



Business Skills for Paddy Seeds Enterprise

A TRAINING MODULE





The International Rice Research Institute (IRRI) was established in 1960 by the Ford and Rockefeller Foundations with help and approval of the Government of the Philippines. It is supported by government funding agencies, foundations, the private sector, and nongovernment organizations. Today, IRRI is one of 15 non-profit international research centres that is a member of the CGIAR Consortium (www.cgiar.org) CGIAR is global agricultural research partnership for food –secure future.

The work described here was undertaken as part of the on-going Government of Odisha funded project 'Odisha Integrated Irrigation Project for Climate Resilient Agriculture (ClimatePRO)'.

Business Skills for Paddy Seed Enterprise – A Training Module

Copyright

This publication is copyrighted by the IRRI and is licensed for use under a Creative Commons Attribution-NonCommercial-Share Alike 3.0 License (Unported), Unless otherwise noted, users are free to copy, duplicate, or reproduce and distribute, display, or transmit any of the articles or portions of the articles, and to make translations, adaptations or other derivative works under the following conditions:

Attribution: The work must be attributed, but not in any way that suggests endorsement by IRRI or the author(s)

Non-Commercial: This work may not be used for commercial purposes

ShareAlike: If this work is altered, transformed or built upon, the resulting work must be distributed only under the same or similar licenses to this one. To view the full text of this license, visit <http://creativecommons.org/licenses/by-nc-sa/3.0/>.

Extracts from this material may be reproduced for personal and not-for-profit used with acknowledgement to IRRI

SUGGESTED CITATION: IRRI (2024) Business Skills for Paddy Seed Enterprise – A Training Module, Los Banos, Philippines, International Rice Research Institute

Business Skills for Paddy Seeds Enterprise

A TRAINING MODULE



International Rice Research Institute (IRRI)
Plot No- 340/C, Saheed Nagar, Bhubaneswar, Odisha, Pin – 751007
Phone – +91 674 258 4949, www.irri.org



Contents

Acronyms and Abbreviations	iii
Foreword	iv
Acknowledgements	vi
About the training manual	vii
Tips for facilitators	ix
Proposed session-wise break-up of training module	xiii
Session 1: Introduction to workshop	1
Session 2: Paddy seed scenario in Odisha – A strong business potential for farmer collectives	5
Session 3: Paddy seeds – value chain analysis	11
Session 4: Cost and margin structure in paddy seeds business	18
Session 5: Business models for paddy seeds enterprise	20
Session 6: Preparation of business and marketing plan	23
Session 7: Profitability and success factors	35
ATTACHMENTS	
Cost of cultivation for paddy seeds	42
Profitability calculator for paddy seeds business	42
ANNEXURES	
Seed certification process and compliance	44

List of figures

Figure 1: Typical agricultural value chain	12
Figure 2: Paddy seed value chain in the state of Odisha	15
Figure 3: Qualitative value chain of paddy seeds	16
Figure 4: Business models and options in paddy seeds business	21
Figure 5: Business models and options in paddy seeds business	21
Figure 6: Planning of a paddy seed business enterprise	25
Figure 7: Business Model Canvas	31
Figure 8: Sample Business Model Canvas	33

List of tables

Graph 1: Rice production in India	6
Graph 2: Supply-demand gap in paddy seeds	7

List of figures

Table 1: Cost and margin structure in paddy seeds business	19
Table 2: Costing sheet for paddy seed cultivation	36
Table 3: Sample profitability calculation for farmer collectives engaged in the paddy seeds business	38

ACRONYMS AND ABBREVIATIONS

AAE:	Farming as an Enterprise
FCI:	Food Corporation of India
FPC/FPO:	Farmer Producer Company/Organization
IRRI:	International Rice Research Institute
KVK:	Krishi Vigyan Kendra
MFI:	Micro-Finance Institutions
NBFC:	Non-Banking Financial Corporation
NPA:	Non-Performing Assets
NRRI:	National Rice Research Institute
NSC:	National Seeds Corporation
OAIC:	Odisha Agro Industries Corporation Ltd.
OSCS:	Odisha State Civil Supplies department
OSSC:	Odisha State Seed Company
OUAT:	Odisha University of Agriculture & Technology
PACS:	Primary Agriculture Co-Operative Societies
PDS:	Public Distribution System
ROCE:	Returns on Capital Employed
SAU:	State Agriculture University
SRR:	Seed Replacement Rate
VCA:	Value Chain Analysis

FOREWORD

The agricultural sector serves as the backbone of many economies, providing sustenance and livelihood to millions. In Odisha, paddy cultivation stands as a cornerstone of agricultural activity, deeply intertwined with the region's cultural and economic fabric. As the demand for high-quality paddy seeds grows, there is a significant opportunity for farmer collectives to tap into this lucrative market. Recognizing this potential, we have developed the 'Business Skills for Paddy Seeds Enterprise' training manual. This manual aims to equip farmer collectives with the essential business skills and knowledge required to thrive in the paddy seeds enterprise, ensuring sustainable growth and profitability.

Understanding the paddy seed scenario in Odisha is crucial for identifying the business potential for farmer collectives. The manual provides a comprehensive analysis of the current market landscape, highlighting the unique opportunities and challenges faced by paddy seed enterprises in the region. By exploring market trends, demand-supply dynamics, and competitive advantages, participants will gain valuable insights into how they can leverage these factors to build a robust and competitive enterprise.

A critical aspect of the paddy seeds business is the value chain analysis. The manual delves into the various stages of the paddy seeds value chain, from production to distribution. By understanding the roles of different stakeholders and identifying key value addition points, participants will learn how to optimize their operations, enhance efficiency, and maximize the value derived from each stage of the value chain. This comprehensive analysis equips farmer collectives with the knowledge to streamline their processes and improve overall productivity.

Financial management is a cornerstone of business success. The manual covers the cost and margin structure specific to the paddy seeds business, providing insights into various cost components and pricing strategies. Participants will learn techniques for managing costs effectively and maximizing profit margins, enabling them to make informed financial decisions and ensure long-term profitability. This section emphasizes the importance of financial planning and monitoring, crucial for the sustainability of any business.

Exploring different business models is essential for identifying the most suitable structure for a paddy seeds enterprise. The manual introduces various business models, including cooperative, private enterprise, and hybrid models. By understanding the strengths and weaknesses of each model, participants will be equipped to choose and implement the one that aligns best with their goals, resources, and market conditions. This knowledge is vital for building a scalable and resilient business.

Preparation of a business and marketing plan is fundamental to the success of any enterprise. The manual provides a step-by-step guide to developing comprehensive business and marketing plans, focusing on market analysis, strategy development, and implementation planning. Participants will learn how to create realistic and achievable plans that are aligned with market needs, ensuring that their business strategies are well-informed and effective.

