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on

Trade Negotiation,
Marketing, Contracting
& Seed Business Management

Target Group:

**SMALL AND MEDIUM SCALE SEED
ENTERPRISES (SMEs) MANAGERS**



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SEED TRADE PROMOTION

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BACKGROUND

To feed the world population that is increasing from 7.32 billion in 2015 to 9.3 billion people in 2050, agriculture will play a fundamental role by doubling production to meet the world's growing demand for food, feed and fibre, through the incremental output that will come from increases in yields (FAO, 2009). Quality seed is the most important factor for increased crop production. In order to achieve the increase in productivities, high-quality seed is needed for maximum outputs and good returns for farmers. The global seed market was worth approximately \$47 billion in 2012, with \$9.9 billion of that total being internationally traded. Nigeria's Domestic Seed Market in 2012 accounts for \$120 million. To strengthen the seed sector, it is crucial that seed growers and companies adhere to policies that guarantee quality standards and appropriate regulatory features. Thus a number of local, national and international organisations, conventions and treaties deal with the regulation of seed trade, ranging from production to delivery of quality seeds to growers. This is to provide an international regulatory framework that will oversee the interests of breeders, producers and consumers e.g. the ECOWAS seed regulatory policy. This paper aims at providing some insights into international and local institutions for seed trade promotion and advertising, seed import and export procedures, and guide to participation in agric-fairs and exhibitions.

I. INTERNATIONAL AND LOCAL INSTITUTIONS FOR SEED TRADE PROMOTION

In recent years many countries, donors and international organizations have encouraged privatization of the seed sector to increase investment and promote the use of quality seeds of improved varieties. However in view of the little interest of medium to large seed companies in handling seeds of high volume and low value crops due to low profit margin, there is need to create effective and efficient smallholder seed enterprises with lower capital investment and reduced overheads as a compliment of the large scale seed companies in trading the seeds of these staple food crops. These enterprises, often made up of farmer organizations, working in close contact with smallholder farmers/farming communities, and are able to distribute quality seeds of improved and local varieties of major staple food crops effectively and efficiently. They are vital in linking the formal and informal seed sectors. To realize these objective, countries have adopted or promulgate seed laws determining the activities of the seed system players in their countries. Considerable efforts have been – and continue to be – made to harmonize national seed laws and seed trade regulations in harmony with international seed regulations to avoid abuse. Some International and local institutions involved in seed trade promotion among other activities includes;

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- i. **Organisation for Economic Co-operation and Development (OECD)** whose Seed Schemes are globally recognized for the certification of seed moving in international trade.
- ii. **International Seed Testing Association (ISTA)** developed globally recognised standard procedures for seed sampling and testing.
- iii. **The International Union for the Protection of New Varieties of Plants (UPOV)** which provides breeders of new plant varieties with an intellectual property protection.
- iv. **The International Seed Federation (ISF)** provides seed companies with trade and arbitration rules.
- v. **African Seed Trade Association (AFSTA)** is a not-for-profit membership association formed in 2000 to champion interests of private seed companies in Africa. To promote trade in quality seed and technologies in Africa for the benefit of members and farmers.
- vi. **National Agricultural seed council of Nigeria (NASC)** for national seed regulation framework
- vii. **Seed Dealers Association of Nigeria (SEEDAN)** for seed production, distribution and marketing.

Besides, there are international conventions and treaties hosted by the Food and Agriculture Organization of the United Nations (FAO) that provide the international regulatory framework for related aspects of seed trade promotion, including plant health and phytosanitary measures (concerned with seed import and export producers across countries), access and benefit-sharing for plant germplasm and use of pesticides.

II. SEED TRADE PROMOTION AND ADVERTISING TECHNIQUE

Promotional activities involve sending messages to the distributors and consumers in order to inform them about a products and help them to make their decision to buy a particular variety or brand of seed. In seed promotion various techniques and methods are adopted depending on audience and locality. These are classified as Non-controllable methods and Controllable methods:

i. Non-controllable methods

These are personal recommendations that reflect the consumers' overall perception of the product and service. They are powerful messages and will influence buying decisions.

ii. Controllable methods

These are the marketing messages which are carefully designed and directed to achieve the objectives of an organization's promotional campaign.

In either case it involves; advertisements, sales promotions, salesmanship, publicity, public relations, and extension.

