**SCOPE OF WORK FOR EXPANSION OF CERTIFIED SEED RURAL RETAIL NETWORKS, SEED SALES PROMOTIONS AND SALE OF SUBSIDISED SEEDS TO SMALL HOLDER FARMERS IN SOUTH KORDOFAN STATE.**

**SOW Objective**: **To Support seed companies/suppliers to expand and strengthen rural seed sales networks and promote adoption of certified seeds by small holder farmers in South Kordofan State**

**Key activities: Creation and strengthening of rural seed retail businesses, seed sales promotional campaigns and sale of subsidized certified seeds to Small Holder Farmers.**

**Project Location**: Kadugli, Elref Elshargi, Dilling and Habilla Localities.

**Localities have been clustered in 2 lots: companies can apply for one or both clusters. The targets/deliverables mentioned below are for each cluster.**

* Cluster 1: Kadugli and Alref Alshargi localities
* Cluster 2: Dilling and Habila localities

1. **Introduction:**

Sustainable AgriFood Systems Approach for Sudan (SASAS)’ 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 South Kordofan state engaging private and public sectors to create demand-pull agricultural development, induce technology change and sustainable value chain development. The project is funded by USAID

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.

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 State. This program is not implemented through an approach which is based on buying and distributing goods and services to its beneficiaries. It is being 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 these agribusiness companies and institutions which 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**

South Kordofan State 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.

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

South Kordofan is one of the states in Sudan with relatively reliable rainfall and is characterized by fertile soils and average productivity levels. Majority of the farmers are smallholder farmers who are not accessing certified seeds due to the factors highlighted above. If certified seed suppliers take measures to promote selected certified seeds and make them affordable to both male and female small holder farmers by discounting or other incentives and train farmers on best agronomic practices and proper management of their land to maintain soil fertility, they will be able to access, use and build their foundation for repeat purchase (loyal customers) of the quality inputs.

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.

SASAS will support selected seed companies to:

1. develop rural seed retail networks by creating new and/or strengthening existing rural seed sales shops to sell more seeds to small holder farmers.
2. offer embedded basic extension/ training services to farmers at time of seed purchase so that farmers can have bumper harvests from improved seeds and buy again in the next seasons.
3. carry out seed sales promotional activities to increase the volume of seeds purchased in rural areas.

The program will facilitate innovative promotional strategies, including those clearly targeting women to expand/increase new customer base and expand the input businesses of the Seed suppliers through these price discounting initiatives.

Mercy Corps expects that this initial support to seed companies will improve penetration in rural areas, increase customer base and ultimately increase sales, profitability, and market share. Mercy Corps also believes that this support will improve efficiency of seed sales networks in rural areas and drive down costs of operations, lower prices, stimulate demand and ultimately develop the inputs market in the State which will in the end benefit small holder farmers.

**SASAS will support at least 2 Seed companies to carry out the activities.**

Company 1 will operate in Kadugli and Elref Elshargi localities targeting 5,000 male and female small holder farmers.

Company 2 will operate in Habilla and Dilling Localities targeting 5,000 male and female small holder farmers.

NB: A company with proven potential to operate within all the 4 localities and with ability to reach the up to targeted up 10,000 small holder farmers will also be supported. It is expected during year one of the program a minimum of 2000 smallholder farmers purchase the discounted seeds.

The products whose prices will be discounted will include certified seeds of **Groundnuts, Sesame, Sorghum and an Assortment of Vegetables such as Tomatoes, Onions, Okra, Cucumber, Carrots etc.**

1. **Proposed package 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. *Note: Companies can propose additional activities which can increase the chances of success of meeting the objective of this SOW. Newly added activities should be considered as part of the contribution of the company. During the selection, Mercy Corps will also consider the suitability of the additional activities.*

1. Develop and/or strengthen a network of seed retail businesses in 20 villages by May 1, 2023.
   1. Identify 20 business-minded people in targeted rural areas interested in starting seed sales/retail shops. In areas where they already exist, one per community can be supported but only up to 10 existing businesses can be supported.
   2. Train 20 newly identified seed retailers in seed sales business management. Topics should include record keeping, seed handling, seed promotional activities and advertisements, product knowledge etc. The training curriculum must be submitted to Mercy Corps for approval prior to training commencing.
   3. Provide assorted seed as business start-up capital for 20 rural seed businesses. This will be on a cost share basis. The rural seed businesses must contribute at least 50% of the cost of seeds and Mercy Corps will contribute 50% to a maximum of $1000. The company must sell these seeds at wholesale prices so that the rural seed sellers can then sell the seeds at the recommended suitable retail price. The company should provide the wholesale price for one unit of packaging of Groundnuts, Sorghum, Sesame and assorted vegetables when applying.
2. Build capacity of rural seed sellers to provide embedded basic agriculture advice to farmers by May 30, 2023
   1. Train 20 rural seed sales (agro-dealers) to offer basic agronomic extension/ training to people coming to buy seeds.
   * Print 80 (20 for each of the crops targeted) A1 size posters with basic but important agronomic information to guide seed retailers in providing information for farmers.
     + *The printed agriculture extension posters should have vital information such as improved varieties, seed rate, spacing, potential yield, days to maturity, major pests and diseases and recommended prevention measures, and recommended crop protection products to be used for the Groundnuts, Sesame, Sorghum and vegetables.*
   * Print 10,000 A4 sheet black and white posters with simplified agronomic information like the A-1 sized sheets on the 4 crops (Groundnuts, Sesame, Sorghum and vegetables) and distribute to farmers when they buy subsidised seeds.
   1. Set up 20 demonstration gardens of half a feddan (1 feddan is 1.02 acres). A quarter of the plot will be used for each crop to promote certified seeds and show the best agronomic practices to promote adoption by farmers. The demonstration plots should be close in proximity to the rural seed retailer allowing it to be easily managed by them thus, promoting certified seeds, demonstrating the best agronomic practices, and used to train farmers.
   2. Hold 1 farmer field day, targeting at least 100 farmers per field day, at each demonstration plot to train farmers. This will increase the likelihood of farmers having a bumper harvest from their groundnuts, sesame, sorghum, and vegetables gardens.
3. Develop and implement specialized marketing /sales strategy for increasing the number of women as seed retailers and customers of certified seeds by June 15, 2023.

