



Successful Local Seed Businesses

Understanding the role of success factors and organisational forms

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"When you don't plan, you will always work at a loss." Agieramach LSB members in West Nile

The Integrated Seed Sector Development (ISSD) programme in Uganda aims to continuously develop and adapt its work with local seed businesses (LSBs) according to the pace at which farmer groups are evolving into sustainable enterprises. An LSB is a group of farmers that are able to produce and market quality seed of varieties preferred by other farmers. For an LSB to be sustainable, it needs to be commercially oriented and able to make investments. To support this process, ISSD is entirely based on capacity building and does not provide free inputs. To guide the ISSD staff and farmer groups on areas where capacity building is needed, the programme devel-



oped a diagnostic tool to measure whether farmer groups are progressing towards becoming sustainable enterprises. This diagnostic tool is called 'success factors for sustainable LSBs' and it has a scoring system from 1 (weak) to 5 (strong). To strengthen their weakest 'success factor' area, ISSD staff held tailored coaching and training sessions with the LSBs.

From May 2015 to October 2015, a MSc student from Wageningen University did her internship with ISSD Uganda and explored the

usefulness of the diagnostic tool through interviews with LSB members and ISSD staff. The student also explored whether LSBs' performance is dependent on the LSB organisational form.

The intern's findings are that success factors sufficiently cover those elements of the seed business that do foster progress in LSB performance. Working with these success factors as a guide to LSB development therefore proved satisfactory for both the LSBs and the ISSD field experts. This study also indicated that there is no correlation between the organisational form of a LSB and its ability to perform well.

Understanding organisational forms and success factors

To gain a comprehensive insight into how LSB organisation and success factors influence LSB performance, it is necessary to understand the LSB concept.

In a LSB, individual farmers unite to produce and market quality seed to their fellow community members. Being part of a group business can facilitate economic success for a small-scale farmer including the possibility to pool resources such as labour. In addition, bulking seed for sale provides a larger market potential as farmers can secure a better price for their seed.

ISSD Uganda is based on experiences of a similar programme in Ethiopia that was operational before the Uganda programme started. In Ethiopia, all LSBs are registered as cooperative societies. When the programme was initiated in Uganda, ISSD purposefully selected farmer groups registered under various organisational forms. ISSD Uganda wanted to investigate whether LSB's organisational form influences its success as a business. However, as shown in the second

part of the brief, whether a LSB is registered as a farmer group or cooperative did not influence their performance.

From the start of the ISSD programme, a central part of working with LSBs in Uganda was the 'success factors' - a tool developed to measure and monitor LSBs' progress towards becoming sustainable enterprises, as well as to inform ISSD experts' work plans to engage with the LSBs. The research question was: Whether the identified success factors were perceived as useful and the diagnostic tool as helpful and whether the organisational form (see Box 2) influences or even determines an LSB's level of success.

The origin of the success factor tool

The success factors tool was first used in ISSD's programme in Ethiopia. The tool featured 50 factors grouped under nine different categories. However, a baseline study found that the tool was too extensive and scientific, which restricted its use to a limited group of scientifically trained people in Ethiopia. Consequently, the success factor tool was re-developed from a system for external evaluation into an instrument that could be used by ISSD staff to provide guidance on LSB development.

The number of success factors was reduced to nine main factors with various sub-factors. Having undergone this transformation, the success factor tool could now be used in ISSD field staff daily work with LSBs. In 2012, this revised version of the success factor tool was first used in Uganda, following selection of 30 LSBs by the ISSD team. Success factors were put into practical use through a scoring table to determine the stronger and weaker aspects of the LSBs and to plan and set up training activities accordingly. At the end of 2015, the tool was updated based on field experiences to make

the criteria even more relevant. The tool is partially presented at the end of this brief.

Using success factors to specifically target weaker organisational points in LSBs allows staff to address and respond to LSB needs and enable tailor-made activities to strengthen the LSB’s performance in seed entrepreneurship. The success factors methodology is not a static tool and its use promotes continuous evaluation and cross-checking with LSB farmers.

