



INITIATIVE ON
Market Intelligence



Potential markets for new tropical forage hybrids in East Africa

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Current Dynamics and Perspectives



Context and Methodology

Introduction

Regional Background

- East Africa holds the largest dairy herd on the continent.
- Small-scale production systems with cut-and-carry forages predominate.
- The prevalence of severe food insecurity in East Africa is 27.2%.
- Adoption of improved materials is still very low in the region.

Potential markets

Objective:

- Estimate the potential market for new hybrid forages of interspecific *Urochloa* and *Megathyrsus maximus* adapted to the East African environment.

Hypothesis:

- New forage hybrids being are a real alternative to face food insecurity and, in general, to provide livelihoods for the most vulnerable population. Therefore, there are market possibilities for these materials.

Materials and methods

Estimation of potential markets

Data on potential area (ha):

- ✓ Milk production.
- ✓ Potential area for *Urochloa* (27%) and *M. maximus* (28%) hybrids.

Method:

- ✓ Conversion of dairy herd to potential area for hybrids (ha).

Data on potential value:

- ✓ Potential area (ha).
- ✓ Geometric averages of market prices for *Urochloa* and *M. maximus*.

Method:

- ✓ Valuation of potential area according to estimated market prices (US\$).

- › Information sources: secondary data on dairy production, geographic information systems, assumptions experts, and commercial prices of forage seeds produced by companies such as Papalotla were consulted.

A photograph of a lush green rice field with a narrow path leading into the distance, overlaid with a semi-transparent green filter.

Results and Conclusions

Results

Distribution of potential markets



Total Potential markets for hybrid

Potential ha		Market value in millions of US\$ (Annual)	
Interspecific <i>Urochloa</i>	<i>M. maximus</i>	Interspecific <i>Urochloa</i>	<i>M. maximus</i>
352,157	494,471	62.48	94.65

Conclusions

- › Forage hybrids increase the productivity and nutritional quality of feed for the dairy sector.
- › For East Africa, where dairy production is predominant, hybrid forages are an effective technology to combat food insecurity and improve the livelihoods of the rural population.
- › The results show an important potential market. However, technological changes are limited by infrastructure and market conditions, as well as difficulties in financing and extension services.
- › Under the above circumstances, it is necessary to create and promote the hybrid forage seed sector. With these conditions, a sustainable and successful adoption of the new materials will occur.



Thanks!