

ISSD Uganda



BRIEF 3 | 2015



Out-scaling the local seed business approach:

Engaging partners in the process

Kawuma Christine Menya, Project and Partnership Officer, ISSD Uganda

"For development actors, the notion of scaling out and up provides a convenient way of explaining their desire to achieve more widespread impact from proven technology."

Joanne Millar and John Connel (2009)

The local seed business (LSB) approach of increasing farmers' seed production and marketing is a success in Uganda. With local farmers' growing demand for quality seed, the Integrated Seed Sector Development (ISSD) project decided to out-scale LSBs to other locations within its three regions of operation in Uganda (South Western, Northern and West Nile). Partner organisations engaged in LSB out-scaling agreed to ensure that the LSB concepts and principles were fully implemented. One principle is that LSBs have full ownership of their activities, which implies that LSBs are self-sustaining business entities with sufficient linkages to both pub-

lic and private service providers within the seed sector. Organisations that share similar objectives - of increasing access to quality seeds - were carefully selected for LSB out-scaling. Fifteen partners were invited to participate, each with the task of establishing at least five LSB groups with support from ISSD Uganda. If partners meet these targets, a total of 70 additional and functional LSBs are expected to be operational by 2016.

The need for out-scaling

The ISSD project aims to contribute to enhanced food security and agricultural economic development in Uganda through increasing: 1) quantity of food produced from seed; 2) farm income as a result using quality seed by farming households; and 3) farm income of LSB members engaged in quality seed production and marketing. Since 2013, ISSD has been working to achieve these goals by building capacity of 30 LSBs to produce and market seed, thus sustainably increasing availability of quality seed to smallholder farmers. This has resulted in an increase in incomes of LSB farmers, as well as for farmers using high quality LSB seed.

"The LSB methodology is seen as a new income-generating activity because of its entrepreneurial aspect; this makes it sustainable. Farmers do not look at just today when you approach them with support, they look ahead. A kilogram of soybean grain is sold for 1300/= /kg on average, but farmers are able to sell a kg of soybean seed at between 2000-3500/= /kg. Farmers view this seed production and marketing activity as 'making a killing'."

Kizito Oola, Volunteer Efforts for Development Concerns (VEDCO)
(out-scaling partner in Northern Uganda)

For seed users, progress to date shows that many farmers have been able to access quality LSB seed for crop production, which has resulted in higher crop yields and therefore more income for farmers.

The number of farmers accessing quality seed from the 30 LSBs in 2014 was estimated by multiplying the quantity of seed

sold by the LSBs in 2014 by the average seed farmers use for various crop categories. From this, it was inferred that 37,465 farmers (including LSB farmers) accessed quality seed from LSBs in 2014 (see Table 1).

These results are encouraging, but additional efforts are still needed to increase seed production in rural communities and to out-scale best practices. Other development organisations promoting crop production within rural communities affirm this:

"As VEDCO Lira, one of our core areas in the region is promoting agricultural production. The major challenge we have faced in doing this is lack of adequate amounts of quality seed for planting."

Mr Oola Kizito

It is with this justification that ISSD decided to extend the LSB approach to other areas in the three zones through an additional 70 farmer groups. This decision was based on making optimal use of existing ISSD and ZARDI resources.



"I purchased 20 kg of MakSoy3N (soybean seed) from Wot Anyim LSB after realising the benefits of using quality seed from my neighbours. I chose soybean, in particular, because it is easy to handle in the field. I planted all the seed on one acre, the seed germinated and podded well. I am confident that I will harvest at least 400 kg of soybean. This would not have been possible had I used farmer-saved seed. I expect to sell my soybean at about UGX 1,200 per kg. I will use part of the income to purchase more seed for the next season, since I believe LSB seed is more rewarding than local seed saved by farmers."