A. Promotional Channels

Can be through published print or broadcast media which both has their advantage and disadvantages;

a). The published print media

This includes newspapers, periodicals, magazines, leaflets, brochures, trade and professional journals.

Advantages

Good coverage can be obtained and, by using the local press and specialist papers, accurate targeting can also be achieved, it is relatively cheap and immediate, complex messages can be given in print; which can be read again and again. Reply and cut-out coupons with an exchange value can be used to encourage farmers to request further information and buy the product.

Disadvantages

The text, and therefore the message, may not be well understood due to language and literacy problems, only limited space may be available, printed text has limited impact and color does not always reproduce well in newspapers and a daily paper has a limited life and the advertisements will have to compete for attention with stories and other information.

b). The broadcast media

This includes television, radio, billboard and cinema.

-Television.

Advantages

The impact will be greater as both sound, colour and movement can be used to convey the message, massive coverage can be achieved and some local targeting may be possible. It could be produced in drama form which may have some entertainments as well as educational messages.

Disadvantages

It can be very expensive and is only suitable for simple messages, the exposure time is short and the advertisement may miss the target audience, TV reception may be poor and if local targeting is not possible the message will not be relevant to many viewers, there may not be any related interest programmes that will be viewed by the target audience, in many countries farmers cannot afford television, although televisions are often available in clubs, bars and other public places.

-Radio.

Advantages

Good coverage is achieved, not confined to the home as people listen to the radio everywhere, including when they are working on the farm, relatively cheap to broadcast on radio compared to television and advertisements are easier to prepare, incidence of local broadcasting, in local languages, is greater than with television and related interest programmes and farming information spots are usually more frequent.

Disadvantages

Reception may be poor in certain areas while people don't always listen closely and consequently may have poor recall of the message.

-Cinema.

In rural locations where cinema is the main entertainment a high proportion of the audience will be involved in farming so this medium could be considered for advertising. Advertising

slides are not expensive to prepare and these can be shown during the show. Messages could also be included in videos (interval/break).

c). Field demonstrations and group discussions.

These are both very effective ways of promoting seed products and supporting the local dealers. It also allows for target consumers to see firsthand the performance of the products in real life. The demonstrations can also be used for discussions and other promotional activities.

d). Personal selling

High degree of personal selling and service is always required. Seed company staff and, where possible, dealers should always be provided with adequate training and familiarization with the products they are selling and the market they are selling into. Visual material can be used in both informal one-to-one and more formal group presentations. A ring binder with sequenced seed product leaflets and photographs is a useful way of conducting a one-to-one presentation.

e). Public relations (PR)

This is the means by which a company tries to develop a mutual understanding between itself and its public referred to customers, shareholders, employees, special interest groups and trade unions. It is concerned with what people think of both an organization and its products. It is a long-term and ongoing process, which objective being to enhance both reputation and image, thus creating an external environment in which a company can prosper. It helps convert any negative feelings towards an organization into positive ones. If favorable attitudes exist, consumers will be much more receptive to the direct marketing activities of the company. The PR activities include: press relations, community relations, editorial activity, customer care, sponsorship, visits and other extension activities.

f). Seed seminars

These are more formal occasions which can be used to disseminate technical information. It can involve breeders, sales representatives and extension officers as well as farmers. Seed seminars also provide farmers with the opportunity of discussing their experiences with experts. These occasions can be shared with other related organizations and suppliers, such as chemical companies. This will increase the impact and help to share the cost.

f). Others

Several other promotional channels are possible and the seed companies\enterprises should take advantages

Outdoor advertising (billboards): These are large boards erected on streets and strategic locations in towns or villages. They are semi-permanent and can relay messages to large and diverse number of audience for a long or target period of time.

Poster: These are pictorial and written messages on large papers. They can be used for publicizing seeds in several locations and during occasions

Test and audio messages: Another emerging channel is the use of unsolicited test and audio messages through the GSM service providers. The advantages of these is that they can be repeated several times and daily reaching large number of multiple audience. It can also be organized and directed to specific locations.

Public Announcement: These can be done with microphones in public gatherings like market or on market days, during ceremonies, motor park, in trains and buses, village mosques and churches etc.