Finally, the manual addresses profitability and success factors, highlighting the key performance metrics and best practices that drive success in the paddy seeds business. Participants will learn about risk management strategies, sustainable growth practices, and critical success factors that contribute to the long-term viability of their enterprises. This section empowers farmer collectives with the knowledge to navigate challenges, seize opportunities, and build resilient businesses.

We believe this training manual will be a valuable resource for farmer collectives, providing them with the business skills necessary to thrive in the paddy seeds industry. By enhancing their business acumen, we aim to contribute to the overall economic development and empowerment of farming communities in Odisha. We hope this manual serves as a catalyst for positive change and sustainable growth in the paddy seeds enterprise.

ACKNOWLEDGEMENTS

The development of this training manual on 'Business Skills for Paddy Seeds Enterprise' has been a collaborative effort, made possible under the Climate Smart Rice-based Systems for Prosperity and Resilience in Odisha (ClimatePRO) project. This project represents a synergistic partnership between the International Rice Research Institute (IRRI) and the Government of Odisha, aimed at enhancing the resilience and prosperity of rice-based farming systems in the region.

We extend our heartfelt gratitude to Dr. Ranjith Puskur for her exemplary leadership in guiding the team responsible for developing this comprehensive training manual. Her vision and commitment to empowering farmer collectives have been instrumental in shaping this resource.

Our sincere thanks to Dr. Mukund Variar for his invaluable guidance and support throughout the development process. His expertise and insights have significantly enriched the quality and relevance of the manual. We also acknowledge the substantial contributions of Gyandip Pandia, Bishwa Ranjan Sahoo, Mohammad Sultan, and Devi Prasad Mahapatra. Their dedication and hard work in content development have been crucial in creating a robust and practical manual that addresses the needs of farmer collectives engaged in the paddy seeds enterprise.

Special thanks to the Department of Agriculture and Farmers' Empowerment (DA&FE) and the Department of Water Resources of the Government of Odisha for their unwavering support in executing the ClimatePRO project. We are also grateful to the World Bank for their financial and strategic support, which has been vital in the successful implementation of this initiative.

This training manual stands as a testament to the collaborative spirit and shared commitment of all partners involved. We hope it will serve as a valuable resource for farmer collectives, enabling them to harness the business potential of the paddy seeds enterprise and contribute to the sustainable development of agriculture in Odisha.

ABOUT THIS TRAINING MANUAL

Paddy farming in Odisha isn't just a tradition; it's a crucial part of agriculture. Quality paddy seeds are in high demand as farmers seek better yields and resilient crops. This manual is a key tool for farmer groups and stakeholders in the paddy seed industry, providing essential knowledge and skills for success. It begins by explaining the importance of paddy seeds in Odisha's agricultural sector, highlighting the increasing demand for high-quality seeds. Through a detailed value chain analysis, the manual explores the different stages of paddy seed production, distribution, and marketing, aiming to improve efficiency and value addition. The manual guides stakeholders through the process of preparing a comprehensive business and marketing plan, providing strategic frameworks for market analysis and sales projection. Additionally, it introduces the concept of Farming as an Enterprise (FAAE) and offers practical methods for calculating the cost of production and profitability, enabling informed financial decision-making.

TARGET PARTICIPANTS

This guide serves as a resource for training to members of farmer collectives, including women seed growers and smallholder farmers in Odisha. It is specifically designed for Farmer Producer Organizations, Farmer Producer Companies (FPCs), Farmer Producer Groups, Farmer Co-operatives, and other associated organizations. Recognizing the critical role that women seed growers and smallholder farmers play in the agricultural landscape, this training manual aims to provide inclusive knowledge on paddy seed-enterprise management and business development.

TRAINING METHODOLOGY

The training module for Business Skills for Paddy Seeds Enterprise was developed based on the following principles:

- Utilizes a participatory approach, fostering mutual learning between participants and facilitators during training activities.
- Training modules encourage ample time for discussion, idea sharing, and feedback.

LEARNING OBJECTIVES

This training manual places a strong emphasis on interaction and participation among learners during the sessions. It is structured into sessions that delve into various aspects of the paddy seed business, facilitating participants in transitioning from acquiring business skills to planning and implementation. Tailored for key stakeholders of producer groups, the guide promotes interactive

and participatory learning with hands-on practice. Participants are encouraged to raise queries and share practical experiences to facilitate a two-way learning process.

By the end of the session, participants are expected to:

- a. Understand the business case of paddy seed enterprise in Odisha.
- b. Grasp the value chain of paddy seeds and identify existing gaps and challenges.
- c. Acquire knowledge on marketing and branding strategies for paddy Seeds.
- d. Gain insight into various alternative business models related to paddy seed business.
- e. Comprehend critical success factors in a paddy seeds enterprise.
- f. Learn how to measure the cost of cultivation and assess profitability in the paddy seed business.

TIPS FOR FACILITATORS

TIME MANAGEMENT: Clearly defined time limits are provided for each session. It is crucial to adhere to these limits to ensure comprehensive coverage of all topics during this training.

LEARNING GOALS: Each day is accompanied by explicitly outlined learning objectives. Keep these objectives in mind throughout the training to effectively guide discussions and activities, ultimately achieving the desired learning outcomes.

MATERIALS AND PREPARATION: The necessary materials and preparation guidelines for each session are detailed in the schedule and manual. Make sure to have these materials ready in advance for every session. This not only demonstrates consideration for all participants but also enhances the likelihood of successfully attaining the intended learning outcomes.

Participatory Facilitation

Below are some tips to establish an atmosphere of openness, respect, and comfort. This sends a message that the facilitators will be attentive and responsive to the needs of participants.

- Keep the sessions lively and engage participants to speak. Try and ensure everyone speaks and respects the contributions of participants.
- Ensure discussions stay on topic. Redirect if necessary.
- Communicate the training message to participants, either verbally or nonverbally, that you empathize with them.
- Allowing people to speak without interrupting them and showing that you are concentrating on what the participant is saying.
- If you do not know the answer to a question, do not be afraid to say so. But tell the questioner that you will try to find the answer and will get back to him or her and then do so.

To ensure gender responsiveness in our training, it goes beyond merely balancing the participation of males and females. While it's essential to involve both genders, there are additional considerations that can significantly enhance the learning experience for females. Here are some tips for facilitators:

Pay attention to seating:

- Assess the seating arrangement to avoid male dominance at the front and ensure a more balanced mix.
- Encourage a diverse seating arrangement, with particular attention to placing quieter participants, including women, at the front.