Aber Paska, chairperson Can Coya women's group, Pader district - LSB seed user

Table 1: Estimated number of farmers accessing seed using seed sales of 2014

Crop	Average seed use per farmer per season (kg)*	Quantity of seed sales by LSBs (kg)			No. of farmers accessing seed from LSBs in 2014**
		Season 2014A	Season 2014B	Total seed	
Cereals					
Millet	3	10,135	800	10,935	3,645
Rice	35	30,097	1,050	31,147	882
Sorghum	4	51,000	-	51,000	12,750
Legumes					
Beans	23	18,953	135,937	154,890	6,793
Oil crops					
Groundnuts	18	2,900	5,208	8,108	441
Soybean	11	5,636	1,600	7,236	670
Simsim (sesame)	6	10,234	22,526	32,760	5,850
Root and tubers					
Cassava	117	112,240	392,120	504,360	4,322
Other		-	-	-	
Pasture	1	100	340	440	880
Total		241,295	559,581	800,876	36,233
LSB members using seed					1,232
Total					37,465

The LSB out-scaling strategy

The aim of out-scaling the LSB approach through partners was to foster sharing and adoption of the results-oriented LSB approach with other organisations to ensure sustainable LSB development. LSBs developed under this collaboration are expected to operate on a commercially sustainable basis and marketing Quality Declared Seed (QDS) of superior and preferred varieties to existing local and institutional markets.

Through such partnerships, both ISSD and its out-scaling partners work towards a common goal of sharing and expanding best practices in LSBs to new farmer groups interested in seed production and marketing. ISSD Uganda supported partners with a grant of 50% matching grant for development of seed producing farmer groups. After the first year

of engagement, each out-scaling partner is expected to have established and supported at least five new LSB groups in organisational strengthening, technical seed production and marketing skills, and strategic linkages. It is assumed that every LSB can produce seed for use by at least 1,000 grain farmers; with 100 LSBs established in the three zones, it is foreseen that more than 100,000 farmers will have access to quality seed. Seed samples produced and marketed by LSBs are shown on the next page.

ISSD's role in partnerships is to provide a grant towards project implementation costs and to provide with trainings in the LSB methodology; this is to ensure the conduct the process effectively. ISSD also organises discussion forums involving all partners participating in out-scaling programmes to



Sample seed packs of rice, soybean and bean seed marketed by LSB farmers in South Western Uganda

share their experiences and challenges. The partners' roles are indicated in Box 1 below.

Box 1: Out-scaling partners' role

- 1 Develop and support at least five LSBs in zones where out-scaling will be applied.
- 2 Utilise grant funds efficiently and effectively in accordance with ISSD objectives and grant guidelines.
- 3 Establish team of experts including focal person to support the new LSBs.
- 4 Facilitate strategic linkages with other partners for required capacity building and business development for LSBs.
- 5 Pilot innovations to test creative practices and solutions in implementing the scaling-up strategy.
- 6 Participate in regular discussions, meetings and workshops with partners to monitor and evaluate project progress.
- 7 Present regular reports (out-scaling progress and financial reports).

Selecting out-scaling partners

In 2014, ISSD Uganda initiated the process of identifying the most appropriate partners to engage in the out scaling process. An out-scaling strategy was developed in November 2014 which set out required steps for achiev-

ing intended objectives. This included identifying potential partners per zone, process costs, procedural issues, including grant applications, partner selection, and finally, partner agreement execution. Potential organisations and/or companies need legal registration status in Uganda and the ability to demonstrate managerial and financial commitment to implementing the LSB out-scaling project.

A variety of organisations were identified as potential partners and their viability to participate was assessed. Emphasis was placed on organisations' motives, its value addition to the process, possible challenges in out-scaling, sustainability of the LSB approach under its systems, and recommendations for improvement.

Out-scaling grant process

In February 2015, ISSD Uganda sent out application forms and held sensitisation meetings with potential out-scaling partner organisations to attract interest. Selecting partner organisations to receive grants was carried out by ISSD's management team. Although an overwhelming 31 organisations qualified for the LSB out-scaling programme, only 17 organisations were selected for consideration. Potential partners were scored against selection criteria (see box 2 below for selection criteria).

Box 2: Minimum selection criteria for LSB out-scaling partners

- 1 Active in the target community or zone for at least five years.
- 2 Can support at least five LSBs (in order to satisfy grant requirements).
- 3 Willingness to use the LSB model.
- 4 Experience working with community seed production.
- 5 Willingness and ability to contribute at least 50% co-funding.
- 6 Proven experience working with farmer groups.
- 7 In existence at least for the next two years.
- 8 Can produce a letter of support from the respective districts in which the project will be implemented.

A due diligence exercise was additionally commissioned to ascertain viability of the selected organisations. This entailed assessing ability to manage funds effectively, presence of organisational systems to record utilisation of funds, proper accounting systems, and sufficient and qualified personnel to run these financial systems. The organisations were required to have proper reporting systems and the ability to prevent abuse in utilisation of funds. This step was to ensure selected partners were not 'sham organisations'. From the 17 partners that passed the selection criteria above, only 15 were approved for commitment following the due diligence exercise (see Table 2).

