**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:**

Mercy Corps, in partnership with the Adventist Development and Relief Agency (ADRA), is implementing a SIDA-funded program called ‘Strengthening Agricultural Markets and Food Security (SAFE) in South Kordofan and Blue Nile states.

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.

ADRA is the global humanitarian organization of the Seventh-day Adventist Church. Through an international network, ADRA delivers relief and development assistance to individuals in more than 130 countries—regardless of their ethnicity, political affiliation, or religious association. By partnering with communities, organizations, and governments, ADRA is able to improve the quality of life of millions through 9 impact areas.

1. **Purpose / Project Description:**

The SAFE 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 farmers or provide goods services to farmers to enable them expand their outreach to farmers and adapt the way they work with farmers so that more farmers receive better services. In doing this, this program will facilitate long term development of the agricultural market systems which will bring more benefit to all parties involved in the system.

The program will seek partnership with private companies (those selling seeds to farmers or buying produce from farmers), Banks and microfinance institutions, farmers and their associations as well as the entities which make the rules and norms which govern market interactions with an aim of creating an environment that better enables success for farmers.

Specifically, the program aims to achieve the following objectives:

**Objective 1**: Male and female small-scale farmers have increased and more climate-resilient yields.

**Objective 2:** Male and female small-scale farmers increase sustainable natural resource management practices

**Objective 3:** Male and female small-scale farmers have improved market linkages

**Objective 4:** Increased gender equity and increased empowerment of men, women, boys and girls in farming and also access to finances and markets

**Objective 5:** Increased preparedness and ability to respond to disasters

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 small holder 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.

SAFE will support selected seed companies to:

1. develop rural seed retail networks by creating new and 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 hopes 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 ultimately benefit small holder farmers.

**SAFE 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 targeted 10,00 small holder farmers will also be supported.

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 also consider the suitability of the additional activities.*

1. Develop a network of seed retail businesses in 20 villages by April 15, 2021
   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 supposed but only up to 5 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. Training curriculum must be submitted to Mercy Corps for approval prior to training
   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 see these seeds at wholesale price 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 basic embedded basic agriculture advise to farmers by May 15, 2021
   1. Train 20 rural seed sales (agro-dealers) to offer basic agronomic extension/ training to people coming to buy seeds.
   2. Print 80 (20 for each of the crops targeted) A-1sized 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, crop protection product to be used for the Groundnuts, Sesame, Sorghum and vegetables.

* 1. Print 10,000 A4 sheet black and white poster with simplified agronomic information similar to the A-1 sized sheets on the 4 crops (Groundnuts, Sesame, Sorghum and vegetables) and distribute to farmers when they buy subsidised seeds.
  2. Set up 20 demonstration gardens of a half a feddan (1 feddan is 1.02 acres). A quarter of the plot will be for each crop) to promote certified seeds among farmers, show the best agronomic practices to promote adoption by farmers. The demonstration plots should not be far from the rural seed retailer and should be set up to be managed by the rural seed retailer. promote certified seeds, show the best agronomic practices and used to train farmers.
  3. Hold 2 farmer field days at each demonstration plot to train farmers and should target at least 100 farmers per farmer field day.

This will increase the ability of farmers get a bumper harvest from their Groundnuts, Sesame, Sorghum and Vegetables gardens.

1. Develop and implement specialized marketing /sales strategy for increasing the number of women as seed retailers and customers of certified seeds by May 15, 2021.

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 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, 2021
   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 certified seeds and 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 radio adverts twice a day for 4 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 5,000 small holder farmers in the 20 targeted villages; by August 30, 2021.

The company must submit a complete plan for conducting the sale of seeds to Mercy Corps one month 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.

1. Develop and implement complementary activity (ies) by August 30, 2021, 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 15, 2021
  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 advise to farmers by May 15, 2021

1. 20 rural seed sales trained to provide basic agronomic extension/ training to customers as an embedded service when farmers buy seeds.
2. Print 80 (20 for each of the crops targeted) A1 posters agronomy posters printed and placed 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) promote certified seeds, show the best agronomic practices and used to train farmers.
5. The company must hold 2 farmer field days at the demonstration plot to train farmers and should target at least 100 farmers per farmer field day
   * 1. A customized strategy targeting sales to women developed by May 15, 2021 and used to promote sales and the seed retail business to archive at least 40% of the target as women.
     2. Seed sales promotions in each of 20 targeted villages by July 15, 2021.
6. 20 roadside van seed sales promotions held by company, one in each village
7. 20 market-day Rekshe (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 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, 2021.
     2. Environment: At least 5,000 Farmers sensitized by August 30, 2021 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 of 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.
6. **Eligibility criteria**

Companies to be selected must fulfill the following criteria:

1. Incorporated in Sudan, registered with the commercial registrar of Companies as a seed importer, producer, processor and or seed marketer. This does not include general merchandise sellers who sell sells only through tenders.
2. Must have been operating in Sudan as a seed company/see importer for at least three (3) years.
3. Evidence of existing sales networks preferably in rural areas and should be willing to invest to expand their business to South Kordofan with agents in rural areas.
4. Be willing and able to pay at least 30% of the cost of the listed activities such as developing rural sales networks, promotions but excluding the cost of subsidized seeds.
5. Have skilled agricultural staff or agents and marketeers who will directly implement activities in close collaboration with rural seed retailers.
6. Submit application in attached template clearly explaining how listed activities will be undertaken