Box 1: The success factors

The success factors for commercially sustainable LSBs

- Access to inputs and services
- Market
- Marketing strategy
- Customer feedback mechanisms
- Business orientation
- Mobilisation of resources
- Quality seed production
- Processing and value addition
- Governance

Success factors used in ISSD Uganda

The success factors are based on the four key building blocks that constitute an economically sustainable LSB. Thus, if an LSB is (1) technically equipped; (2) professionally organised; (3) market oriented; and (4) strategically linked to inputs, extension, credit and markets - it is functional and sustainable. Each year, LSB members and experts discuss and score progress on each success factor. Based on this assessment, targets for the following year’s training topics are set.

Looking at the LSB from an internal perspective, it should be technically well-equipped to produce seed and add value to its seed, it should also be professionally organised, well managed and with access to appropriate infrastructure. Looking at the LSB from an external perspective, the product should have demand from the market, while the LSB should be strategically linked to reliable and cost-effective inputs and service providers.

Figure 1: The four building blocks and respective success factors and sub-factors

	Inward Looking	Outward Looking
Product Oriented	 <p>Technically well equipped</p> <p>Quality seed production: Value proposition, production and productivity; Internal quality control mechanisms; Seed quality. Processing and value addition: Storage; Seed treatment; packaging.</p>	 <p>Market oriented</p> <p>Market strategy: 4Ps, customer analysis; market segmentation; product uniqueness; diversification. Customers feedback mechanism: Frequency of information exchange; remedial response.</p>
Organization Oriented	 <p>Professionally organized</p> <p>Governance: Leadership; committees; land; gender Mobilization and use of resources: Internal savings; mechanization and labour use. Business orientation: Business plans; records; work-plan.</p>	 <p>Strategically linked</p> <p>Access to inputs and services: Foundation seed; fertilizer & CPPs; extension; external quality assurance; Business Development Services; finance. Markets: Market information; effective demand.</p>

Success factors: a tool for performance measurement

Every year, the performance of each LSB is assessed using the success factor tool. This is done by assigning scores to each sub-factor and then calculating the average score for the main success factors. Scores are on a scale from 1 (=weak) to 5 (=strong). By recording LSB scores in Excel tables, experts can easily compare LSB performances over time and observe variations. Table 1 provides an example for the success factors 'Access to inputs and services' and 'Markets'.

Success factors: guidance for planning training modules and other activities

Based on the scores, ISSD experts then develop their quarterly and annual work plans as they can easily determine which factors still need more attention. The experts consult with the LSBs, who also have an opportunity to score themselves, to jointly work out which areas are well-developed and which need more support. The success factors allow the experts to be flexible in their planning and address the needs and interests of the farmers accordingly.

Table 1: Example of 'strategically linked' success factor scoring table for Agieramach LSB in West Nile

Success factors	Sub-factor	Specifications	2013	2014
Access to inputs and services	Extension Services	What is the access to different sources of seed business services (extension, quality control, auditing and access to marketing)?	2	3
	External finances	Does the LSB have access to external financial services?	2	2
	Breeder seed and foundation seed	The level of access by the LSB to quality breeder and foundation seed at affordable prices	2	2
	Fertiliser and crop protection products	Level of access to inputs to produce quality seed at competitive prices	5	1
	External quality assurance	Level of agreed and required inspections for quality and certified seed production	1	2
	Business Development Services	What is the level of access to different sources of seed business development services?	*	3
Average			2.4	2.2
Market	Market study and use of market information	Does the LSB conduct market studies and use the information for decision making?	3	3.
	Demand- market size and niche	To what extent does the LSB understand the seed in the target market?	2	3
	Supply quantity	Does the LSB supply what is demanded?	*	2
Average			2.5	2.67

* No score listed because some success factor components were only added in 2014.