Table 2: Selected out-scaling partners

No	Out-scaling partner	Operation zone	Organisational type
1	World Vision	West Nile and Northern Uganda	International NGO
2	Nile Pro Trust	West Nile	Social enterprise organisation
3	West Nile Private Sector Development Promotion Center Ltd (WENIPS)	West Nile	Company
4	Self Help Africa	West Nile	International NGO
5	Abi ZARDI	West Nile	Public agricultural research institute
6	Maracha District Farmers Association	West Nile	Farmers' association
7	Community Empowerment for Rural Development	West Nile	Local NGO
8	Coalition for Health, Agriculture and Income Networks (CHAIN)	Western Uganda	Company
9	Mbarara ZARDI	Western Uganda	Public agricultural research institute
10	Private Sector Development and Consultancy Centre (PRICON)	Western Uganda	Company
11	Mbarara District Farmers' Association (MBADIFA)	Western Uganda	Farmers' association
12	Gulu Agricultural Development Company	Northern Uganda	Company
13	CARITAS Lira	Northern Uganda	Local NGO
14	Volunteer Efforts for Development Concerns (VEDCO)	Northern Uganda	Local NGO
15	Teso Farmers Agribusiness Centre Ltd.	Northern Uganda	Agribusiness company

Training of trainers

With partnerships officially in place, implementation of LSB out-scaling activities began with one week of comprehensive training of trainers (ToT) for agronomic and agribusiness staff from each partner organisation. The major aim of the ToT was to build trainers' capacity to design and deliver a training programme to support LSBs.

Partner staff were introduced to LSB methodologies with emphasis on ISSD's concepts and principles of LSB development. The comprehensive training was based on an acclaimed LSB training manual conducted by local and international ISSD experts. This manual was custom-made by ISSD Uganda staff. To better understand the LSB methodology, focus was placed on four building blocks i.e. ensuring that farmer groups are technically equipped, professionally organised, market-oriented and strategically linked.

Emphasis was also put on trainers' preparation for LSB training sessions, evaluation of learners, evaluation of achievement of training objectives, and the availability of physical equipment and logistics to sufficiently facilitate learning. The training included a variety of training methods and facilitation techniques including interactive PowerPoint presentations, Q&A, storytelling, quotes, an information market, brainstorming, draw-



ISSD expert facilitating one of the plenary sessions during ToT in Mbarara district

ing (rich picture), role plays, fish bowl, ice breakers (jokes, songs, exercises), group work, buzz discussions with neighbours etc. During the ToT workshops, partner staff also developed their work plans which were presented, discussed and finalised for use. To gain first-hand experience of LSB training operations, partners carried out trial training sessions for selected farmer groups already involved in seed production and marketing.

Partners have appreciated the LSB approach as a practical solution to current challenges in the seed industry.

Considering the value of the LSB approach, partners like World Vision Uganda put aside funds to facilitate training of an additional 17 staff members to extend the LSB approach to other areas of operation.



"The ISSD LSB concept is very good; I believe it will have a positive impact on the seed sector in Uganda. The training has empowered me, I am now confident that I can support development of LSBs for sustainable production of quality seed for smallholder farmers"

Gumoshabe Benon, Mbarara District Farmers Association (MBADIFA)

Out-scaling partner experiences with LSB methodology

Following initiation of activities in three project zones, out-scaling partners now have a feel for what the LSB approach entails.

"The way this approach was introduced into communities has created commitment among farmers. They work willingly because they were involved right from inception of activities. They clearly understood what the intervention entailed since emphasis was put on seed production, not grain production. The major challenge faced so far is land fragmentation in the region. This implies that farmers cannot fully maximise seed production as a business."

Bright Muhumuza, CHAIN Uganda

The LSB methodology seeks to empower groups to be self-reliant business entities. This is notably different from the humanitarian approach commonly used by many development organisations. Below is what one of the partners had to say about this.

