

# Easing Seed Business for Better growth in Agriculture

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## Agriculture is a significant contributor for Bangladesh economy



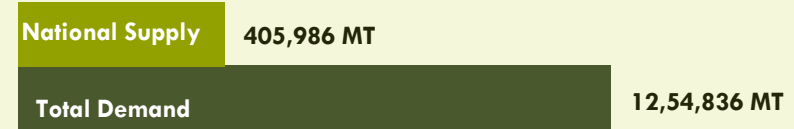
- ❑ Food security is a global challenge and Bangladesh has attained remarkable development in agricultural production
- ❑ Agriculture remains one of the Significant primary sectors of Bangladesh Economy
- ❑ About 13% contribution in GDP
- ❑ Engagement of around **62%** of the total population in Agriculture and 42% employment generation
- ❑ Ranks 3rd in vegetables, 4th in milled rice, 6th in potatoes, 8th in Guava and 9th in Mango production globally<sup>1</sup>
- ❑ Started Exporting fresh vegetables and processed agro foods lately

## **With one of the fastest economic growths in the world, Bangladesh needs high quality and high yield seeds**

- ❑ Land is decreasing as population grows Rapidly
- ❑ To ensure Food security
- ❑ To bridge the gap in existing requirement of quality Seed
- ❑ Crop yield can be increased by 15–20 per cent through the use of quality seeds, keeping other factors constant
- ❑ Only 32% Farmers are using quality Seed
- ❑ Opportunity to grow in export market

## National supply of seeds currently meet only around 32% of current demand

- Yearly demand of seed for various crops in FY 2021-22 was 12,54,836 MT, where national formal seed supply was 4,05,986 MT which was 32% of total demand<sup>1</sup>

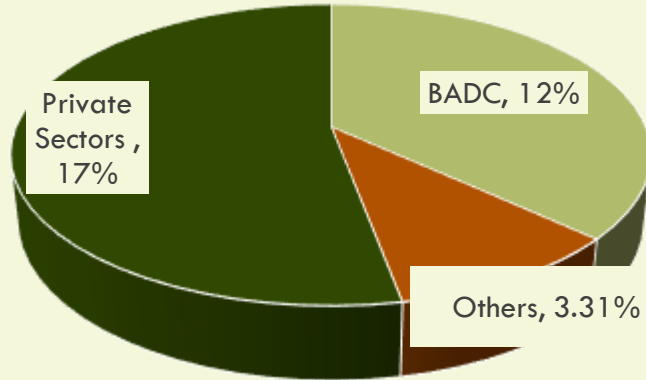


- Quality Seed production is increasing. From 20% in 2009 it has increased to 33% of total seed demand.
- BADC is the largest seed producer and supplier which supplies around 37% % of total seed demand<sup>1</sup> and private sector contribution 53% of total market
- Most of the hybrid seeds come from private sector

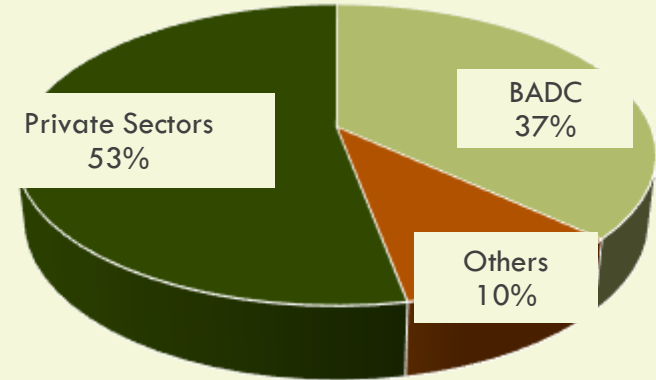
<sup>1</sup>Source:Ministry of Agriculture