This program also aims to attain women’s economic empowerment through promoting women’s access to productive assets such as certified seeds. The activities under this strategy must be different from the other activities but must complement them to improve the number of women benefiting from the other activities. The company should develop a clear strategy and activities to be carried out at the village level to implement the strategy and ensure that half the customers are female.

1. Carry out one seed sales promotion in each of 20 targeted villages by July 15, 2023
   1. Carry out 20 roadside seed sales promotions in vans/trucks, one in each community in coordination with the seed retailers to sensitize farmers on the benefits of certified seeds and to sell seeds.
   2. Support each of the 20 rural input retailers to carry out one market-day seed sales on village market days using (motorcycle mini-trucks (Rakshas) to sensitize farmers on certified seeds and sell seeds.

Special activities should be conducted to promote sales to female customers, according to the female- centered sales strategy.

* 1. Carry out 2 radio talk shows to promote use of certified seeds by small-holder farmers as opposed to home saved seeds.
  2. Run daily radio adverts for 2 months to promote certified seeds among farmers.

1. Sell certified seeds at discounted prices (at 25% to be paid by farmer and 75% to be paid by Mercy Corps to a maximum of 62 US dollars per farmer) for 2000 small holder farmers in the 20 targeted villages; by August 30, 2023.

The company must submit a plan for conducting the sale of seeds to Mercy Corps one month prior to the commencement of the activity. Transactions with farmers will be recorded on forms provided by Mercy Corps capturing Name of customer, location (village, unit, locality, and State), age, gender, quantity of seeds purchased, amount paid, Mercy Corps contribution, telephone number and Signature (or fingerprint). Note: that Mercy Corps intends to digitize the verification process using voucher cards and terminals. Depending on timing and readiness this process may replace the manual process.

1. Develop and implement complementary activity (ies) by August 30, 2023, which reduce the potential negative effects of increased adoption of improved seeds and improved farming practices on the environment. This can be environmental sensitization messages for tree planting, proper disposal of packaging etc. The cost of this should not exceed 3% of the budget.
2. **Outputs of activities**

Each of the two lots (1-Kadugli and Alref Alshargi or 2-Dilling and Habila localities) should see the following results.

* + 1. 20 Rural seed sale retail business developed in 20 villages by April 30, 2023
  1. 20 new rural seed sales businesses established
  2. 20 rural seed sales businesses trained in the seed sales business.
  3. 20 rural seed sales businesses give seed start-up capital
     1. Capacity of 20 rural seed retailers built to provide basic embedded agriculture advice to farmers by May 30, 2023.

1. 20 rural seed retailers are trained to provide basic agronomic extension/ training to customers as an embedded service when farmers buy seeds.
2. Print and display 80 (20 for each of the crops targeted) A1 agronomy posters in shops of rural agents.
3. 10,000 A4 posters with agronomic and crop management practices on Groundnuts, Sesame, Sorghum and vegetables produced and distributed to farmers.
4. 20 demonstration gardens of half a feddan each (a quarter of it will be for each crop) used to promote certified seeds, show the best agronomic practices and train farmers.
5. The company must hold 2 farmer field days at the demonstration plots to train farmers. These must target at least 100 farmers per farmer field day.
   * 1. A customized strategy targeting sales to women developed by May 30, 2023 and used to promote sales and the seed retail business to achieve at least 40% of the target as women.
     2. Seed sales promotions in each of 20 targeted villages by July 15, 2023.
6. 20 roadside van seed sales promotions held by the company, one in each village.
7. 20 market-day Raksha (motor-cycle mini truck)-based seed sales promotions held; one by each agent with support of the company.
8. 2 radio talk-show held to sensitize farmers on the advantages of improved seeds.
9. 244 radio adverts promoting certified seeds aired in 4 months.
   * 1. Seeds of groundnuts, sesame, sorghum and vegetables sold at 25% price to 5,000 small holder farmers in at least 20 targeted villages by August 30, 2023.
     2. Environment: At least 5,000 Farmers sensitized by August 30, 2023 to conduct agriculture activities in an environmentally friendly way.
10. **Support from Mercy Corps for the listed activities:**

To facilitate the listed activities, Mercy Corps will:

1. Meet up to 70% of the cost of the budget for undertaking the activities and the company is expected to meet the 30%. Mercy Corps will also meet 75% of the cost of seeds sold to farmers and the farmers themselves will pay the remaining 25% of the cost of seeds.
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.