B. Advertisement techniques

Useful techniques during advertisement process are the use of outdoor media which can be effectively explored. These includes use of signs and advertising on transport, bus shelters, walls and buildings that could increase the visibility of the company and its products, create considerable and lasting impact at a low cost if it is well situated and retailers to be supplied with signs and crop boards.

Another useful technique is the Packaging design with clear printing, the use of color, brand or company logo and well reproduced photographs or images are all important components of design.

III. SEED FAIRS AND EXHIBITIONS

Seed supply mechanism for communal farmers have increasingly become unreliable and unpredictable. In response to these and in an effort to build local capacity to meet seed needs, there has been a growing emphasis in community driven seed supply mechanisms. However whilst this shift did espouse appreciation and the importance of local capacities such as farmers' own knowledge, they have continued to be strongly based on preconceived ideas on which varieties were best for farmers. Seed fairs are normally organised at a local or village level with the objective of;

- Creating awareness amongst farmers, researchers, extensionists and district planners of additional alternative seeds and planting material from research station and about seed from farmers' own sources.
- Enabling local, extensionists and farmer seed experts who do not normally meet to do so and exchange knowledge and experiences on the old and new crops that they grow.
- To create working contacts between farmers, extensionists and researchers which will continue to exist and develop independent of outside facilitators.
- Create opportunities for seed exchanges or arrange future exchanges.
- Instil confidence among farmers through a healthy and productive competition.
- Create market linkages.
- Enable disaster affected farmers to access crops/varieties in quantities of their choice.
- Create social interaction

The benefits of Seed Fairs:• Promoting seeds based to local conditions as farmers exchange and sell seed grown and produced locally.

- Help insure farmers against climatic uncertainties by availing different crop types and varieties.
- Seed fairs help build the local seed distribution system as opposed to 'ad-hoc' welfare interventions.
- Farmers may find out innovations on the market whilst seed producers find out farmer needs, tastes and concerns.
- Market linkages can also be pursued which may promote agro-processing and value addition.
- Creates a discussion forum for farmers on the quality, usefulness and price of the seed.
- Seed companies may gather valuable information to improve the quality of their seed.

Conducting a Seed Fair and Exhibition

Preparation

The seed fair can be organised at various level (National, State, Local Government and Village). The scale or level will determine the preparation and participation. The most significant of these preparations are taking stock of the available seed, determining and agreeing on the judging criteria, selecting judges and judges pre-fair meeting, sharing determined judging criteria with exhibitors, food arrangements, selecting a suitable venue and stand preparation. The venue should be easily accessible and desirably centrally located. The date and timing of the fair takes into consideration local beliefs and events. It should also be help appropriately in accordance with the cropping calendar, which normally should be after harvesting and before the rains.

Determining the Judging Criteria

The judging criteria may include the extent of crop and variety diversity, crop (produce) and seed quality, quality of presentation, exhibitor's knowledge of displayed crops and varieties, crop and variety origin, variety suitability to local conditions, history of performance under local or similar conditions and the display itself.

Selecting Judges

Judges are selected from amongst the community itself with representation from all the participating groups. To increase impartiality representatives or extension workers from local farmer support and extension organisations may also support the judging team.

Competition Participants

The community, based on local dynamics, determines who can exhibit -individuals, farmer groups, village, local government or State. If the seed fair is being held at village level then individual or group exhibitions are recommended, however if it is a ward seed fair, the village exhibitions should suffice due to space constraints and to speed up the judging process.

Seed Exchanges

The main purpose of a seed fair is promote local seed exchanges, it is however important to keep a track of the exchanges to be able to monitor how much seed is exchanged locally and with externals through either barter or cash purchases. Monitoring will help identify the origin of all the seed exchanged and will help maintain linkages and farmer seed networks. In addition to the seed that is on display, exhibitors may bring larger quantities of the same varieties to the samples for sale on a cash basis or for exchanges with other farmers from within or without the ward. All sales or exchanges should be recorded for monitoring purposes.

Seed Fair Prizes

Seed fair prizes can either be cash or farm inputs such as seed packs, implements such as ploughs and wheelbarrows. These can be sourced through community contributions, cash and material donations from NGOs and local business people.

Stakeholder Participation

The community invites stakeholders at their own discretion and these invitations are usually dependent on the invitee's possible input to the seed security of the community. Stakeholders whose participation may add value include local government structures (local authorities – councils and administrators), extension support agencies both government and private sector,

research institutions, development and relief agencies, funding agencies, farmer groups, individual farmers from both within and outside the locality.