## Although still fragmented, the private sector is leading the seed industry in Bangladesh

Sector wise contribution among 32% seed supply



Sector wise contribution of Total Demand meet



# Majority of seeds in the country still remain outside supervision and quality control

Country's seed demand met into 3 categories

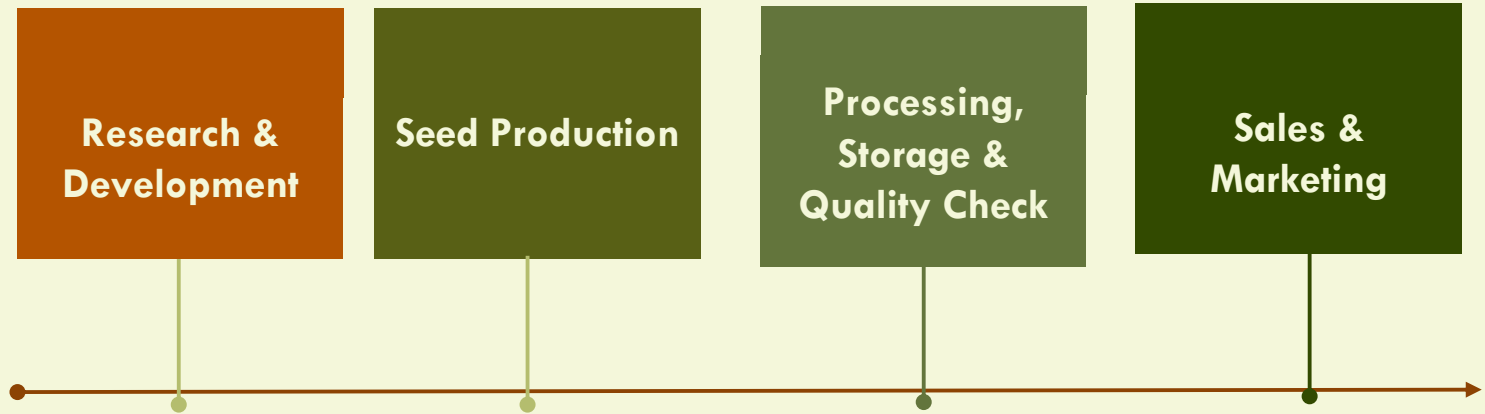
Formal	Semi Formal	Informal
Total quality control through BADC and the private sector	Mostly remain outside supervision. The private sector, Dealers, Retailers and the farmers themselves are the suppliers	Farmers are the key players. No quality control of these seeds.

## Private sector is paving the way for seed industry in the country on several fronts

- ❑ The National Seed Policy (NSP) (1993) & (2018), Seed Law and Seed regulation played an important role in involving private companies in seed business. Starting from 80's, Pvt. Sectors' participation significantly increased in 2000
- ❑ For vegetables and Hybrid seeds private sector is leading, contributing 53% of total seed supply which includes 44% in rice seed, 97% in hybrid rice seed, 99% in maize, 86% in vegetables seeds and 83% in jute seeds
- ❑ Contribution of NGOs & Donor agencies apart from Govt. and Private sectors

# The industry needs quality control throughout each step: from R&D to sales

Control quality throughout all the steps





## We have several limitations in R&D

- Limited access to advance germplasm
- Lack of skilled manpower
- Limited access to advance technology- molecular lab, green house etc.
- Cost of investment is high against high risk and uncertain ROI
- Limited access to ICT based technology

## However, adaptation over time also present several opportunities in R&D

- ❑ Developed varieties from indigenous sources are more compatible than the outsourced ones
- ❑ These varieties can be exported and can be a source of export earning.
- ❑ Strengthening R&D may provide easy access to quality seeds at affordable price
- ❑ Emphasize on Trade based R&D

## The industry needs **Government intervention to turn limitations into strength**

- Government may develop advance R&D, molecular lab, green house etc. for easy access to all
- Initiate Public private partnership
- More National & international collaboration among Gov., NGOs and private companies.
- Promote export-oriented seed business, the government may consider creating a special industrial zone

## Seed production stage still lacks the resources to plan effectively

- ❑ Unviability of appropriate industry data on Market players' market size, market shares etc.
- ❑ Absence of proper Forecasting of market demand which causes loses to business houses, farmer & finally to the overall Economy
- ❑ Limited access to Mechanisation & Advance Technology
- ❑ Production loses due to natural calamity and climate change

## Processing, Storage & Quality Check

### limitations

- ❑ Not fully mechanized or automated.
- ❑ Insufficient skilled manpower
- ❑ Absence of proper storage facilities


### Steps may follow

- ❑ Advance automation to improve the capacity and to ensure quality
- ❑ Invest on improved Storage facilities

## Sales & Marketing

- ❑ Service oriented segment that requires capacity development, awareness increase in all stakeholders level. More investment and combined collaboration is needed
- ❑ Heavy dependency on Credit in business. Better credit management policy can be initiated by BSA

## Other Constraints & Action we may consider

- Limited access to low cost fund. Provision for bank loan and improved banking procedures
  - Disbursing soft loan for farmers through business houses can be a additional channel to create access to finance for the marginal farmers
  - Import permission process that needs to be smoothen and faster
  - Inadequate monitoring. Strengthening the overall regulatory and monitoring part to ensure quality and to stop seed adulteration is important
  - Ensuring a level paying field for all may encourage new investors in the sector
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Active contribution of BSA to develop policies and other action plans with policymakers and public institutions to build the seed industry for the future is anticipated

We have come a long way in the past decade, but we still have miles to go till we have a self-regulating mature industry delivering its full potential for the economy of Bangladesh





**Thank you**