Attend to all participants:

- Avoid favoring those who speak frequently or are quick to raise their hands.
- Actively encourage all participants to contribute, paying special attention to those who may be more reserved, both women and men.

Avoid pressuring participants to speak:

- If a participant is hesitant or unable to respond, rephrase questions to make them more accessible.
- Respect their comfort levels; never force or ridicule participants who may find it challenging to answer.

Support and encourage women during training:

- Be patient and provide positive reinforcement to boost the confidence of women who may display lower self-assurance.

Challenge gender stereotypes in activities:

- When conducting exercises or activities like debates, challenge traditional gender roles.

Address stereotypes in training materials:

- Scrutinize teaching materials for gender biases, such as stories depicting women only at home or men exclusively in professional roles.
- Actively point out and discuss these stereotypes with participants to raise awareness.

Avoid reinforcing gender roles:

- Ensure that training activities do not perpetuate traditional gender norms. Distribute tasks equally between males and females, eliminating stereotypes associated with specific roles.

Be vigilant against sexual harassment:

- Facilitators must actively prevent and address instances of sexual teasing, abuse, or harassment against women and girls.
- Any observed incidents, take necessary steps to prevent their recurrence.

By incorporating these considerations into our training practices, we can create an inclusive and supportive learning environment that addresses the specific needs and challenges faced by both genders.

Set Ground Rules

During the first session, it is important to establish ground rules. Prepare a flipchart in advance with a few that you consider to be the most important group norms. Keep it covered while you ask participants to suggest norms for the group.

- Speak one at a time; allow each person time to talk.
- Agree to disagree, but do so respectfully.
- Value each person's unique opinions and perspectives.
- Take risks; step outside your comfort zone.
- Start and end on time; come back from breaks promptly. Late start times can result in later end times.
- Silence cell phones

The following dos and don'ts should ALWAYS be kept in mind by facilitators during the learning session.

DO'S

- Do maintain good eye contact.
- Do prepare in advance.
- Do speak clearly. Do speak loud enough.
- Do use good time management.
- Do give feedback.

- Do keep the group focused on the task.
- Do provide clear instructions.
- Do check to see if your instructions are understood.

DON'TS

- Don't talk to the flip chart.
- Don't block the visual aids.
- Don't stand in one spot—move around the room.
- Don't ignore the participants' comments and feedback (verbal and non verbal).
- Don't read from the curriculum.
- Don't shout at the participants.

PROPOSED SESSION-WISE BREAK-UP OF TRAINING MODULE

Session	Topic	Duration (in minutes)
Session 1	Introduction to workshop	45
1.1	Welcome and opening ceremony	5
1.2	Group activity - Participant introductions	20
1.3	Group activity - Participant expectations, training objectives and learning outcomes	20
Session 2	Paddy seed scenario in Odisha- A strong business potential for farmer collectives	45
2.1	Introduction to paddy business	5
2.2	Paddy seeds - The business case in Odisha	20
2.3	Group activity- Local seed system assessment	20
Session 3	Paddy seeds - Value chain analysis	45
3.1	Understanding of value chain	10
3.2	Group Activity- Paddy seed value chain presentation	25
3.3	Paddy seed value chain in Odisha	10
Session 4	Cost & margin structure in paddy seed business	15
4.1	Understanding of cost & margins at different node of paddy value chain	15
Session 5	Business models for paddy seeds enterprise	30
5.1	Understanding of different business models for paddy seed enterprise	30
Session 6	Preparation of Business & Marketing Plan	45
6.1	Understanding Important factors for preparing business and marketing plan for paddy seed enterprise	45
Session 7	Farming as an enterprise (FAAE)- calculating cost of production.	45
7.1	Understanding the farming as a commercial enterprise and calculate the cost of production	45

SESSION 1: INTRODUCTION TO WORKSHOP

Session time: 45 minutes

Session summary

Sl No	Topic / Task	Methodology	Time	Resources
1	Welcome and opening ceremony	Interaction	5 minutes	White board, flip charts, marker board, marker pens, LCD projector
2	Participant introductions	Group activity	20 Minutes	White board, flip charts, marker board, marker pens
3	Participant expectations, training objectives and learning outcomes	Group activity	20 Minutes	Sticky notes, chart paper, white boards, markers and colored pens

OBJECTIVES:

- To create a pleasant environment for learning and sharing.
- To get to know each other.
- To establish training expectations.
- To present objectives of the training.
- To agree on training ground rules.

Topic 1

INTERACTION: Welcome and opening ceremony

The welcome and opening ceremony in a training session establishes the mood for the rest of the session, fostering a positive atmosphere and engaging participants right from the start. The ceremony typically begins with a warm welcome extended by the facilitator or host, acknowledging the participants' presence and emphasizing the importance of the session. This

initial greeting aims to make everyone feel valued and comfortable, fostering a sense of belonging and readiness to learn.

Topic 2

ACTIVITY: Participant introductions – Speed dating

Step 1: Setting the stage

Divide into groups: Divide the participants into two groups and arrange them in two concentric circles or parallel lines, facing each other.

Introduction: Explain to the participants that the purpose of this exercise is to break the ice and learn something new about each other. Emphasize that this activity will help them connect with their fellow participants in a unique way.

Instructions: Clarify that during each round, they will have a brief conversation with the person facing them based on a specific question provided.

Step 2: Speed dating rounds

Start the music: Play music and ask the participants to move in their respective circles in alternate directions.

Stop and interact: Stop the music abruptly. Participants must face the person in front of them and share their response to the question displayed on the flip chart or board. Each round should last 2–3 minutes.

Question rounds: Conduct 8–10 rounds, each round featuring a different question from the list provided. Encourage participants to be creative and honest in their responses.

Round 1: Name and where they belong from

Round 2: What do they prefer to do in their free time – Hobbies

Round 3: Favorite actor and why

Round 4: One fruit you can associate with and why

Round 5: What do you want to do to start this business?

Round 6: Why did I choose this paddy business?

Round 7: What is your dream destination and what is it about the place that you would want to go?

Round 8: Who all are there in my family

Step 3: Closing the activity

Reflect and Share: After the rounds, gather the participants in a circle. Ask each participant how they are feeling and if they gained any new insights about their classmates. Encourage diverse answers and open discussion.

Closing statement: Conclude the activity by emphasizing the importance of understanding each other's backgrounds, interests, and motivations. Highlight how this understanding can foster better teamwork and collaboration, especially in the context of the paddy business they are engaged in.

By engaging in this fun and interactive speed dating activity, participants can establish connections, break down barriers, and create a more comfortable environment for further collaborative activities within the context of the paddy business venture.