Using the example of Aye Medo Ngeca farmer group (see figure below), activity planning for the LSBs is explained. In 2013, the group scored themselves and mobilisation of resources, business orientation and customer feedback scored very low. After one year of support (2013) the group achieved good skills in seed production and they rated themselves highly in terms of processing and value addition. They believed their product was of good quality and should sell itself. At the same time, access to markets and marketing strategy received an average (3 points). Customer service was a novel idea to them, and thus it did not receive much attention, nor did the LSB ask for training on this topic. Based on the scoring, the LSB and ISSD staff agreed to further focus on seed production skills, business orientation and resource mobilisation as priority areas for 2014. At the end of 2014, the LSB scored themselves. By then, they had realised that producing good quality seed alone is not enough to market the seed; post-harvest handling is equally important for germination. Customer feedback they received was predominantly that

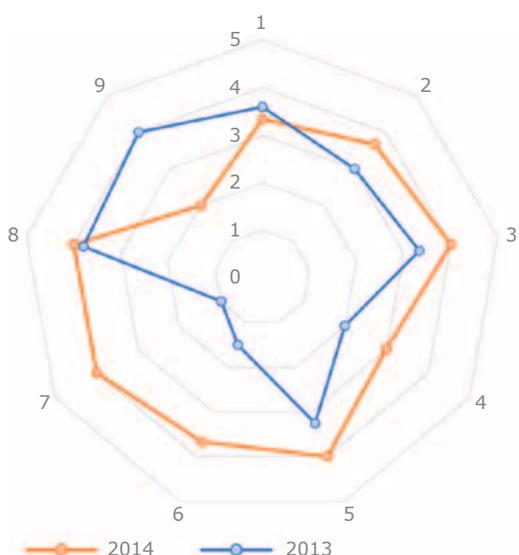
the way the seed was presented did not look different from their home saved seed, so why should they pay more for this seed. At this point, the LSB realised that they needed to improve on their packaging and post-harvest handling and customer feedback mechanisms to make sure they produce the right varieties and package the seed in appropriate material and pack sizes. These two success factors, together with access to external quality assurance which provides the governments endorsement on the seed, became the focus for capacity building in 2015.

Factors that make LSBs successful

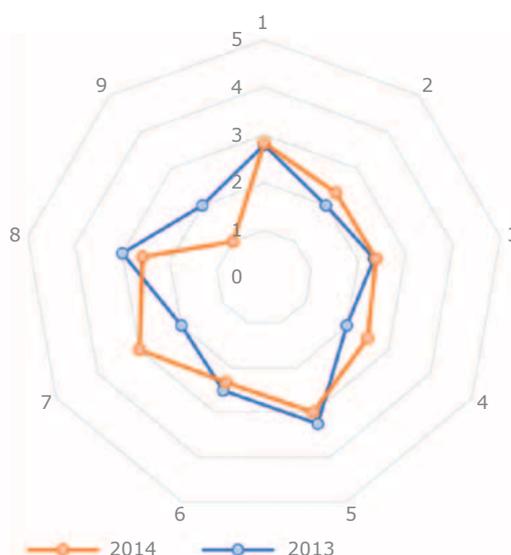
Group interviews with different LSBs, conversations with ISSD field experts, and a review of production and sales data revealed that there is no correlation between the organisational form of an LSB and its ability to operate well. So what factors then influence an LSB’s success?

The most important success factors throughout the process were considered to be ‘governance’, ‘market’ and ‘market strategy’.

Aye Medo Ngeca Farmers Group



Kalera Community Based Organisation



Legend

- 1 access to inputs and services
- 2 market
- 3 marketing strategy
- 4 customer feedback mechanisms
- 5 governance
- 6 business orientation
- 7 mobilisation of resources
- 8 quality seed production
- 9 processing and value addition

The above diagrams show one of the best performing LSBs (Aye Medo Ngeca) and one of the weakest LSBs (Kalera). Looking at their performance in 2013 and 2014, Aye Medo Ngeca improved about 0.5 points in 'governance', 'market' and 'market strategy', respectively. Kalera did not improve its marketing strategy, it had decreased scores in governance and only slightly improved in the 'market' factor. At the start of ISSD Uganda, most groups portrayed a rosy picture of their governance structures both in terms of leadership and in terms of having committees. The decrease in the governance score was a result of most LSBs realising that doing business as a group needs good leadership and functional committees. After several trainings, LSBs became more realistic during the next assessments in 2014. As a result, the score went down providing a more accurate picture of governance status.

