



Contracted Seed Growers

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SEMI's Seed Production Course 1st June, 2017

University of Nairobi – Kenya

Grower selection and recruitment

- Establish criteria
- Visit various selected locations and discuss with possible candidates
- List and thoroughly screen them with colleagues using criteria
- Recruit those that meet criteria
- Communicate with them on time when they are successful
- Types of Seed Growers
- If small scale farmers (3 to 5 acres), group them and have Chairman
- Discuss with each Group what you would like each to grow for you
 - To ensure that they produce similar crop variety to avoid mix up or even cross pollination (Think of purity before planting)
 - To make inspection less expensive

Types of Seed Growers

- **Groups in Associations that represent interest of seed growers**
- **Farmers in groups:** Easy to train, Guide each other during operations; make sure each follows the rules, coordination by Leader and check on purity of each crop; lobby for inspection and prices
- **Groups good for quick communication with Growers**
- It is easy to manage all farmers when an agreement is reached
- Out grower schemes between large scale farmers and company
- The seed grower and seed company must have Win-Win arrangements
- Group can agree on community isolation agreement
- Easy to train many on agronomy and seed quality
- Cost management when growers are in groups e.g.
- Inspection, provision of credits to growers, reduce friction when others are able to explain to errant one.

Building long term relationships

- Repeatedly contract same growers to build trust and improve seed quality
- Build relationship to make grower know it is worth growing seed for the company
- Help your growers to succeed
- Get involved in their farming community events as a colleague
- Growers need to feel wanted by company to enable them to produce required seed quality
- If relationship is not good: Growers may default by not planting completely or partially, poor crop management, no money for activities and they won't tell, they can sell seed out or even eating
- Company may default due to don't care attitude:- poor support services, non payment, late payment, shifting quality requirements

Contract Farming and Agreements

Any successful contracting method will seek to improve production by addressing underlying causes of farmer and company default

- Consult farmers when drafting agreements
- Both must understand and agree to rules of engagement (IMPORTANT)
- Must be on trust and relationship
- Specify responsibilities and obligations of each party
- Must indicate how agreement will be enforced
- Specify how and when Grower will be paid
- Specify the remedies that can be taken if contract breaks down
- Keep agreement as simple as possible avoiding lengthy legalities
- Agreement must be transparent
- There should be price transparency in the agreement

Price transparency

- The company must have done unit production costs of each product to guide farmer on price on offer
- Offer competitive prices to prevent side selling
- Encourage growers with bonuses if they are very good
- In a non-inflationary environment prices can be agreed at the start of the season
- price can be varied if there are compelling reasons.

Reasons for Low Seed Yield

- **Resource limitations to buy farm inputs, pay labor, infrastructure**
- **Poor management especially poor parent fertility, farm infertile, poor populations, poor weeding and.....**
- **Poor timing of planting,**
- **farm operations**
- **Not well thought out Selection of Growers with track record of good performance**

Cost of seed production

- Farmer cost :- Before contracting farmer company must prepare Unit production cost per product to enable offering the right price to the Growers
- Company Costs include
 - a. Cost of parents
 - b. Seed purchase from growers
 - c. Inspection and certification
 - d. Transport, bags and warehousing
 - e. overheads

Bottom line

- **Both parties must be in mutual agreement on price of the produce right from the very beginning.**

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Thank you

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