Topic -3

ACTIVITY: Participant expectations, training objectives and learning outcomes

How to conduct the activity:

- a. Give two to three cards to each participant. The trainers must have cards prepared for each objective of the workshop and the topics to be covered.
- b. Ask the participants to write their expectations from the workshop, one on each card. Give them time and ask them to write without consulting anyone.
- c. Ask each participant to read out from her card and then to pin them on the board. Organize this according to the topics to be covered. Keep one column for cards which state objectives that will not be met during the workshop.
- d. When all participants have pinned up their cards, trainers must place their own cards in key places to show which objectives will be met.
- e. It is important to point to the topics that participants want to learn about, but which may not be part of the workshop. Tell them that this will be done in a subsequent workshop if possible.

- f. Inform participants about the workshop schedule. Ensure that this is acceptable to all participants, especially if the hours of instruction are longer than the time participants have committed themselves to.
- g. Ensure that all participants agree with the schedule and all the objectives. Make any changes that are necessary at this stage.

Note for the facilitator

While it is good to make minor changes to accommodate as many needs of the participants as possible, it is not a good idea to deviate too much from the original plan. The original plan has presumably been developed on the basis of a training needs analysis with a lot of preparatory work. There are two disadvantages of too much deviation from the original plan: first, the preparatory work is wasted and then there is inadequate preparation for the new topics. Make major changes to the initial training plan only if it does not meet the objectives of the participants at all.

SESSION 2: PADDY SEED SCENARIO IN ODISHA- A STRONG BUSINESS POTENTIAL FOR FARMER COLLECTIVES

Session time: 45 minutes

Session summary

Sl No	Topic / Task	Methodology	Time	Resources
1	Introduction to paddy business	Interaction	5 minutes	White board, flip charts, marker board, marker pens, LCD projector
2	Paddy seeds - The business case in Odisha	Interaction	20 Minutes	White board, flip charts, marker board, marker pens, LCD projector
3	Local seed system assessment	Activity	20 Minutes	Sticky notes, white boards and colored pens

OBJECTIVES:

- To have a basic understanding of the potential of paddy seed business
- To understand paddy cultivation in Odisha
- To learn the seed supply chain in Odisha
- To understand the state's paddy seed industry.
- To assess and analyze the existing seed systems in their respective villages/panchayats

Topic 1

INTERACTION: Introduction to paddy business

Why do we take up the business of paddy seeds? Is there a demand-supply gap? Is there a strong business case? Are there customers for it? What does the competition look like? What revenue generation model is to be followed? How much is the requirement of money? Where to sell? How much to produce? Which varieties and what seed quantities are to be produced? What are the delivery mechanisms? How to handle the channel? Why would customers buy from me? Why

would customers repurchase from me? Should I brand or sell in bulk? How to manage cost? What are the risks and how to minimize them? What are the critical success factors? What is market intelligence?

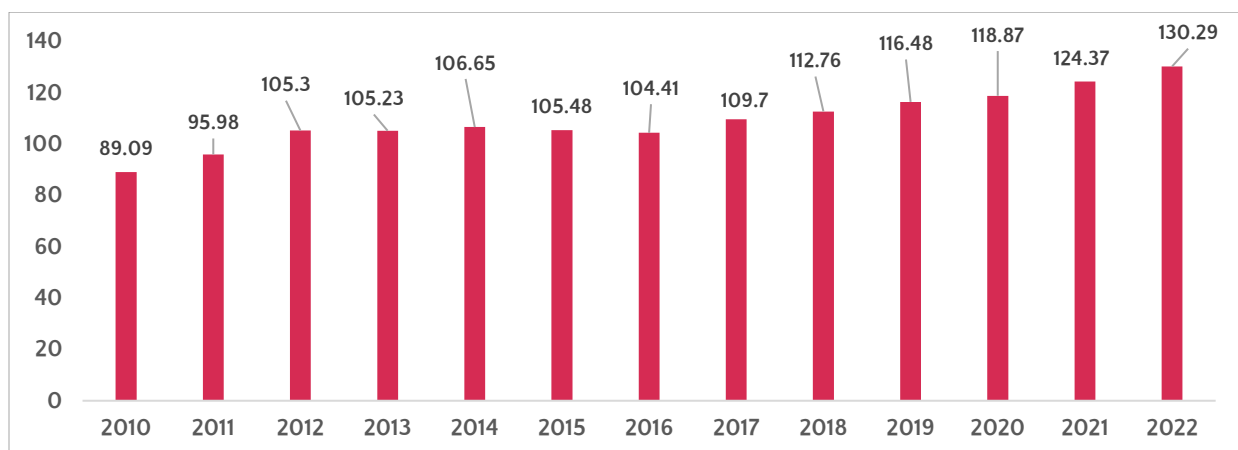
Now, various questions, including those mentioned above, arise when thinking about the initiation of a new paddy seeds venture. It is not a simple task, but through proactive planning, a systematic approach, and thorough market research, one can attain profitability and sustainability. The key lies in understanding the customer and working backward to ensure that the product or service being created meets their needs at a price point they are willing to pay. This approach should empower farmer groups to make effective decisions.

The paddy seed business is distinctive, demanding wholehearted dedication, passion, a commitment of time, technical knowledge and skills, business acumen, and customer orientation for success. Given the super-dynamic nature of the market, market intelligence and continuous innovations become crucial to keep pace with changing times and evolving needs.