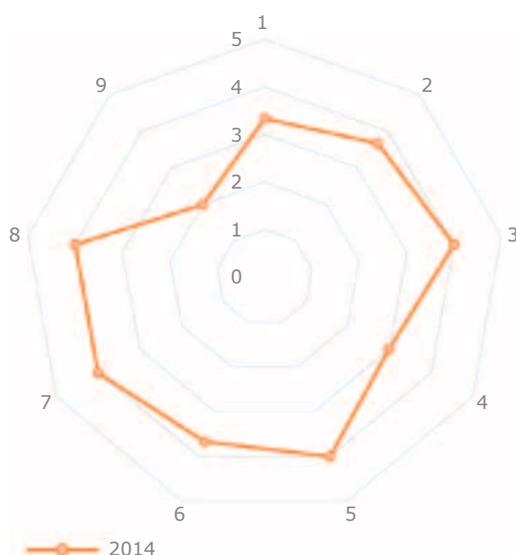
When governance structures are in place, there is a feeling of togetherness and ownership among the farmers. Well-maintained governance structures empower members to raise their voices when unsatisfied with

leadership. Chris Muwanika, ISSD seed expert based in the south-western zone, emphasises that, "Leadership is 80% of an LSB's success. A functional leadership and a well-organised governance structure eases other processes such as the mobilisation of resources, access to markets and business orientation."

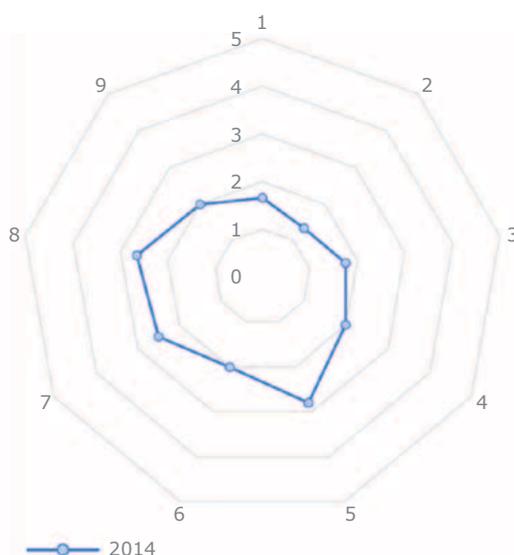
LSBs which kept production and sales records were more successful in planning ahead for the coming season. Another factor was members' mind-sets. The newer LSBs repeatedly relied on support from ISSD or other actors indicating their inability to be self-sustaining. While older, more established LSBs showed a higher degree of business orientation, made better use of knowledge and available connections and expressed gratitude for having been introduced to the concept of agriculture as a business. These LSBs are able to operate more independently.

The observation during 2013 and 2014 suggests that at least two years of LSB coaching is necessary to effectively build capacity of an LSB to enable them to operate indepen-

**Aye Medo Ngeca
Farmers Group**



**Bedi Irwot
Farmers Group***



Legend

- 1 access to inputs and services
- 2 market
- 3 marketing strategy
- 4 customer feedback mechanisms
- 5 governance
- 6 business orientation
- 7 mobilisation of resources
- 8 quality seed production
- 9 processing and value addition

*new LSB

dently. The diagrams below illustrate this. They compare one of the highest scoring (Aye Medo Ngeca) and one of the lowest scoring LSBs (Bedi Irwot). Both LSBs are located in the Northern Uganda and both have the same organisational form. Yet there are some differences in performance. This is because Bedi Irwot is relatively new and started in 2014, whereas Aye Medo Ngeca is more established, operating since 2013.

