Developing, implementing and institutionalizing a sustainable business plan for pre-basic seed at KEPHIS

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KEPHIS mandate

Broadly;

• Phytosanitary services
• Seed certification
• Plant variety protection
• Quality control of agro-inputs and produce
Role of SASHA II Project in KEPHIS

1. Strengthen **technical, institutional** and **financial** capacity of KEPHIS as a regional centre of excellence in germplasm exchange

2. Increased production of sweetpotato seed and enhanced coordination and linkages between seed system stakeholders

3. Institutionalize quality assurance mechanism for pre-basic Seed
Business plan-revolving fund mechanism

• The SASHA II project is supporting KEPHIS establish a model for sustainable sweetpotato pre-basic seed production.

• The model incorporates technical, institutional and financial components.

• To run a sustainable business, one of the components of the project is to establish a revolving fund mechanism whereby the proceeds from the sale of sweetpotato seed can be channeled back into continued sweetpotato seed production.
Justification for implementing Business Plan

• Make available quality and cost effective pre-basic seed;

• Make viable and sustainable pre-basic seed business through
  – i. efficient price mechanism based on actual cost of production
  – ii. appropriate marketing strategies and
  – iii. generating revolving fund and utilize them efficiently.
To measure **actual** production cost and determine **appropriate** price: production costs estimate carried out at every stage of seed value chain based on **real-time data collection method**
## Time of order and payment system

<table>
<thead>
<tr>
<th>Type of Customers</th>
<th>Early order and Advance payment</th>
<th>Late order and payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional (NGOs etc)</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Multipliers</td>
<td>10</td>
<td>20</td>
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</tbody>
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Characteristics of Kenyan market

Type of buyers

• NGOs
• Government Institutions
• International research organizations
• Community Based Organizations (CBOs)
• DVMS
What achievement we made?

RF Sales (Disbursements, current status)

- **Total sales** = 30,170 USD (Since Dec 2015)

- Major varieties – Kabode and Vita but there potential new varieties; however we analyze farmers’ preference before we introduce new varieties

- **Total utilized** = 15,904 USD (i.e., rehabilitation of additional screenhouse, buying inputs for both TC and screenhouse production activities etc)

- **Current status** = 14,266 USD
How we made achievements?

• Business plan developed
• Actual cost of production - estimated based on real-time data collection method.
• Attracting potential buyers by showcasing the process of producing quality materials & highlighting the importance and benefits
• RF management committee formed
  ▪ General manager Phytosanitary services; Head of Finance; Head of Procurement; Coordinator Projects; Officer-In-Charge PQBS
• **Sub-ledger account** opened and operational (Revenues and expenditures related to sweetpotato pre-basic seed production clearly recorded)

• **RF has increased** and management committee approved 20%, 40% of RF utilized for sweetpotato pre-basic production to achieve **sustainable business model after** the project intervention.

• Sweetpotato **seed certification protocol** reviewed and approved

• Increased awareness of cl planting materials – **no. of users** who approached us increased due to media and ICT tools (Whatspp, website etc.)

• Trying to strengthen four pillars for **institutionalizing business plan** i.e., Policy, Technical, Admin/finance and socio-culture through a set of activities.
What are the challenges?

• High production cost in stage 1 (invitro multiplication).

• Unpredictable market (i.e., Identifying potential buyers on time, delayed payment etc.)

• Initially convincing management is a difficult task due to their busy schedule – we convinced them by highlighting
  -how it align with our mandate and core values of KEPHIS and long-run impact (i.e., Food and nutritional security)
  -Revolving Fund concept and it’s business model
  -Making KEPHIS more visible on their core mandates
Lessons learned

• RF concept can be adopted for other crops
• Price determination procedure through real cost estimates will be used for other crops & services
• Reduce TC multiplication and increase greenhouse production
• Browse solar energy and LED bulb usages to reduce electricity cost
• Alternative, affordable TC media components, inputs
• Regular technical meetings
• Importance of seed multiplication calendar for planning
• Optimizing greenhouse production (i.e., Trailing of vines; Use of benches and Sprinkling irrigation)
Acknowledgement

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