

ISSD Africa



ISSD Briefing Note – September 2012 Malawi Seed Sector Assessment

The seed sector at a glance

The seed sector in Malawi compared with other countries in Sub-Saharan Africa is characterized by the presence of national and multinational seed companies. This private seed sector is supported by an enabling environment, in which the Seed Services Unit (SSU) of the Department of Agricultural Research Services (DARS) is responsible for quality control and certification. The seed sector of Malawi is further characterized by the strong promotion of hybrid maize seed that is distributed to small-scale farmers, through agro-input dealers within the Farm Inputs Subsidy Programme (FISP). The basis for these policies is that they result in increased production and thereby contribute to national food security. However, informal seed system with both farmer-saved and community-based seed systems, are dominant for many other crops. Several non-governmental organizations (NGOs) support farmer-saved and community-based seed systems, promoting the use of local and improved varieties. Seed quality in the community-based system varies from informal to quality-declared and certified. Most breeding is conducted within the commercial companies associated with maize and some of the major cash crops. However, the public sector targets the same crops, thus competing with, as opposed to complementing, the private sector in the crop improvement of crops not addressed by any commercial company. FISP is engaged in promotion of marketing of quality seed of improved varieties for maize, groundnut, pigeon pea, common beans, cotton and soybean. Other major crops in Malawi, such as cassava, potatoes, rice, sorghum have not been able to attract commercial entrepreneurs other than those spurred by NGO's. The dominant role of the FISP in marketing quality seed of improved varieties of just a few crops creates a vulnerable, rather than autonomous and truly market-oriented, seed sector. National private companies face difficulties in accessing early generation seed of released improved varieties of crops that are valuable for local food security. Community-based efforts, supported by NGOs, may be able to fill the gap left between the multinational and national seed companies that focus

mainly on maize, and the farmer-saved seed systems, in terms of crops and varieties that are adapted to local agricultural production systems. In this way, they could facilitate an increased availability of quality seed of both local and improved varieties for all crops important to food security in the country, thereby contributing to a long-term viable seed sector.

Seed systems assessment

Broadly speaking, Malawi seed systems are grouped into two main categories, informal and formal systems, which are further divided into five specific seed systems that are recognized within the seed sector. The farmer-saved seed system is of an informal nature, where farmers themselves multiply and exchange seed of important crops and varieties that are suited to the local agronomic conditions, both on an in-kind, and in some instances, cash basis.

The second seed system is where NGO projects and farmers' associations facilitate the seed multiplication of food crops and cash crops at community level. These associations are connected to the Association of Smallholder Seed Multiplication Action Group (ASSMAG), or to the National Smallholder Farmers' Association of Malawi (NASFAM).

The third system, the national public/ private seed system, depends on public national institutions for breeding materials, including the Department of Agricultural Research Services (DARS), of the Ministry of Agriculture, Irrigation and Water Development; the University of Malawi; and Bunda College of Agriculture of the Lilongwe University of Agriculture and Natural Resources (LUANAR). National commercial seed companies that include Demeter Agriculture Limited, Seed Tech, Funuwe Farms, Peacock Enterprises (MASA Seed) Limited and Pantochi Farm, are engaged in seed multiplication and marketing. Local commercial seed companies and farmers' associations are mainly involved in seed multiplication, contracting farmers for seed production and distribution; but they do not

engage in varietal development and testing. This system is mostly interested in food and some cash crops.

The fourth seed system is where multinational seed companies, e.g. Monsanto Seed Company, Seed Co limited, PANNAR and Pioneer, are involved in breeding, seed production, multiplication, processing and distribution of mostly hybrid maize. All multinational seed companies are involved in varietal development

and breeding, testing and evaluation, in collaboration with DARS. In addition, they engage in promotion and demonstrations of improved varieties and quality seed, and in seed production, processing, storage and distribution. The fifth and final seed system operates in closed value chains for cash crops, and is based on an out-grower scheme arrangement between smallholders and commercial farmers or agro-entrepreneurs for cash crops, which include cotton, tobacco and sugar cane.