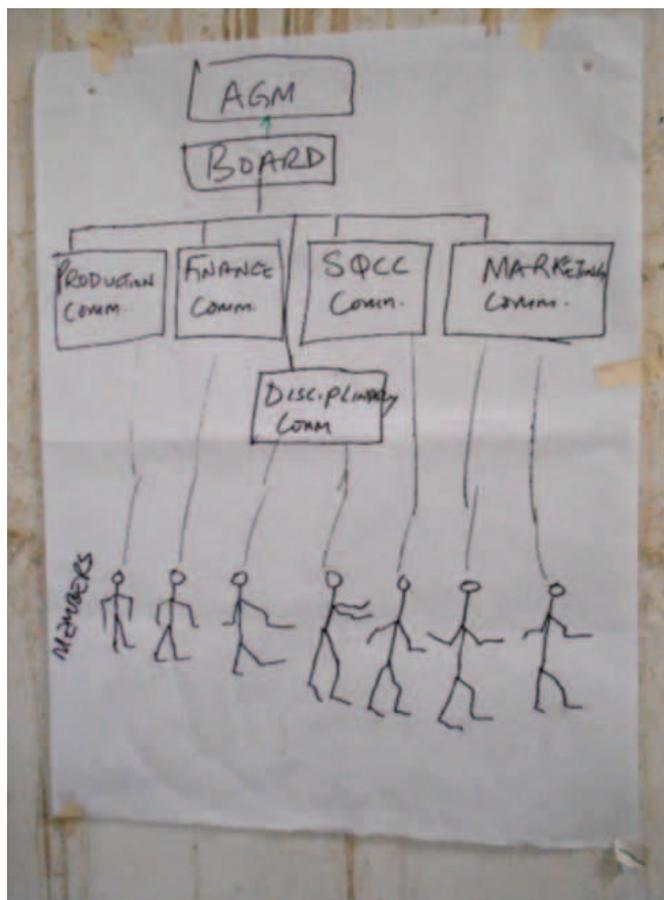
Interviews highlighted that LSB farmers perceive planning, good governance, leadership and unity as the most important drivers of success. A member of Aliamu Cupria Timbakwa Seed Development Association in West Nile claimed that: "Good leaders and unity are most important for an LSB." Another member of the same group added

that, "We have the vision to be a successful business. We are now planning. If you want to succeed in something you must make a plan. The group is also very supportive. It is like: if you are bathing, you can't reach your back. But if there is someone to help you, it is easy!"

Other important factors for LSB success include access to inputs, markets and market strategy, especially during the more advanced stages of the business. When an LSB has a ready market for its seed, the group gets motivated to re-invest in the business for higher returns. A member of Kololo Area Savings Initiative (KASI), an LSB in West Nile emphasised that, "If there is no market and you produce what you want, it will not be profitable."



Members of Agieramach LSB, north-western zone with a simsim plant



Governance structure of ACTS LSB, north-western zone

Box 2: Forms of LSB organisation**Primary cooperative society (PCS):**

Cooperative societies cater to economic and social needs but are primarily business oriented. People gather to commonly reach an economic goal and follow economic interests. In Uganda, all cooperative societies have to be registered under the Cooperative Societies Act (1992).

Community-based organisation (CBO):

'An organisation wholly controlled by Ugandans, operating at sub-county level and below. Involved in NGO type activities, augment government work, but work clearly for not-for-profit or commercial purposes.' (The National NGO Policy, 2010, p.13)

Farmers' group (FG):

Most informal way for individuals to unite in order to reach a common purpose. In Uganda farmers' groups can be (but not necessarily have to be) registered at local council sub-county level and district level by the community development officer.

Association:

Bodies that unite several individuals and/or groups for a joint purpose. For example, the aim of increasing food security within a community through operating a joint enterprise. Associations are registered at district level, mostly with the registrar of companies.

LSB as part of another group:

LSBs that are registered as one of the above but, as an entity, are part of a bigger group which may be an area cooperative enterprise (ACE), PCS, CBO or an association.

Box 2 is an overview of organisational forms that exist in Uganda. Five different LSB organisational forms were looked at: primary cooperative societies (PCS), community-based organisations (CBOs), farmers' groups (FG), associations and LSBs as part of another group. As mentioned earlier, at the start of the ISSD Uganda programme, groups with different organisational forms were selected to compare the performance of each LSB and evaluate whether organisational form influences success.

