

Horti-Sempre: Better seeds, better crops

Horti-Sempre has created a new market in Mozambique for the importation of high quality vegetable seeds from Brazil. The programme has fostered business relationships between Brazilian seed producers and local Mozambican input suppliers. By developing expanded distribution networks into the north of the country, these input suppliers have the potential to reach thousands of small scale vegetable growers.

Input suppliers thin on the ground

Northern Mozambique struggles with low vegetable productivity, importing 2/3 of its vegetables domestically and internationally. Small scale farmers suffer from common constraints: poor agriculture practices, low investment in irrigation, poor access to inputs (seeds) and high post-harvest losses.

Launched in March 2013, **Horti-Sempre** is a 4-year project funded by SDC, looking beyond these constraints to understand why the wider market system is failing. It found that the public extension sector was under resourced and input suppliers were very scarce, so the majority of farmers had no technical assistance. Limited access to water, combined with manual irrigation using watering cans, led to small plots of land and low yields. Poor quality seed stock is a key contributor to low yields, and is the focus of this mini case study.

The lack of improved seed was caused by a vicious cycle: farmers did not see the value in spending money on seed, so their yields remained low. They then lacked the resources to invest even if they wanted to. The private sector did not believe there was a viable market, so spent no effort acquiring suitable varieties of seed. This is an example of an information asymmetry market failure. Prior to the project

no new vegetable seed varieties had been registered in the country since the 1980's.

Seeding an increase in yields

Horti-Sempre's vision is to increase productivity in the horticulture sector in Northern Mozambique through mainstream adoption of high productivity vegetable farming practices. This requires investment from the private sector: irrigation suppliers, input firms and traders who buy vegetables from farmers. Horti-sempre envisioned input firms selling seeds and other inputs to farmers, who are able to increase their yields and therefore incomes. Farmers then can expand the area under production, and purchase additional inputs from firms, leading to increased profits for both. To achieve this vision, Horti-Sempre needed to find seed businesses who believed that small scale vegetable farmers were viable customers.

Proving the business case for imported seed

Horti-Sempre quickly identified JNB, a small seed and input provider in the north of the country which was open to importing seeds from overseas. The programme also identified FELTRIN, a seed producer in Brazil with a great portfolio of tropical seed varieties well suited to Mozambique's climate.

Horti-Sempre encouraged JNB to purchase and import seed varieties from FELTRIN in a bid to prove the business case for imported seed so others firms would copy, leading to long term sustainable change in the market.

Horti-Sempre helped both firms navigate the regulatory process for testing and registering new seed varieties. Initially, the project subsidised the cost of registration (\$250 USD per variety) for the first 10+ varieties. This enabled JNB to test how much farmers were willing to pay for new seeds.

As things started to move forward with the FELTRIN-JNB business relationship, Horti-Sempre reached out to other input suppliers who might also be able to import seeds. In particular, the project facilitated their participation at an international horticulture exhibition in Brazil. This widened the potential for seed import business relationships with Brazilian firms beyond the initial pilot.

This led Horti-Sempre to connect FELTRIN with LUSOSEM, a larger input supplier in Southern Mozambique. As part of that relationship, Horti-Sempre is supporting LUSOSEM's entrance into the northern market. This represents a shift in strategy to try and create healthy competition and helping other businesses crowd in, which is crucial to sustainability.

Vegetable prices rise by over 20 per cent

In the first year, JNB sold imported seed to over 600 small scale farmers. Some preliminary surveys show that farmers are seeing the advantages of these improved seeds. For example, with lettuce, they are benefitting from higher germination, shorter protection cycles and heat and disease resistance of the imported varieties. Farm gate prices have risen by 20-23 per cent compared to the local lettuce varieties, another strong reinforcing element that make farmers more likely to purchase more improved seeds in the future. Even though the absolute size of the market is small, both JNB and LUSOSEM are happy with early results and planning to expand sales in the coming season.

Horti-Sempre has also built the government's capacity by simplifying the procedure for approving new seeds in Mozambique. The response from the government to simplify the procedure for new varieties is a promising sign that improved seed could become a new norm for the vegetable sector.

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