Topic 2

INTERACTION: Paddy seeds - The business case in Odisha

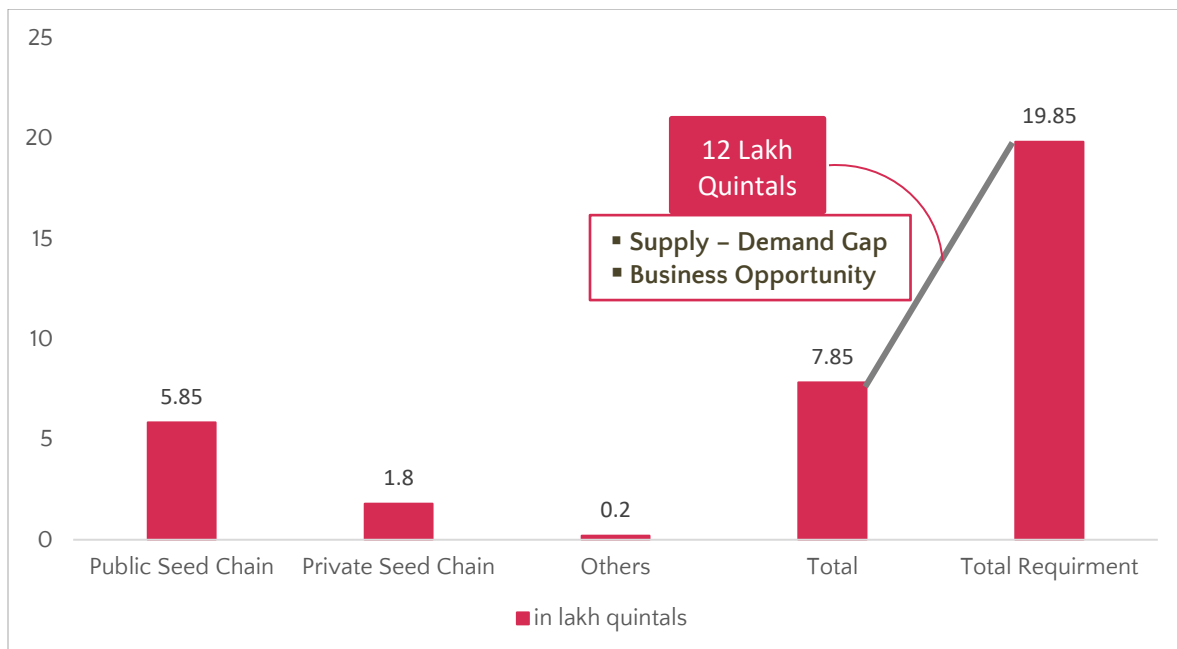
Paddy holds the same level of importance in Indian agriculture as blood does in sustaining life. India's expansive cultivation area of nearly 44.30 million hectares, coupled with its impressive rice production of 130 million tons, firmly establishes it as one of the foremost rice-producing countries globally, as depicted in Graph 1. Paddy is grown throughout the year under rainfed, irrigated, and biotic-abiotic stress conditions in different land and soil types.



[Graph 1: Rice production in India (in millions MT) over the last 13 years.]

In Odisha, paddy is cultivated in about 3.9 million hectares and with a rice production of 9.6 million metric tons, the state contributes 7% to the country's rice pool. Paddy is grown across a diverse ecosystem and a wide range of climatic conditions. There are around 1300 rice mills in the state with the milling technology that can give an output of 55–60% of rice. Almost 95% of the rice millers do custom milling for the Odisha State Civil Supplies (OSCS) department, which helps in stocking and distribution of rice at state level. OSCS also procures on behalf of Food Corporation of India (FCI), which goes into the central pool for distribution through the public distribution system (PDS) and for maintenance of buffer stock.

Seed is a vital input in agriculture. The use of quality seeds can improve the yield levels by 10% to 15%. In Odisha, the quality paddy seed requirement of all the varieties taken together is to the tune of 19.85 lakh quintals. Out of this, only 5.85 lakh quintals are supplied by the public seed chain system. Again, almost 2 lakh quintals are supplied by private companies and other growers. Hence, there exists a huge market potential to bridge this gap of 12 lakh quintals of paddy seeds as depicted in Graph 2. With the increasing awareness among the farmers regarding quality seeds and the increase in seed replacement rate (SRR), the paddy seeds business proposition presents an exciting opportunity for the farmer collectives.



[Graph 2: Supply-demand gap in paddy seeds.]

Currently, farmers engaged in paddy cultivation encounter the following challenges:

- i. Availability of quality paddy seeds.
- ii. Availability of paddy seeds of the required varieties and duration.
- iii. Availability of paddy seeds at the right time during the sowing window.
- iv. Availability of paddy seeds at the right place.
- v. Availability of paddy seeds in sufficient quantities.

The cost of seeds in the total cost of production of paddy is a mere 3-4%, hence the farmers increasingly look out for quality seeds that can improve the overall yield and quality of their final harvest and they don't mind paying a relatively higher price for the same. Hence, the best solution to address the disparity within the supply-demand dynamics, seed chain, and market is to establish decentralized seed production systems. These initiatives would engage grassroots farmer organizations in the production and marketing of paddy seeds, customized to meet local demand. The operations can then be scaled up as required. With comprehensive training and support, participating farmers can acquire the skills needed to proficiently produce high-quality seeds.

Advantages of decentralized system or farmer-managed system of paddy seed production:

- Sustainable seed supplies and timely access to quality paddy seeds especially to the smallholder farmers.
- Build farmers capacity to produce high-quality paddy seeds of the market demanded varieties.
- Enhanced rate of returns for the seed growers.

Overall, the paddy seeds venture presents a very strong business case.

Topic 3

ACTIVITY - Local seed system assessment

Objective: The objective of this group activity is to assess and analyze the existing seed systems in participants' respective villages/panchayats, focusing on major crops, varieties, procurement sources, challenges faced, and to collectively identify common issues and potential solutions.

Step 1: Scenario Analysis

Group Formation: Divide the participants into groups of 4–5 individuals, preferably based on their locality or village/panchayat.

Providing Materials: Provide each group with a chart paper, markers, and pens for recording their findings and analysis.

Discussion and Analysis: Instruct each group to discuss and prepare a scenario analysis of the seed systems in their respective village/panchayat. The discussion should focus on the following aspects:

1. **Major Crops Cultivated:** List down the major crops cultivated in the village/panchayat and the area coverage dedicated to each crop.
2. **Crop Varieties:** Identify the varieties of each crop cultivated. Gather information about these varieties, including their characteristics, yield potential, and suitability for the local climate.
3. **Sources of Seed Procurement:** Determine the sources from where seeds are procured, including local markets, government agencies, cooperatives, or neighboring villages. Note the distance of these sources from the village/panchayat.
4. **Challenges Faced:** Discuss the major challenges faced by farmers while accessing quality seeds. These challenges could include affordability, availability, seed adulteration, lack of information, or transportation issues.

Step 2: Group Presentation

Presentation: Each group will present their scenario analysis to the larger audience. Encourage groups to use visual aids such as charts, diagrams, and photographs to enhance their presentations.

Discussion: After each group presentation, facilitate a brief discussion to gather insights and feedback from the participants. Encourage questions and comments from the audience.

Facilitator Summary: Conclude the activity with the facilitator summarizing the common and important aspects presented across the groups. Identify common challenges faced by farmers in different villages/panchayats and highlight potential solutions or strategies to address these challenges. Emphasize the importance of community collaboration and shared learning in improving the seed systems for sustainable agriculture.

Key Takeaways:

- Enhanced understanding of local seed systems.
- Identification of common challenges faced by farmers.
- Sharing of knowledge and best practices among participants.
- Encouragement for community-driven initiatives to improve seed accessibility and quality in respective villages/panchayats.

Therefore, if an entrepreneurial venture can provide the paddy growers with quality seeds of desirable varieties at the right time in the right quantity and at the right place; it can certainly realize greater value in terms of profitability, brand equity and customer loyalty.

