SUSTAINABLE EARLY GENERATION SEED BUSINESS ANALYSIS TOOL (SEGSBAT)

RTB Seed System Toolbox Course:
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TOOL BOX FOR WORKING WITH ROOT, TUBER AND BANANA SEED SYSTEMS

CGIAR RESEARCH PROGRAM ON Roots, Tubers and Bananas

Purpose of the SEGSBAT

- Analyse financial performance of Early Generation Seed (EGS) businesses

Level and uses of the SEGSBAT

Level. Early generation seed business in a project or intervention

Users. EGS business actors (public and private), seed intervention designers, implementers, evaluators, and analysts

Output and audience of the SEGSBAT

Output. Financial indicators (e.g., net profit, profit margin, variable and fixed production costs, revenue and volume of sales, status of revolving fund)

Audience. Policy makers, EGS investors (public and private), donors, researchers and lobbyists

Minimum sample size for the SEGSBAT

- Data collection and analysis is at the enterprise level (i.e., the EGS business)



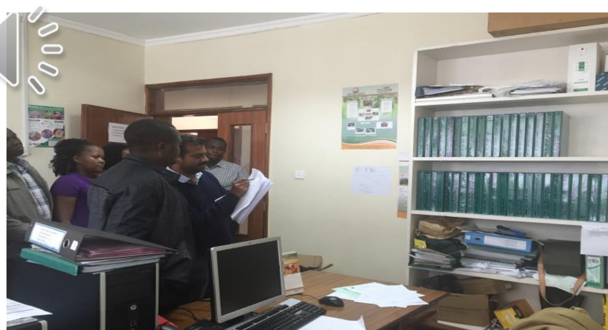
Resources for using the SEGSBAT

Number of people: complete team of the seed enterprise's technical & financial staff who produce and trade the EGS product

Equipment: stationary items, Microsoft excel

Expertise: basic accountancy and computer skills, agribusiness, farm budgeting and knowledge of EGS supply chain and seed classes





Timing for the SEGSBAT

- Before the production season to meet estimated customer seed demand in the following season

Duration - SEGSBAT

EGS production period and business cycle in two phases (i.e., existing production cycle and up-coming cycle)

Stage 0 (Breeder Materials)

Stage 1 (Tissue Culture Plantlets)

Stage 2 (Hardening Materials)

Stage 3 (Pre-basic cuttings – 3-4 nodes)

3-6 months

2 months

6 months >

Steps for using SEGSBAT

Step 1. Set your business recovery period & estimate seed requirement from potential clients based on largest market segments and set **minimum** sales target

Step 2. Determine existing stocks at each stage of the EGS supply chain

Step 3. Measure the total recurrent production costs for the final product which will be sold, using farm budgeting approach

Steps (continued)

Step 4. Formulate pricing strategies

Step 6. Identify source of funds to meet total production costs (i.e., revolving fund, project grant or loan)

Step 5. Understand sales pattern and measure net cashflow

Step 5. Review & updated the SEGSBAT each season

Methods that can be combined with the SEGSBAT

Method. Financial & economic cost-benefit analysis

Method. Farm budgeting for entire enterprises or selected crops

Method. Cost-effectiveness analysis

Gender

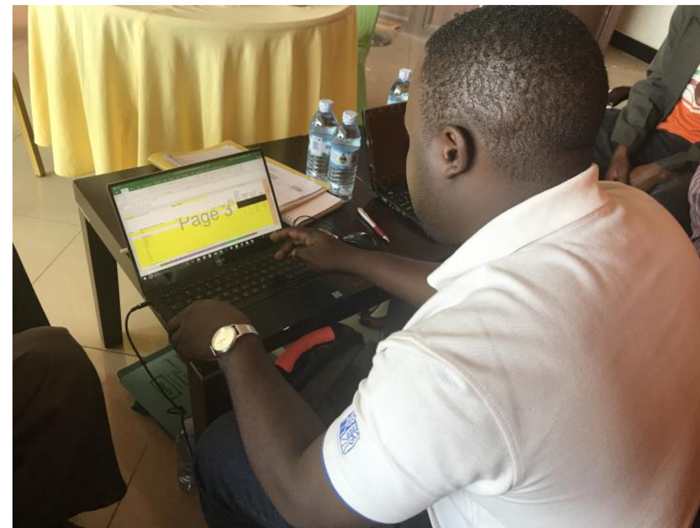
- This tool does not capture gender dynamics
- Potential to capture role of men, women & youth in the seed business & opportunities for empowerment

Limitations of the SEGSBAT

- Requires accountancy skills and computer literacy

- The tool is not fully automated, requires careful data entry into Excel sheets

- Seed requirement estimate tool is not integrated into the SEGSBAT



Main advantages of the SEGSBAT

- Connects various steps of EGS and analyzes the financial health of EGS business.
- Flexibility to modify tool at each stage of EGS production & trading activity
- Can be adapted easily for other RTB crops

Using the SEGSBAT:

Highlights where EGS costs can be reduced

6 out of 11 countries in SSA able to meet at least 90% of recurrent production costs through revolving fund

Thank you

Contact person (or persons)

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User guide: Rajendran, S. & McEwan, M. A. (2021). User guide to the sustainable early generation seed business analysis tool (SEGSBAT). Lima (Peru). CGIAR Research Program on Roots, Tubers and Bananas (RTB). RTB User Guide. No. 2021-8. https://doi.org/10.4160/9789290605836

Description sheet: Rajendran, S. & McEwan, M. A. (2021). Description sheet to the sustainable early generation seed business analytics tool (SEGSBAT). Lima (Peru). CGIAR Research Program on Roots, Tubers and Bananas (RTB). Available online at: www.rtb.cgiar.org. https://doi.org/10.4160/9789290605928