During the interviews, it became clear that LSBs perceive the different organisational forms to be part of a linear development in which one 'graduates' (term used by farmers) from one level to the next according to one's needs and capacities.

"One can't develop alone."
**a Turibamwe LSB member
in the south-western zone**

Farmers therefore take the initiative to form a grouping of any kind because they want to work together. Farmer groups generally emphasise sharing labour and working together to improve life and enhance agricultural production within their community. ISSD encourages all LSBs to register at least at district level, which helps national and international organisations searching for farmer groups to work with. However, ISSD does not promote a specific organisational form under which LSBs should register.

LSBs registered as CBOs pay more attention to social matters such as providing for or-

phans and counselling community members. Being registered as a CBO makes it easier to access funds from different development organisations.

PCSs are business focused. To justify being a PCS, members pay more attention to expansion possibilities, access to services and inputs (e.g. taking on group bank loans) and improving the living standard of the community through business-oriented activities. One positive aspect that PCSs have over other forms of organisations is the high degree of external guidance from the national cooperative alliance.

"As a cooperative, there are laws telling you what to do and visits from external auditors. It is good since you are not alone: there is guidance and structure."

**Kigaaga LSB member,
South Western Uganda**

For LSBs, the advantage of being part of a bigger group (like an ACE or a CBO) is a secure market, since the LSB can supply other grain producing member groups with seed. Also, access to extension services and production inputs is simplified as this is done as a group. The chairman of Turibamwe LSB in the south-western zone explains: *"The ACE is like a mother, creating links and helping us."*

LSBs have some understanding of the benefits of registering under a particular organisational form although most LSBs are not well-informed about the particularities and differences between various organisational forms. The ISSD agribusiness expert based in the north-western zone explains: "We have groups that are registered under two different forms, for example CBO and cooperative.

Others call themselves associations but are in fact registered as a CBO." Those groups registered as PCSs had a better understanding of their organisational form compared to LSBs under other organisational forms. One reason for this is that a group has to undergo training from the Uganda Cooperative Alliance before it is allowed to officially register.

Not all organisational forms are represented in each zone (see Table 3). In the south-west, CBO was the predominant form with half of the LSBs being registered as such, followed by three PCSs, one association and one LSB as part of another group. In the north, most LSBs are registered as farmers groups (7), and the remaining three groups being LSB as part of another group, association and CBO. No PCS is found in this zone. In West Nile, the predominant form was CBO (4), followed by farmers groups (3), PCSs (2) and one LSB as part of another group. In total, most LSBs are registered as farmers groups (10) followed by CBOs (9), PCSs (6), LSB as part of another group (3) and associations (2). Across all organisational forms, the highest scores were reached in 'quality seed production' with PCSs and LSBs as part of another group leading (3.8). The lowest scores across all zones were attained in 'processing and value addition'. Also low scores in most of the organisational forms were reached in 'customer feedback mechanisms'. The two organisational forms attaining the best average results (see Table 3) are PCS and LSB as part of another group. The lowest average scores per main success factor were attained by the two groups registered as associations. The second lowest average was scored by the CBOs. Statistical analysis showed that there is no correlation ($p > 0,05$) between the height of the average success factor scores and the organisational form the LSBs are operating under.