Seed Trade Fair

An innovation of the seed fair is seed trade fair. Here large number of seed companies are encouraged to construct stalls in an open area or closed area. A day or several days are fixed when the seed companies will bring seeds of various crops and varieties to the stalls mainly for sale. Prior to the day, advocacies and advertisement will be conducted in all available media to encourage mainly farmers but also interested persons to come to the venue to purchase seeds and interact with seed companies. The seed companies in addition to sale of seeds are expected to distribute promotional materials. The seed trade fair can also be done on international, national, state, local government or village level. The main objectives of the seed trade fair are:

1. To sell seed direct to all kind of farmers
2. To advertise and popularise seeds of different crops and varieties
3. To bring together stakeholders in the seed system
4. To increase\facilitate contact between consumers (farmers) and seed producers
5. To provide extension services to seed consumers
6. To get first hand feedback on the performances of products
7. Encourage interactions among consumers

IV. SEED IMPORT AND EXPORT PRODUCERS

The long-term food security for communal farmers has been worsened by ad-hoc welfare interventions by both Governments and Non-Governmental Organisations (NGOs). Food aid packages have been expanded to include food components to cater for short-term and immediate needs and seed packs for agricultural recovery purposes, which is often sourced from outside the areas they are distributed and in some cases outside the countries of their distribution. Thus an Importer intending to import agricultural commodities usually apply in advance for the issuance of Import Permit (IP) in respect of the commodities interested. The Inspection of imported agricultural commodities on arrival at the port of entry for preventing the introduction of exotic pests and diseases inimical to any country's fauna and flora as well as the inspection of agricultural commodities meant for export as per the requirements of importing countries under International Plant Protection Convention (IPPC) 1951 of FAO are very critical to avoid intrusion of new pests, diseases and weeds along with seed/planting material.

The import clearance involves various steps from receipt of reference from Customs until recommendation for its release or otherwise to the Customs including sampling, detail testing viz., bacteriological, mycological, entomological, nematological, etc., besides the post entry quarantine (PEQ) testing at the importers premises under the PEQ facility. Sample flow chart for import inspection and clearance is as shown in Figure 1.

The export inspections are carried out to facilitate certification of exportable plants and plant material as per the requirement of importing country in line with the above Convention. The export inspections involves sampling and detailed laboratory tests in case of seeds and planting material for propagation whereas visual examination with hand lens and washing tests, etc are carried out for plant material meant for consumption. The export inspections are conducted at exporters' premises also to facilitate exports for agricultural commodities meant for consumption. Sample flow chart for various steps involved in export certification is as shown in Figure 2.