SESSION 3: PADDY SEEDS VALUE CHAIN ANALYSIS

Session time: 45 minutes

Session summary

Sl No	Topic / Task	Methodology	Time	Resources
1	Understanding of value chain	Interaction	10 minutes	White Board, flip charts, marker board, marker pens, LCD projector
2	Paddy seed value chain presentation	Activity	25 Minutes	Sticky Notes, white boards and colored pens
3	Paddy seed value chain in Odisha	Interaction	10 Minutes	White board, flip charts, marker board, marker pens, LCD projector

OBJECTIVES:

- To understand the important actors in the value chain.
- To learn the cost build-up along the paddy seed value chain
- To identify the bottlenecks in the paddy seed value chain
- To know the growth opportunity in the paddy seed value chain

Topic 1

INTERACTION: Understanding of value chain

A very simple definition of value chain would be:

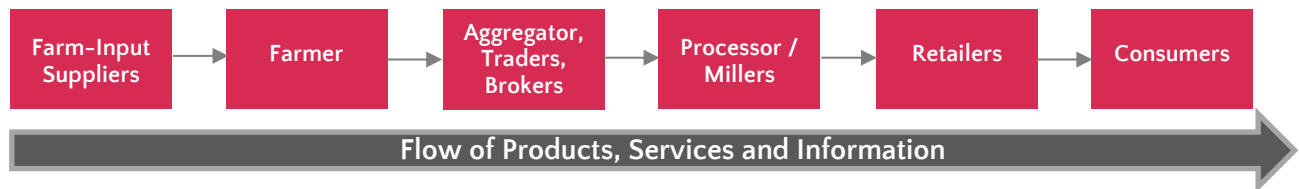
“A value chain depicts the various steps involved in bringing a product or a service to the customer”.

A typical value chain would include; however not at all times:

- a) The value chain actors and actions. (Farmers, Traders, Aggregators, Millers, etc.)
- b) The larger group category (Producer, Processors, Consumers, etc.)

- c) The value of goods at each node of the value chain. It shows cost build up at every stage.
- d) Sometimes a temporal component is also involved, that is, the amount of time an actor holds the commodity.

An example of a simple agri-value chain has been portrayed in Figure 1:



[Figure 1: Pictorial representation of a typical agricultural value chain.]

Value Chain Analysis (VCA) provides an understanding on the following aspects:

- Who are the important actors in the value chain?
- What is the cost build-up along the chain?
- What is the level of intermediation in the value chain?
- Which activity/actor adds greater value in the chain?
- What is the level of earnings of different actors in the value chain?
- Where and what are the bottlenecks in the value chain?
- Where lies the growth opportunity in the value chain?

Topic 2

ACTIVITY: Paddy seed value chain presentation

Objective: The objective of this activity is to enhance participants' understanding of the value chain concept and its application to their producer company's business. By working collaboratively in groups and creating visual representations, participants will gain insights into the various stages and processes involved in their business operations.

Step 1: Value Chain Preparation

Group Formation: Divide the participants into groups of 4–5 members each.

Introduction and Explanation: Provide a brief overview of the value chain concept, emphasizing its importance in understanding the sequence of activities involved in a business process. Explain that each group will be focusing on mapping out the value chain of a specific business their producer company is engaged with.

Chart Paper Preparation: Provide each group with chart paper, markers, and other necessary stationery items.

Value Chain Mapping: Instruct the groups to prepare the value chain of the seed business on the chart paper. They should identify and list down all the stages involved in the production, processing, and distribution of the product or service. Encourage participants to refer to the value chain analysis discussion and consider both primary and support activities.

Discussion and Collaboration: Encourage group discussions and collaboration. Participants should analyze the interconnections between different stages and understand how value is added at each step of the process.

Step 2: Group Presentations

Presentation Preparation: Allocate a specific time for each group to prepare their presentation based on the value chain they have mapped out. Encourage them to create visuals, diagrams, or charts to illustrate the value chain stages effectively.

Group Presentations: Each group presents their value chain analysis to the rest of the participants. During the presentations, groups should explain the key stages, activities, and interactions within the value chain. Allow time for questions and clarifications from the audience.

Feedback and Discussion: After each presentation, facilitate a brief discussion to gather feedback and insights from the other groups. Encourage participants to ask questions and share their observations about the presented value chains.

Key Takeaways:

Deepened Understanding: Participants will gain a deeper understanding of the value chain associated with their producer company's business.

Collaborative Learning: Working in groups fosters collaborative learning, allowing participants to benefit from each other's knowledge and perspectives.

Visual Representation: Creating visual charts enhances participants' ability to grasp complex business processes and relationships within the value chain.

Critical Thinking: Participants will engage in critical thinking as they analyze the value chain stages and identify areas for improvement or innovation.

By actively participating in this activity, participants will not only understand the theoretical aspects of value chain analysis but also apply this knowledge practically to their own business context, fostering a more informed and strategic approach to their producer company's operations.