Table 3: LSBs in all three zones, organisational form and average score

Rank	LSB name	Organisational form	Zone	AVG score
1	Kyazanga Farmers Cooperative Society Ltd.	Primary Cooperative Society	Mbarara	3.7
2	AFOSEN	Farmers group as part of a farmers network	Ngetta	3.5
2	Aye Medo Ngeca	Farmers group	Ngetta	3.5
3	Alito	Primary Cooperative Society	Ngetta	3.3
3	Andevuku	CBO	Abi	3.3
3	KASI	CBO, plans to become a primary cooperative	Abi	3.3
4	Jing Komi	Farmers group	Ngetta	3.2
4	Amadrimaa	Farmers group, in the process of becoming a cooperative	Abi	2.8
5	Latyeng	Farmers group	Ngetta	3.1
5	FARSON	Primary Cooperative Society	Abi	3.1
5	ACTS	CBO in the process to become an ACE	Abi	3.1
6	Omutima Gwa Ruhira	Primary Cooperative Society	Mbarara	3
6	Obanga Ber	Farmers group	Ngetta	3
6	Agieramach	CBO, plans to become an association	Abi	3
6	Kuluba	Farmers group as part of a primary cooperative	Abi	3
7	Kigaaga Farmers Cooperative Societey	Primary Cooperative Society	Mbarara	2.9
7	Kyamulama Mixed Farmers Group	CBO, in the process of becoming a cooperative	Mbarara	2.9
7	Tic Ryemo Can	Farmers group	Ngetta	2.9
7	Wot Anyim	Farmers group	Ngetta	2.9
7	Nyio Aija	Primary Cooperative Society	Abi	2.9
7	Watembu	Farmers group	Abi	2.7
8	Turibamwe	Primary Cooperative Society as part of another PCS	Mbarara	2.8
8	Binagoro	Farmers group	Abi	2.8
9	PELIDO	CBO	Mbarara	2.7
10	Kishasha Twekambe Bean Seed Producers	CBO	Mbarara	2.6
10	Kazo Dryland Husbandry Agro Pastoralis Association	Association	Mbarara	2.6
10	Agetereine Rural Farmers Association	CBO	Mbarara	2.6
11	Kalera Farmers Marketing Association	CBO	Mbarara	2.4
12	Agik Dak	Association	Ngetta	2.2
13	Bedi Irwot	Farmers group	Ngetta	2

■ PCS
 ■ LSB as part of another group
 ■ Farmers' group
 ■ CBO
 ■ Association

Table 4: LSB Scoring Table (Partial)