Issuance of Import Permit- Flowchart

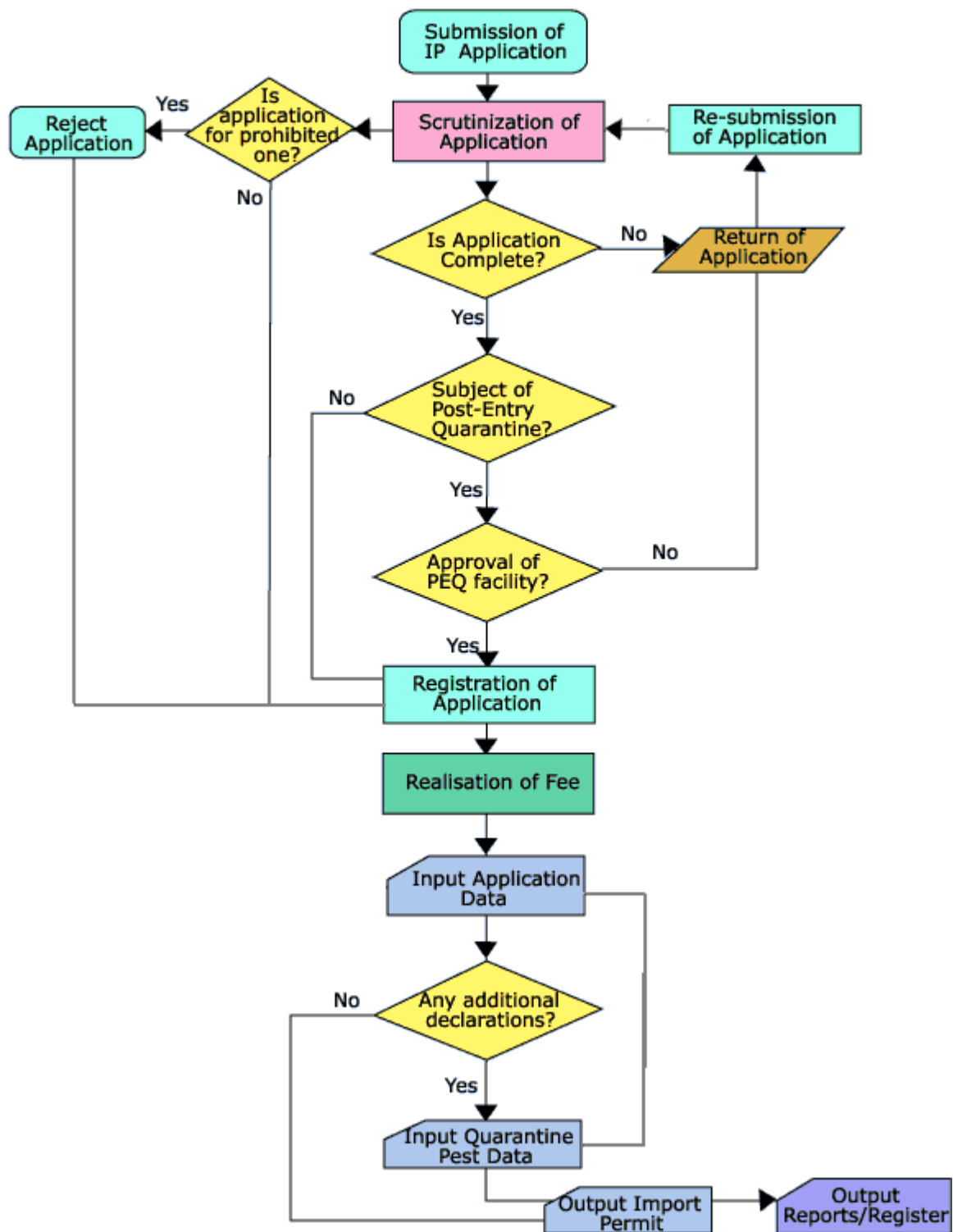


Figure 1- Import permit inspection flow-chart

Export Inspection - Flowchart

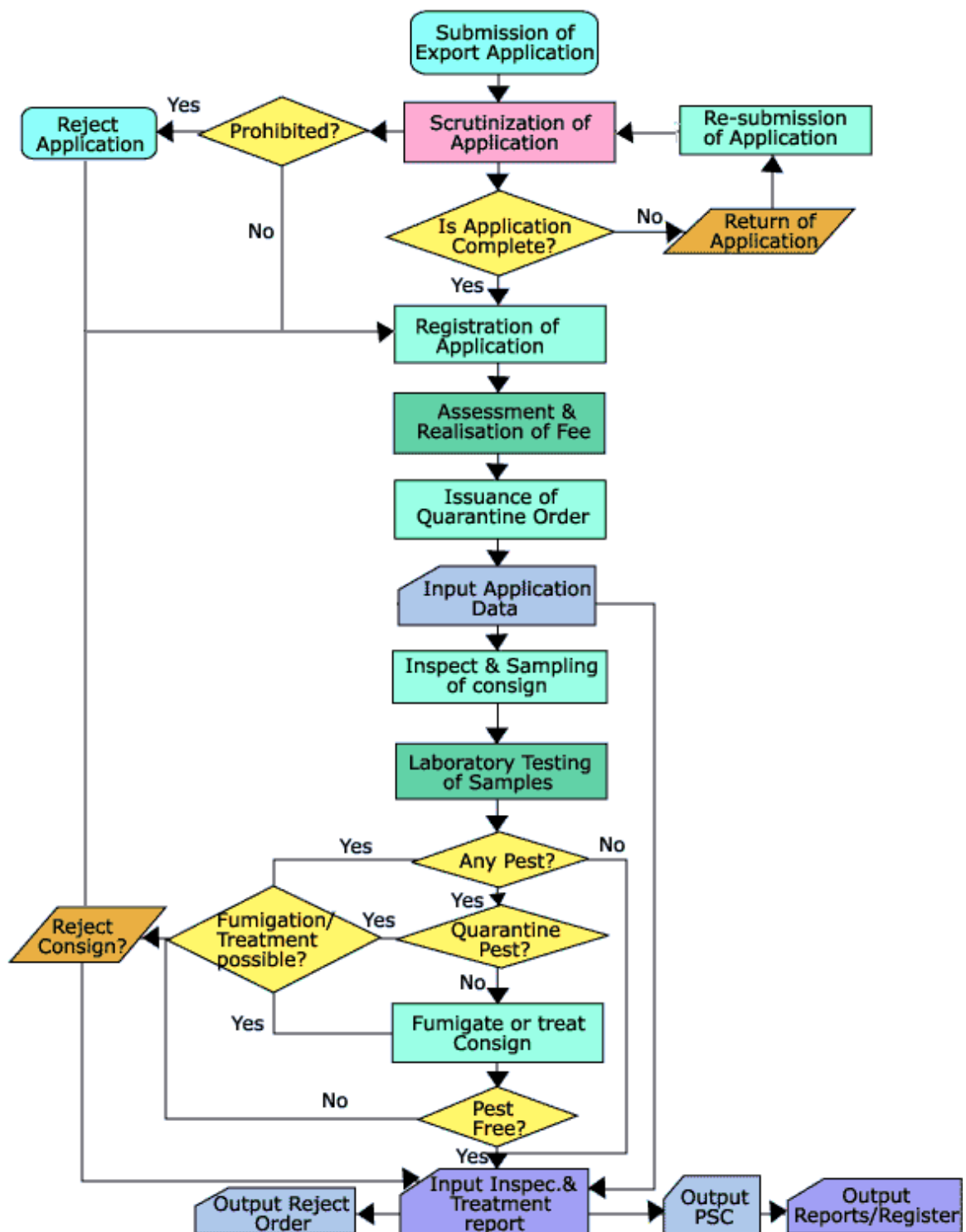


Figure 2- Export inspection flow-chart

Factors needed to support export growth:

- Improved global economic conditions
- Liberalized government agricultural and trade policies
- Global acceptance of biotechnology and science based regulations
- Bi-lateral and multilateral free trade agreements
- The adoption and enforcement of intellectual property rights
- Elimination of phytosanitary constraints
- Science-based policies and regulations on adventitious biotech content in conventional seed
- Increased demand and familiarity of cultivars and seed technology

In many emerging markets, it is estimated that formal seed commerce accounts for only 10-20% of their total market with the remaining 80-90% being supplied by the non-commercial or informal market (i.e. farmer saved seed). The global market for seed still shows great potential for the future introduction of improved varieties. However, the implementation of robust intellectual property regulations, particularly in emerging markets around the globe, is necessary for the widespread introduction of new and improved varieties.

The main weaknesses of the domestic market as it relates to the international market are the advancements of technology, pathological surveys and research, as well as science-based and market-oriented seed regulatory systems that are not always harmonized with seed importing countries.

Investment policy reform in Nigeria

Background: Since the return to democracy in 1999, Nigeria has embarked upon an ambitious reform programme towards greater economic openness and liberalisation. As a result, Nigeria has become a top recipient of foreign direct investment in Africa, with inflows which have surpassed those to South Africa since 2009. The Investment Policy Review of Nigeria was released on 21 May 2015 which also considers International Seed Trade as one of the important component for country's economic development. The federal government's Transformation Agenda recognises private sector development as the main engine for economic growth and includes bold investment reforms.

Conclusion: The seed industry plays an increasingly vital role in the global pursuit of sustained development and well being of the planet and its people in an environmentally responsible manner. The seed industry's traditional role was as one of the major contributors to sustainable food production. Now the industry is also at the forefront of developing technological innovations and alternative uses for plants as renewable sources of bio-energy, bio-materials, and plants that will provide food and feed of increased nutritional and even medicinal value to humans and animals. The industry is highly competitive, ensuring an efficient and responsible global seed trade that offers farmers a continuous supply of new high-yielding varieties suitable for different environmental conditions, and for producing crops and products that will continue to meet changing consumer demands and the concerns of civil society across the globe.