"Compared with methods Self Help Africa (SHA) have used in farmer capacity building, the LSB approach is exceptional because farmers take the leading role. This is a more sustainable method of introducing change among communities. Farmer groups actively participate in procurement of production inputs, searching for markets and our only role is facilitating strategic linkages. One lesson we have learnt as SHA is the need to involve all strategic partners at the start of the project. This creates shared responsibility as everyone's roles are clear from the beginning; from experience with previous projects, this speeds up implementation of activities even on our side"

David Ojara Okot, programme coordinator-agriculture and livelihoods, SHA

What is the added value of out-scaling through partnerships?

By involving partners in out-scaling, ISSD was not only interested in increasing the number of quality seed producing farmer groups but also creating an opportunity for the introduction and adoption of innovative ideas used by different partners to counter-act seed production challenges.

As an example, SHA encourages farmers to incorporate crop insurance in their production planning due to unpredictable weather conditions that result in reduced yields. SHA is collaborating with Jubilee Insurance Company to provide farmers with an insurance package that covers deficits in crop yield. Insurance costs were included in production costs for the LSBs. Although farmers were sceptical about this in the beginning, they have come to appreciate its benefits after the insurance company paid for the harvest value lost as a result of poor weather in 2014. This is a learning experience for other partners, and ISSD as well, for possible adoption in other areas. ISSD consistently encourages partners to develop innovative seed practices to address seed sector bottlenecks.

Anticipated challenges of this out-scaling process

Although out-scaling the LSB approach through partners proved to be the most viable methodology of increasing the number of commercially sustainable LSBs, it is not been achieved without challenges.

In addition to providing capacity building, most partner organisations have previously been providing hand-outs in the form of free inputs to the farmers they support. It will therefore take time for some groups to transition from the mentality of receiving free inputs to instead investing in seed production

as a business. To overcome this challenge, ISSD has continuously stressed to partners the need for LSBs to take full ownership of seed production and marketing activities with emphasis on supporting LSBs to develop sustainable resource mobilisation strategies.

The other critical challenge is shortages of foundation seed, which is the most important input in seed production. All seed multipliers rely entirely on NARO institutes for foundation seed. However, NARO has limited infrastructure, financial and human resources to produce adequate amounts of foundation seed. ISSD has made significant efforts to link partners with breeders and engage them in discussion forums focusing on solving the problem of limited access to foundation seed. One such forum is the Annual Breeders' Meeting organised in collaboration with NARO from which many innovative ideas, including several ways of diversification of foundation seed production, have been developed to overcome the challenge.

To increase contact time with LSBs, some partners have contracted third parties to

carry out LSB coaching. This is not a problem if these individuals receive sufficient training on the LSB concept. To address staff turnover, ISSD has planned regular refresher trainings to constantly remind and update LSB trainers about LSB development concepts.

References

- Heemskerck, W. 2014. Scaling of the LSB experience in Uganda: Options and opportunities. KIT
- ISSD Uganda. 2015. ISSD Uganda Newsletter, Issue 4: July 2015
- Mastenbroek, A & P. Oyee, P. 2014. LSB out-scaling strategy. ISSD Uganda
- Mastenbroek, A., R. Mugumya and P. Oyee. 2015. The Integrated Seed Sector Development - Uganda progress report 3; *Annual Report 2014*. Centre for Development Innovation, Wageningen University and Research Centre. Report CDI-15-093. Wageningen, the Netherlands.
- Millar, J and J. Connel. 2009. Strategies for scaling out impacts from agricultural system change: The case of forages and livestock production in Laos, Agriculture and Human Values, Volume 27, Issue 2

Colophon

Published by:

The Integrated Seed Sector Development
Uganda Programme (ISSD Uganda)
Studio House, Plot 5 Bandali Rise, Bugolobi.
P.O. Box 20106, Kampala.
Tel: +256 775 968005
Email: info@ISSDuganda.org

Editorial Committee:

Astrid Mastenbroek | *ISSD Uganda*,
Chief of Party
Patrick Oyee | *ISSD Uganda*,
Deputy Chief of Party

Gerard Baltissen | *Royal Tropical Institute (KIT)*, *Senior Advisor*

Disclaimer:

This brief is produced with the assistance of the Embassy of the Kingdom of the Netherlands in Uganda funding the implementation of the ISSD Uganda programme by Wageningen UR, Centre for Development Innovation (CDI) in collaboration with NARO. The contents are the sole responsibility of ISSD Uganda. To reproduce content of the brief, please quote the brief number: ISSD Brief No 3, 2015, Out-scaling the local seed business approach: Engaging partners in the process.