**SCOPE OF WORK FOR SUPPORTING CONTINUITY OF VEGETABLE SEED SUPPLY TO SMALL HOLDER FARMERS IN GADAREF STATE FOR 2023 WINTER SEASON.**

**SOW Objective**: To Support seed companies/suppliers to continue to provide Vegetable seeds and other inputs to small holder farmers in targeted states.

**Key activities:** Subsidise seed capital to retailers and conduct seed sales promotional campaigns through seed subsidies to Stallholders Farmers.

**Target Areas:** Gadaref State in the localities of Alfashaga, and Galabt Garbeya.

1. **Introduction:**

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.

Mercy Corps is implementing the Sustainable AgriFood Systems Approach for Sudan (SASAS) in South Kordofan, Gadaref and Blue Nile State. The program aims to promote gains in food security and livelihoods through a demand-driven approach, with locally appropriate value chains developed in a co-creation process with communities and organizations. SASAS will deliver a range of activities in the 3 states by engaging private and public sectors to create demand-driven agricultural development, induce technology change and support sustainable value chain development. The project is funded by USAID.

1. **Purpose / Project Description:**

The SASAS program’s overall goal is to reduce vulnerability, increase income and food security of small-scale farmers in South Kordofan, Gadaref and Blue Nile States. This program is implemented through an approach which seeks to improve the way the agribusiness companies and institutions in the agricultural value chain market operate and engage with their customers to ensure farmers are better served.

This approach aims to support the agribusiness companies and institutions that buy products from, or provide goods and services to, farmers to enable them to expand their outreach to farmers and adapt the way they work with them so that more farmers receive better services. In doing this, the program will facilitate long term development of the agricultural market systems resulting in greater benefit to all parties involved in the system.

1. **Seed Market Analysis**

Smallholder farmers in the Gadaref States depends largely on agricultural production for household food security and livelihoods. However, productivity levels remain low due to a myriad of factors, including lack of access to and utilization of certified inputs (Seeds, Agro chemicals and Equipment) and knowledge on good agronomic and climate resilient practices.

Farmers have little or no access to quality agricultural inputs and services necessary to facilitate their engagement in agriculture. This is because of a dysfunctional inputs market that is still developing with few suppliers, distributors, and retailers. The cost of establishing seed sales/retail networks in the rural areas is high which drives up the prices of seeds. There is also a general lack of knowledge/awareness of small holder farmers on value/ economic benefits and how to use certified seeds. Insufficient seeds sales/retail points further limits farmers’ access to the certified seeds. Particularly, when compared to men, women’s access and usage of improved seeds is even much lower. This is attributed to limited ability to access existing seed sale/retail points, lack of access to capital and lack of knowledge on the value of certified seeds.

The conflict in Sudan which began on April 15th, 2023, in Sudan has heavily affected the country's economy, particularly in Khartoum where most businesses were based, as well as disrupting internal trade routes, threatening imports and triggering a cash crunch. Factories, banks, shops, and markets were looted or damaged, and residents have reported steep price rises and shortages of basic goods which includes farm inputs such as seeds.

1. **Statement of Opportunity for seed companies to partner with Mercy Corps**

Gadaref states have relatively reliable rainfall and are characterized by fertile soils and average productivity levels. The state has a substantial number of smallholder farmers who do not have optimal access to certified seeds due to the factors highlighted above. If certified seed suppliers take measures to promote selected certified seeds and make them available and affordable to both male and female small holder farmers by subsidizing, packaging in smaller quantities, promoting the seeds to farmers and offering recommended agronomic practices, farmers have a higher chance of attaining higher yields this year which is expected to lay the foundation for repeat purchase (loyal customers) of the quality seeds in the subsequent years.

This project aims at increasing access and utilization of certified seeds by both male and female small holder farmers through increasing seed access points, promoting awareness on certified seeds and increasing knowledge on how to get the maximum value from planting improved seeds.

Mercy Corps through the SASAS will support selected seed companies to carry out immediate seed sales in target areas timed with the current planting season. At least 1,000 farmers are expected to buy one or more vegetable seed types from the company which Mercy Corps will select as a partner.

1. **Proposed list of activities to be carried out by the selected Seed companies.**

The company which will partner with Mercy Corps to improve the functioning of rural seed sales networks for farmers is expected to conduct the following activities.

1. Supply 20 selected retailers with a matching seed stock capital of maximum value of SDG 165,000 (SDG 82,500 paid by retailers and SDG 82,500 paid by Mercy Corps) and support them to conduct rapid seed sales in their communities in time with the winter planting window by ensuring village-level sales outlets have access to varieties and quantities of seeds requested by farmers.
2. Sell certified vegetable seeds at 50% subsidized prices to about 2,050 smallholder farmers to a maximum total value of SDG 24,200 per farmer with Mercy Corps paying 50% of the price (SDG 12,100) and farmers paying the balance of 50% (SDG 12,100) in approximately 20 villages by November 15, 2023. The number of farmers may exceed 2,050 if some farmers do not purchase seeds of full value reaching SDG 24,200 but the 50% of the total to be claimed from Mercy Corps should not exceed SDG 24,805,000.

The company must submit a plan for conducting the sale of seeds to Mercy Corps one-week prior seed sales activity. Transactions with farmers will be recorded on forms provided by Mercy Corps capturing Name of customer, location (village, locality, and State), age, gender, quantity of seeds purchased, amount paid, Mercy Corps contribution, telephone number and Signature (or fingerprint).

1. **Outputs expected from the activities.**
   * 1. Seed retailers’ shops stocked with vegetable seeds through a matching in-kind-seed stock capital of 165,000 (SDG 82,500 paid by retailers and SDG 82,500 paid by Mercy Corps) by October 05, 2023.
     2. About 2,050 smallholder farmers procure vegetable seeds to a maximum value of 24,200 with 50% of price subsidized by Mercy Corps to a maximum of SDG 12,100 per farmer and a maximum of combined total of SDG 24,805,000 for all 2,100 farmers in about 20 targeted villages states by November 15, 2023.
2. **Support from Mercy Corps for the listed activities:**

To facilitate the listed activities, Mercy Corps will:

1. Meet up to 50% of the cost of the seeds to retailers up to a maximum of SDG 82,500 per retailer and seeds to 2,100 farmers to a maximum of SDG 12,100 per farmer.
2. Provide guidance when requested by the company or deemed necessary.
3. Directly oversee the sale of all seeds that will be sold at a discounted price.
4. Provide the forms which Mercy Corps deems necessary for recording progress.
5. Conduct routine field monitoring of activities and advise when deemed necessary.