thank you very much.

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