



STAM POSITION ON COVID 19 IMPACT RESPONSE ON  
AGRICULTURE SEED SECTOR

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The world is experiencing a serious health crisis with Covid 19 declared as pandemic by World Health Organization. The virus is bringing new challenges to seed sub sector in the world. The pandemic will have a strong effect on seed systems even in the absence of other stresses, such as; drought, locusts and civil strife. Malawi being one of the poorest countries in the world may be worst hit. The long-term stability for Malawi in the wake of Covid19 rests on several pillars, some of which among the key are: food, income and nutrition security.

Malawi is among countries that heavily depends on agriculture for economic development. Seed system guarantees food, nutrition and income security especially at household level. With Covid 19 the seed system in Malawi is under threat and needs urgent support. For instance, farmers purchasing power will be heavily affected as their movement may be constrained, they cannot gather in groups as such market days would not be held at all. Due to closure of businesses, the poor wouldn't offer any labour services.

Seed interventions in these situations will be critical in short and medium term. In consideration of the above it is therefore critical to develop a response plan to address adverse effects of Covid19 on the seed system in Malawi. STAM has set out priority areas of intervention to be considered for support by multilateral and bilateral partners, in order to rescue the seed sector from potential collapse due to impact of Covid19, as follows, in order of merit:

### **1. Farm Input Subsidy COVID 19 Response Program**

The objective of this program is to support farmers with subsidized seed considering that the Covid19 will have affected their purchasing power. This support will greatly benefit women and the youth, who are most active in the agriculture sector. The program should take two forms:

#### **a. Winter Seed Safety Net.**

This is for immediate intervention. The intervention should target production of nutritious foods such as maize (including biofortified varieties), beans, cowpeas and vegetables. Farmers should be given seed vouchers to exchange for seed. STAM in collaboration with Ministry of Agriculture and Food Security can coordinate the distribution of seed through the registered agrodealers.

## **b. Rain fed Seed Subsidy**

This is to be implemented during main planting season. The program should build on already existing Farm Input Subsidy Program by **increasing number of beneficiaries** and pack sizes. It should target at least all registered farm households.

## **2. Agrodealer COVID19 Support Program**

Seed Sellers (Agrodealers) are the primary contacts for farmers. They reduce farmers seed search cost and provide much needed extension services to farmers. It is estimated that over 4,000 youths are employed to manage shops across the country during the rain fed season. STAM facilitates the registration of Seed Sellers. The Covid 19 will affect how seed sellers operate in reaching out to farmers. Most agro-dealers will be constrained financially and also may have limited information on Covid 19 prevention measures. A line of credit to support their business will be critical for the survival of their business. Further STAM should facilitate production of Information Education and Communication Materials (IEC), on Covid 19 prevention measures alongside seed information to enhance the knowledge of both agrodealers and farmers. The agrodealers will also have to be supported with some basic covid19 prevention kits (nose/mouth masks, sanitizers, hand washing equipment and soaps) including ICT equipment which can be used to access information for Covid 19 as well as record seed volumes sold which will help suppliers to replenish stocks and establish farmer preferences

## **3. Support towards Unlocking Operating Capital for Seed Firms**

Almost all seed suppliers are cash constrained and Covid19 has worsened the situation. Seed companies need finance to buy back seed, process and distribute the seed. Most packing materials and chemicals are imported and with the pandemic each supplier of the imported items will demand upfront payment. It is already challenging for SMEs to access finance from the lending institutions and with Covid 19, it will likely be tougher to access business financing facilities. A deliberate move to ease access to finance would be an essential intervention to support seed industry players. There is need to create loan guarantee or any other form of finance arrangement to enable STAM members and its associated seed value chain players access bank finance

## **Conclusion**

STAM strongly believes that the above priority areas will help support the seed industry to ease the impact of Covid19 on seed accessibility by farmers. STAM is well positioned to coordinate and work in liaison with other institutions to implement the above and any other interventions in the wake of Covid19, being an effective response package to the agriculture sector.