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

## 8th Annual SPHI Technical Meeting, Dar es Salaam, Tanzania

**Florence Munguti- KEPHIS**

# 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

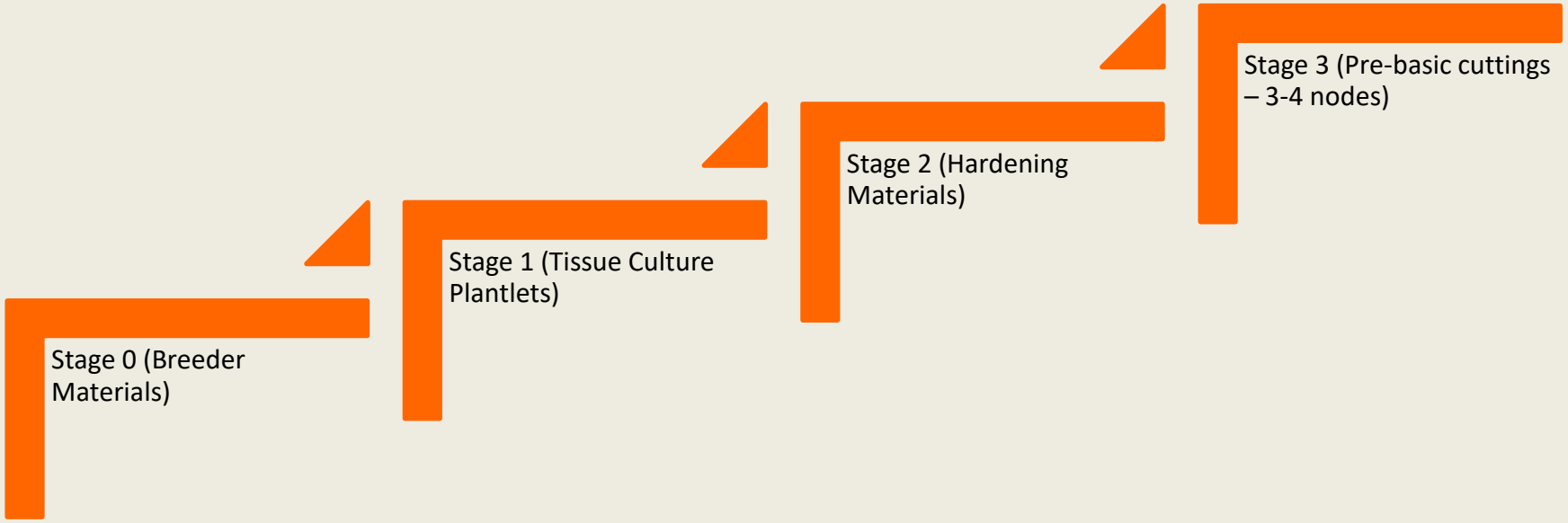
# Business plan-revolving fund mechanism

- 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

| Type of Customers | Early order and Advance payment | Late order and payment |
|---|---|---|
| | Selling Price (KSH per 3-4 node Cutting) | |
| Institutional (NGOs etc) | 20 | 35 |
| Multipliers | 10 | 20 |

# 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 screenhouse 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 screehouse production (i.e., Trailing of vines; Use of benches and Sprinkling irrigation)

# Acknowledgement

This research was undertaken as part of the CGIAR Research Program on Roots, Tubers and Bananas (RTB). Funding support for this work was provided by SASHA.

CGIAR RESEARCH PROGRAM ON Roots, Tubers and Bananas