Success factors	Subfactor	Questions	1 = Poor	3 = Satisfactory	5 = Excellent
Marketing strategy	4 Ps	PRODUCT: Does the LSB know the product attributes needed by the customers?	the LSBs do not know any product attribute needed by customers;	The LSB knows at least two product attribute needed by their customers	The LSB knows all the product attribute needed by their customers
		PRICE: Does the LSB have a pricing strategy?	the LSBs does not have any knowldgeon a pricing strategy	The LSB has a pricing strategy but is not using it.	The LSBs has a clear plan for price strategy and fully implemented
	Unique product	Does the LSB produce and market unique seed?	LSB does not have any knowledge on product diffrentiation?	LSB members have skills in product differentiation a and have put plans in lace on how to differentiate their seed products	All LSB seed products are uique in terms of all key attributes and have a brand name.
Consumer feed-back mechanism	Diversity, and frequency of getting product feedback from customers	How , and how often does the LSB get feedback from customers on seeds sold (crops, varieties, qualities)?	LSB has no mechanism of getting feedback from customers	LSB actively gets information informally during meetings with less than 25% of customers	LSB actively plans at least two annual meetings covering more than 50% of its customers and gets feedback on seeds sold.
	Remidial responses	Does the LSB adapt/respond to customers complaints?	LSB ignores the complaint.	LSB solves the complaint from the complainer	LSB has a structure that allows using complaints as an opportunity to improve its product.
Access input and services	Breeder and Foundation	Does the LSBs have sufficient access to Breeder and Foundation seed?	The LSB does not have access to breeder and foundation seed	There is access to Breeder and Foundation seed, but the supply is not reliable in terms of quality	Reliable and timely access to sufficient quantities of quality Breeder and Foundation seed
	External Quality Assurance	Does the LSB access the required level of inspections?	Seed is not externally inspected	Seed is inspected at least once	Seed is inspected pre- and post-harvest at least 3 times
Market	Market study and use of market information	Does the LSB conduct market study and use the information for decision making?	The LSB does not have knowledge on how to carry out market study	The LSB carries out limited market study	Decisions are made by the LSB basing on information from the market study
	Supply-quantity	Does the LSB supply what is demanded?	The LSB does not supply seed	The LSB meets at least 50% of the demand	The LSB meets 100% of the demand
LSB Governance	Leadership	How do(es) the leader(s) perform in terms of guiding the LSB and its members into a commercially sustainable enterprise?	No leadership structure, outsiders govern the LSB in the development of a commercially sustainable enterprise	The LSB is operationally led by one or more entrepreneurial farmers taking the lead in the development of a commercially sustainable LSB	Leadership has been democratically elected by the LSB members, and has the capacity to guide its members strategically and operationally in the development of a commercially sustainable LSB.
	Committees	Do the LSB have the functional committees with Clear Terms of Reference, workplans and reporting structure?	The LSB has no committees in place.	The LSB has committees in place with terms of references but no work plans.	The LSB has committees in place with terms of references with work plans and repoting structure.
Business orientation	Business plan	Are LSBs having a business plan (BP) which guides their seed production and marketing activities?	The LSB has no business plan.	The LSB has a business plan but is not using it.	The LSB has developed its business plan and is using it fully and is updating it regularly.
	Work plan	Does the LSB have seasonal activity work plans?	LSB does not plan and does not have work plans.	LSB have developed work plans but do not use it	LSB develops work plan on a seasonal basis, fully uses it and where necessary adjusts according to the situation
Mobilization and use of resource	Internal savings	Does the LSBs use internal savings for seed business?	The entire production and marketing is not financed through internal savings -0%	Production and marketing is partly financed through internal savings -50%	The production and marketing process is fully financed by internal savings -100%
	Labour use and mechanisation	To what extent does the LSB use labour efficient technologies? (improved technologies, mechanisations etc)	The LSB uses only the traditional farming practices.	The LSB uses technology in any two of the key activities in seed production (tillage, planting, field management, harvesting and PHH)	The LSB uses technology in all the key activities in seed production (tillage, planting, field management, harvesting and PHH)
Quality seed production	Value proposition	To what extent are the values (e.g. quality, price, packaging sizes) offered to customers understood by LSB?	The LSB members do not understand the values to be offered to their customers	LSB members offer at least one of the values to their customers	LSB members offer all the values to their customers
	Production and Productivity	Agronomic practices: Does the LSB have the skills to produce seeds (measured by exposure to external training)?	Nobody in the LSB has received training in seed production	At least one person in the LSB has received at least one week of training in seed production, including on-farm training	People in the LSB are constantly trained in seed production
Processing and value addition	Seed treatmet	To what extent are appropriate seed treatment technologies being used?	LSB members have no knowledge and access to any seed treatment technologies and do not treat their seed	LSB members have some knowledge and access to some seed treatment technologies but do not treat their seed.	LSB members have good knowledge and access to seed treatment technologies and do treat all their seed regularly
	Packaging	Does the LSB have the capacity (knowledge, skills & resources) to package their seed?	Nobody in the LSB has knowledge and skills in seed packaging and are not packaging	At least one LSB member has received at least one week of training including hand-on practical experience in sed packaging but have limited resources for seed packaging.	LSB members have the skills and are packaging all their seed.

Conclusion

LSBs are linked to extension services and to research for foundation seed procurement. All 30 LSBs have elected committees for production, quality assurance and marketing. LSBs that produced seed in 2014A (first season) continued with the seed business in 2014B (second season). Household incomes and livelihoods of LSB farmers did improve.

One way of contributing to the development of functional LSBs is by using the success factors tool. Using success factors helps to plan context-specific activities, which are responsive to LSB needs and interests. The tool is also a way to monitor and evaluate performance. Adapting success factors to changing environments has been possible and will continue in future ISSD work.

Currently, ISSD is out-scaling the LSB concept through partner organisations and aims to support an additional 70 LSBs in Northern Uganda, West Nile and South Western Uganda. Facilitating the development process of these new LSBs is the out-

scaling partners' responsibility. The success factor system is expected to contribute to easing the facilitation process as it has proven its positive role in LSBs' success.

What is most important for an LSB to succeed in Uganda is not the organisational form it is registered under but the right interplay of success factors. Good governance, access to inputs and markets, as well as unity and common ownership of the business ensure success.

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