Table 1. Characterization of seed systems in Malawi

characteristic	farmer-saved	NGOs/ farmer associations	national public/private	multinational companies	closed value chains
general description	traditional for food and subsistence crops (informal)	development and community based targeting food security (intermediary)	market oriented in organization with major marketing through government distribution (formal)	market oriented in organization with major marketing through government distribution (formal)	closed systems with export commodities (formal)
type of crops	local food crops	food and cash crops	major food and cash crops	major food and cash crops	high value cash crops
major crops	beans, sorghum, groundnut, rice, maize	beans, groundnut, soybeans, millet, rice, cowpea, maize (OPV), cassava, sweet potato	maize (OPV) beans, soybeans, groundnut	maize (hybrid)	cotton, tobacco, sugar cane
type of varieties	local varieties	improved varieties	improved varieties	improved varieties	improved varieties
type of seed quality	farmer-saved	certified, quality-declared, informal	certified	certified	certified
type of distribution and marketing	farmer-saved, exchange, barter and local markets	local markets and exchange	dissemination and marketing	dissemination and marketing	contractual marketing

Seed-related programmes

The Seed Services Unit (SSU) of the Department of Agricultural Research Services (DARS) is the government organization responsible for seed certification, which involves crop inspections in the field and seed testing in laboratories (i.e. inspection and testing). The seed testing laboratory is accredited to the International Seed Testing Association (ISTA) and therefore issues international orange certificates. SSU performs functions of training on seed production and marketing, seed trade control, the issue of seed trade licences to private companies. The variety release is conducted at Ministry level by the Agricultural Technology Clearing House (ATTC), chaired by the Controller of Agricultural Extension and Technical Services. DARS is the secretariat and maintains the variety register. SSU supervises the seed production of such released varieties and coordinates the seed industry to ensure its adherence to the Seed Act and to the policies and regulations of the seed sector.

DARS coordinates public research on soils, crops and livestock in Malawi. It is responsible for developing varieties that are suited to the different agro-ecological conditions in the country, for both hybrid and open-pollinated varieties (OPVs). DARS works in partnership with centres of the Consultative Group on International Agricultural Research (CGIAR). DARS bulks up breeders' seed of cash crops and this is made accessible to whoever wants it through an agreement and at a cost. DARS is financially limited in its capacity to produce early generation seed to seed producers and NGOs, this constraint effectively undermines the ability of national breeding programme to timely make basic seed available,. The Department of Agricultural Extension Services (DAES) of the Ministry of Agriculture and Food Services (MoAFS) provides limited logistical support to the various activities that are required to support agricultural development and enhance productivity levels in the country.

Since 1998, three major government farm inputs subsidy programmes have been implemented in Malawi. In the 2005/06 growing season these programmes have been transformed to the Farm Input Subsidy Programme (FISP). In FISP, the government refunds preregistered seed companies and agro-dealers for the distribution and sale of certified seed to targeted beneficiaries. Within the programme the government mainly refunds certified seed of hybrid and open-pollinated maize varieties. However, it also refunds cotton and seed of legumes, such as groundnut, pigeon pea, cowpea, soybean and common beans. In order to boost productivity and production for the sake of national food security, the certified seed of improved varieties is distributed at subsidized rates to small-scale farmers for crop production.

FISP is implemented throughout the country and involves seed companies that are required to be members of the Seed Trade Association of Malawi (STAM). They supply certified seed of improved varieties to various markets for FISP. SSU verifies the seed quality and monitors selling points. Agro-dealers are responsible for the marketing and distribution of seed at subsidized rates. The donor community provides funds to the government to run the programme with the aim to increase agricultural production and enhance national food security.

NGO projects, cooperatives and associations buy seed from both international and national seed companies, which they distribute to smallholder farmers for crop production purposes. In some cases, with support mainly from NGOs, farmers have access to early generation seed to promote seed production and marketing. NGOs also provide capacity-building services, including training in the organization and legal aspects of farmers' groups, and in seed production, financial management, entrepreneurship, and marketing. Some NGOs distribute seed procured from communities (quality-declared seed) for crop production as a way of providing a market for community-based seed producers.

Seed-related policies

Malawi passed a seed law in 1988, which is commonly referred to as the Seed Act. Its amended version of 1996 provides minimum standards to regulate and control the production, processing, sale, import, export, testing and certification of seed. Since the mid 1990s, with the liberalization of the economy, the seed sector has become more open. With this change, came the need for the government to relinquish some of its responsibilities, opening the doors for private seed sector development.

