



Oxford Policy Management



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Smallholder risk management solutions: Seed Supply for Replicable Business Model in Ethiopia

The Smallholder Risk Management Solutions (SRMS) project is implemented in Ethiopia by a consortium led by Oxford Policy Management. The project investigates the systemic risks that smallholders face in sustainable agricultural intensification, and tests management strategies that address these risks.



The project focuses on teff, a short-duration cereal crop adapted to variable rainfall which makes it an important part of smallholder risk management. As the primary ingredient for injera, teff offers food and nutrition security. As a widely-traded cash crop, teff also provides valuable cash income. Since teff is widely produced, consumed and marketed in the Amhara Region of Ethiopia, the SRMS project has chosen to work in Tehuledere woreda, which is located in the South Wollo Zone of Amhara Region.

Government policy in Ethiopia restricts the production and distribution of improved seed to state-run seed farms. However, the supply from this seed system is unable to meet current demand. To improve availability and smallholders' access to improved seed, the SRMS project has developed a replicable business model (RBM) based on a seed



revolving fund. In the 2017 growing season three Service Cooperatives working in partnership with the SRMS project provided 4 kg of certified teff seed to 300 farmers (100 farmers in three kebeles), with each farmer agreeing to return 8 kg of teff back to the Service Cooperative after harvest.

In March 2018 we surveyed these 300 farmers to monitor social inclusion, seed supply and crop performance. The survey results showed that the criteria used by the participating cooperatives to select the farmers to receive improved teff seed were socially inclusive. Based on



socio-economic indicators, about one-quarter of recipients could be classed as 'poor'. Nine in ten of the farmers selected actually received improved seed and of these virtually all received seed on time. Because threshing was not yet complete, only four in 10 recipients had so far repaid teff grain to the cooperative. Farmer-to farmer diffusion of improved teff seed was low in 2017 but over six in 10 farmers reported that they would share or sell seed to family and non-family members in 2018. Improved varieties performed well in farmers' fields, with over eight in 10 farmers reporting good germination and good yields and nine in 10 reporting higher yields than with local teff varieties. The survey report made seven recommendations for the SRMS project to improve the effectiveness of the RBM in the coming crop season.

These results are evidence that the RBM has the potential to increase the supply of certified teff seed for poorer farmers. We will conduct a second seed survey at the end of next crop year to confirm our findings.



The Sustainable Intensification of Agricultural Research and Learning in Africa (SAIRLA) Programme is a UK Department for International Development-funded initiative that seeks to generate evidence and design tools to enable governments, investors and other key actors to deliver more effective policies and investments in sustainable agricultural intensification that strengthen the capacity of poorer farmers', especially women and youth, to access and benefit from SAI in Burkina Faso, Ethiopia, Ghana, Malawi, Tanzania and Zambia.