Topic 3

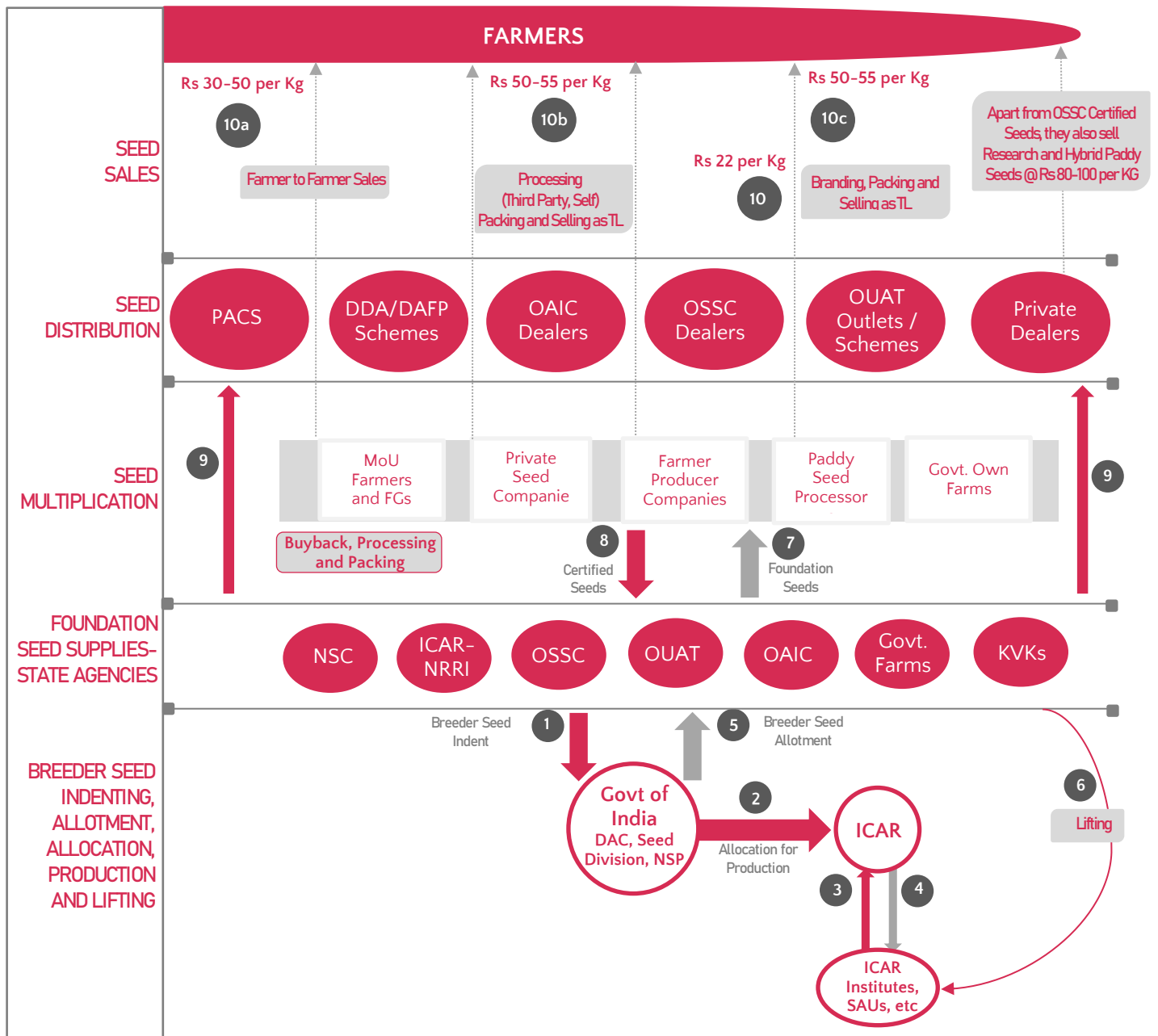
INTERACTION: Paddy seed value chain in Odisha

From the production of breeder seed to multiplication into foundation seed and certified seed (for commercial use), the entire process is carried out by the Government agencies with the private sector and dealer intervention specifically for foundation seed multiplication, certified seed distribution, and sales. The seed chain is shown schematically in Figure 2 for the state of Odisha. The breeder seeds in the state are handled by various institutes;

- a) National Seeds Corporation (NSC)
- b) Odisha State Seed Corporation (OSSC)
- c) National Rice Research Institute (NRRI)
- d) Odisha University of Agriculture & Technology (OUAT)
- e) Odisha Agro Industries Corporation Ltd. (OAIC)
- f) State Government Farms
- g) Krishi Vigyan Kendras (KVKs)

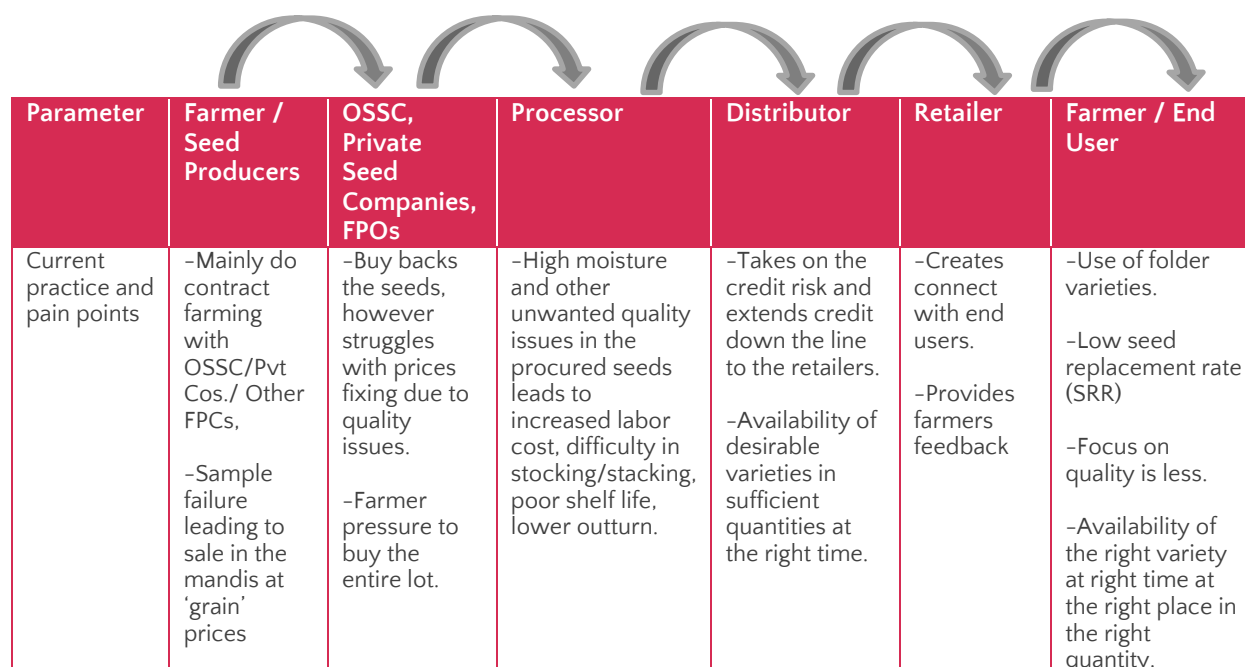
Based on the breeder seed indent of the state-level institutions like OSSC, OAIC, OUAT, etc, and National level institutions like NSC and NRRI, the Government of India allocates the job to ICAR for the production of breeder seed. ICAR in turn takes up the breeder seed production at various ICAR institutes and State Agriculture Universities (SAUs). The specified quantity of breeder seed is then allotted by the Government of India to the various state-level and national-level institutes as mentioned above. These institutes undertake the conversion of breeder seed into foundation and certified seed at the designated farmer fields (also known as MoU farmers as these institutes sign a Memorandum of Understanding with farmer or farmer groups before commencing seed multiplication), private companies, farmer producer companies, and Government-owned farms.

The certified seed is taken back under a buy-back agreement and sold to farmers through Primary Agriculture Co-operative Societies (PACS), private dealers, and franchisees. Some of the certified seed also goes into various state and central-level programmes and schemes for distribution to small and marginal farmers.



[Figure 2: Pictogram of the paddy seed value chain in the state of Odisha.]

Though an understanding of the back-end paddy seeds value chain is desirable, yet from a paddy seed enterprise point of view, an equally and perhaps more critical aspect is to look at the front-end value chain which includes the activities, flows and processes after the foundation seeds are procured by the farmer collectives.