The Seed Act has made a significant impact on the functions of the formal seed sector and on the seed trade in particular. Malawi is able to export seed

because it has a functional seed quality control mechanism, which is internationally recognized. The formal seed sector is growing because of the international potential, but it is also being further promoted by its national market, which is encouraged by the Farm Inputs Subsidy Programme. Currently, the Seed Act is being reviewed by the Government of Malawi, with support from Self Help Africa and the Institute of Development Studies, through the project Future Agriculture Consortium and other key stakeholders, such as the Association of Smallholder Seed Multiplication Action Group (ASSMAG), the National Smallholder Farmers' Association of Malawi (NASFAM), Bunda College of Agriculture, of the Lilongwe University of Agriculture and Natural Resources (LUANAR).

Currently, Malawi has no policy in place for plant breeders' rights (PBRs); however, a draft bill has been submitted to the Attorney General for scrutiny before forwarding to Parliament for enactment. The bill aims to:

- regulate the administration, financing, registration and granting of PBRs
- regulate the application for PBRs by plant breeders
- ensure protection of plant breeders' rights, as well as farmers' and community rights
- regulate the issue of licences

Malawi has not yet enacted its Biodiversity Bill, which was developed in 2006.

The link between practices, programmes and policies: challenges and opportunities

Gaining access to quality seed of improved varieties that are suited to local agronomic conditions is a problem for many smallholder farmers. One major challenge is that the policy environment has been weakened following the liberalization of the economy. In addition, the integration of the formal and informal seed sectors, which should begin at policy level, is not fully reflected or addressed in the Seed Law and its resulting policies, which do not fully recognize the informal seed sector. There is a need to increase the efficiency of the public domain, which is at present characterized by a number of factors that negatively effect its service delivery. Following the liberalization of the economy, public investment in the national breeding sector declined, which negatively impacted on the capacity and competitiveness of local and national seed companies. In taking a more integrated approach, such a strategic balance between public and private operations in the seed sector becomes more apparent. This lack of public capacity also results in problems in the supply of early generation seed for local crops suited to local agronomic conditions and subsistence crops. Consequently, the rate of release of varieties of crops that are of less commercial value, and the consequent dissemination of these varieties, is limited. An interesting observation is that DARS is still biased towards crop improvement for

crops in which the private sector is involved, such as hybrid maize, thus instead of focusing on crops in the public domain, it is competing with a vibrant and internationally organized industry. For a national and local commercially oriented seed industry, the structure of variety release, as defined by DARS, requires the provision of access to private companies of materials developed by public research. This situation results in a limited use by smallholder farmers of quality seed of improved varieties of self-pollinated crops that are not addressed within the FISP. While the PBR bill is awaiting approval, it should be realized that for it to be fully implemented, the bill should also be accompanied by mechanisms that guarantee the rights of farmers and communities. Because of the strong promotional activities carried out by multinational and national companies, supported by the FISP, most farmers shun the use of seed multiplied in their communities in preference for branded seed, or even quality-declared seed, without considering the actual cost-benefit of the seed being sourced from dissimilar seed systems.

African Seed and Biotechnology Programme

The African Seed and Biotechnology Programme (ASBP), which was adopted during the Eighth Ordinary Session of the Assembly of Heads of States and Governments of the African Union, in January 2007, aims to provide a strategic approach to the comprehensive development of the seed sector and related biotechnology in Africa, taking into account the different needs of the countries and regions. The programme pursues an integrated approach towards enhancing capacities for seed policy development and implementation; strengthening linkages between informal and formal seed sectors; ensuring further adherence to international norms and standards; stimulating the transfer of appropriate technologies and products; and encouraging public-

private partnerships to promote the development of local seed enterprises. The Integrated Seed Sector Development (ISSD) in Africa programme is meant both to strengthen these processes and to contribute to the implementation of the programme at the level of national policies, supporting regional economic communities in their contribution to ASBP objectives. This makes the ISSD Africa programme timely and well placed to a continental and regional context.

ISSD Africa II and the current ISSD Briefing Note

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ISSD Africa is collaborative programme that is active in Burundi, Ethiopia, Ghana, Mali, Malawi, Mozambique, Uganda and Zambia. It includes partners from the public and private sector, NGOs, farmers' organizations and universities, at national level in each country.

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