

# SEED MARKETING IN DEVELOPING COUNTRIES

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# Seed industry





# Seed industry

- Seed industry in most developing countries comprise of both formal and informal sub-sectors.
- Informal sub-sector deals mostly in :-
  - Farmer own local seed saved from previous season
  - seed bought from the market
  - seed obtained from the neighbours

# Seed industry

- Formal seed sector comprise an established process



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# Seed Marketing

- Seed marketing should aim to satisfy the farmer's demand for;
  - Reliable supply of improved seed varieties
  - Quality seeds at an acceptable price.

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# Introduction

Seed marketing in developing countries is characterized by the following challenges among others;

- Low market potential due to farmers over-reliance on rain-fed agriculture
- Low availability and access of quality declared seed

# Introduction

- High marketing costs brought about by poor infra-structure

- Insect /pests and diseases

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# Introduction

- Fake seeds in the market
- Lack of cash or credit among farmers
- Long distance to seed retailers
- Unpredictable and unattractive grain prices (particularly immediately after harvest),



# Introduction

- Lack of information on variety performance
- Seed availability are the main disincentives to use improved seed.

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# Introduction

- Customers are diverse, decentralized, and have a wide range of product requirements related to the highly variable socio-economic and biophysical environment of Africa.

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# Introduction

- seed marketing systems are often characterized by intermediaries and minimal distribution beyond commercial centres.

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# Introduction

- Yields of crops in Africa are generally low due to various biotic, abiotic and managerial constraints.
- Generally, grain markets are poorly developed in Africa, such that on a local scale, price fluctuations are highly influenced by available grain stocks.

# Introduction

- Our main problem is the erratic rainfall. To handle this, we are shifting to irrigation since we have been depending only on rain-fed production.
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# Seed marketing challenges in Kenya

## Seed shortage

Monday, 25 April 2011

Willy Bett MD Kenya seed at Radio Jambo studios during interview yest-David Ndolo

Why exactly is there a seed shortage?

“-----Lack of rains two years ago in most parts of the country is the major problem. We also recorded a high demand of seeds from farmers. Most farmers who were not using certified seeds before changed following education by Kenya Seed [Company] thereby pushing up demand by about 30 per cent-----”



# Measures by Kenya seed to avert seed shortage in future

- Shifting to irrigation since we have been depending only on rain-fed production.
- Construction of a six-acre dam to collect water to be used in seed breeding in Kitale.
- Talking with the National Irrigation Board (NIB) to help us in producing maize seeds in places where they have projects like in Hola, Perkera and Yala.



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# Measures by Kenya seed to avert seed shortage in future

- Contracted more farmers both large and small scale farmers and we have increased the price of maize seeds so that we get more farmers.



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# Strategies for coping with seed marketing in developing countries

- positioning “wholesale” outlets in strategic rural centres, where small retailers from neighbouring districts may purchase seed stocks with cash.

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- Encouraging farmers to form buying groups.

# Strategies for coping with seed marketing in developing countries

- The appointment of farmers as rural consignment stockists
- Mobile seed shops

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# Strategies for coping with seed marketing in developing countries

- promotional activities to entice farmers to travel to rural centres to purchase seed

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# Strategies for coping with seed marketing in developing countries

- Seed companies may adopt a number of strategies to stimulate seed sales through increasing farmer productivity such as
  - The provision of improved varieties
  - providing crop management information on seed packaging
  - improved agronomic management (use of manure and fertilizer, timely planting, weed control and pest management)

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# Strategies for coping with seed marketing in developing countries

- A number of novel approaches have been advanced to improve the grain market stability in Africa these include;
  - Agricultural commodity exchanges,
  - Community grain banks,
  - Inventory credit programs
  - and the development of on-farm storage facilities, Where these have been implemented (e.g. in Kenya and Ghana) there has been a measure of success in market stabilization and consequent stimulation of improved seed demand.

# Conclusion

Marketing seed in Africa requires the following;

- An excellent and extensive distribution network,
- Appropriately sized seed packs
- Seed price that relates equitably with grain prices



Mini-pack seeds  
Affordable And Popular In  
West Africa

# Conclusion

- Government policies on rural development
- credit facilities on farm inputs -seeds
- Harmonised input(seed) and output(grain) pricing will influence seed company's ability to market



India commodity market



# Conclusion

- Seed promotion and provision of information to farmers, retailers and distributors and prompt response to customer needs will assist in securing seed sales in developing countries.







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