[Figure 3: Pictorial representation of the qualitative value chain of paddy seeds.]

The qualitative paddy seeds value chain as depicted in Figure 3, shows various stakeholders along with their activities, and challenges which in a way also presents the scope for farmer collectives to step up and translate these challenges into successful business propositions.

Let us discuss the value chain actors one by one:

Farmers (Paddy Seed Growers): The current paddy seed producers are associated with various firms like OSSC, private companies, FPCs, etc. under some pre-determined terms and conditions. However, farmers are often compelled to sell their produce in mandis or to local traders, especially if their lots are rejected, leading to sales at significantly lower prices. Additionally, they frequently experience delays in receiving payment, with disbursements often occurring in a staggered manner.

The Buyers (OSSC/private seed companies/others): Due to quality concerns, buyers are sometimes hesitant when it comes to price fixation and purchasing entire lots. In instances where farmers bring paddy seeds with high moisture content, additional labor and time costs are

incurred to bring the seed lot to the optimum moisture content. However, paddy seed growers often exert pressure on buyers to purchase the entire lot, which can be a source of frustration for buyers due to considerations related to quality and other parameters.

Processor: The paddy seed processor faces issues mostly related to quality which again increases their overall cost structure due to additional cost that they have to bear for drying, separate stocking and stacking, low output and poor shelf-life. The processor wants good quality paddy seeds that can be easily stored, managed, processed and provides higher output.

Distributors: Availability of market-demanded varieties in sufficient quantity at the right time is the most important attribute that a distributor looks for, in the absence of which, their profitability and customer loyalty gets impacted. They absorb the credit risk as they pass on the credit facilities to down-the-line retailers.

Retailers: They are the main paddy grower-facing business entities. They are in direct contact with the paddy growers and pass their feedback regarding the performance of varieties to the different stakeholders. Their challenges also remain similar to the distributor, that is, availability of market-demanded varieties in sufficient quantity at the right time.

Paddy growers: The paddy growers are still growing the varieties that are very old. The seed replacement rate remains low. Sometimes the motivation to go for a new variety is marred by the unavailability of quality seeds in adequate quantities during the sowing window. Also, not all the demanded varieties are included in the formal seed chain.

The study of various value chain actors and their respective challenges presents favorable opportunities for the farmer collectives to address them and in the process co-create a value-based proposition. The process should start from the paddy seed production and its quality to keep the buyers interested. Selection of right processors, distributors and retailers who are aligned to the goal of the FPOs/FPCs is necessary. Time and space play a major role in this business, as such, effective business planning becomes the fulcrum of the entire series of business processes. Understanding and anticipating the market conditions and the needs of the paddy growers beforehand should help in proper forecasting, planning and executing of the business plan. Therefore, a comprehensive understanding of qualitative value chain of paddy seeds is critical to gain insights into the various processes, challenges, scope and flow of the paddy seeds business.

An understanding of the value chain provides the farmer collectives with a suitable opportunity to comprehend as to which part of the value chain they are most interested to venture into and where do they see favorable business proposition.

SESSION 4: COST AND MARGIN STRUCTURE IN PADDY SEEDS BUSINESS

Session time: 15 minutes

Session summary

Sl No	Topic / Task	Methodology	Time	Resources
1	Understanding of cost & margins at different node of paddy value chain	Interaction	15 minutes	White board, flip charts, marker board, marker pens, LCD projector

OBJECTIVES:

- To understand the cost build up structure at different nodes of paddy seed value chain
- To identify opportunity of engagement for farmer collectives in the paddy value chain

Topic 1

INTERACTION: Cost and margin structure in paddy seeds business

The cost and margin structure are inevitably an important constituent to thoroughly understand and gain insight on the monetary value that accrues with each of the value chain actors. Based on the investment and resource capabilities of the entrepreneurship venture, they can decide as to how they want to participate in the existing value chain edifice and what are the pros and cons of the intervention. Contextually, there may be differences in the pecuniary values, however, by studying the cost and margin structure the farmer collectives can get an idea on the type of intercession they want to conclude in terms of attaching themselves to the different nodes of the value chain. Nevertheless, it would be prudent here to qualify the fact that though the paddy seeds value chain is loaded with opportunities, it is for the farmer collectives to decide based on their competencies and organizational goals as to where they see themselves in the entire scheme of things and how and where they would like to step up. The business and its scalability is a significant factor to be considered while trampling upon any of the opportunities and a comprehension of cost and margin structure do help the entrepreneurs to take a suitable call on the same.

An illustrative cost and margin structure for the paddy seeds business has been presented in Table 1:

Basic cost and margin structure in paddy seed business					
Stake-holders	Cost Price	Sales Price	Net Realization	Profit Margin	Cost Component – Activity wise
Farmer	Rs.20000/acre	Rs. 34000-35000/acre	Rs. 14000 - 15000/acre	14%-15% per month over 4-5 months	Land preparation, Agronomic Practices & Harvest
Processor	Rs. 2500-2600/qtl	Rs. 2900-3000/qtl	Rs. 4000 - 5000/qtl	15%-16%	Loading, Unloading, Processing, Weighing, Warehouse, Carrying Cost, Packing, Primary and Secondary Freight.
Agri-input distributor	Rs. 3250/qtl	Rs. 3400/qtl	Rs.150/qtl	5%	Unloading, loading, warehousing, Transport
Agri-Retailer	Rs. 3450/qtl	Rs. 3800-4000/qtl	Rs.350-550/qtl	10%-16%	Unloading, Customer retention
It's a win-win situation for every value chain actor					

[Table 1: Cost and margin structure in paddy seeds business]

The cost and margin structure represent the monetary value that accrues to each of the value chain actors. The figures for farmers have been taken on an acre basis for easy understanding. It is evident from the net realization figures that it is a win-win situation for everyone engaged in this business. It is to be noted here that the FPCs/FPOs desirous of setting up their own processing unit has an advantage of getting extra 15-16% of margin; however, the decision to set up such a unit must be a well-thought process as it involves capital, depreciation cost, manpower and rate of interest (if the unit is financed by financial institutions). The portrayal of cost and margin structure also provides a chance for the entrepreneurs to look at it from an intervention point of view. Some of the FPCs/FPOs can also take up the distribution and retailing of the paddy seeds.

SESSION 5: BUSINESS MODELS FOR PADDY SEEDS ENTERPRISE

Session time: 30 minutes

Session summary

Sl No	Topic / Task	Methodology	Time	Resources
1	Business model and options for farmer collectives in paddy seeds business	Interaction	30 minutes	White board, flip charts, marker board, marker pens, LCD projector

OBJECTIVES:

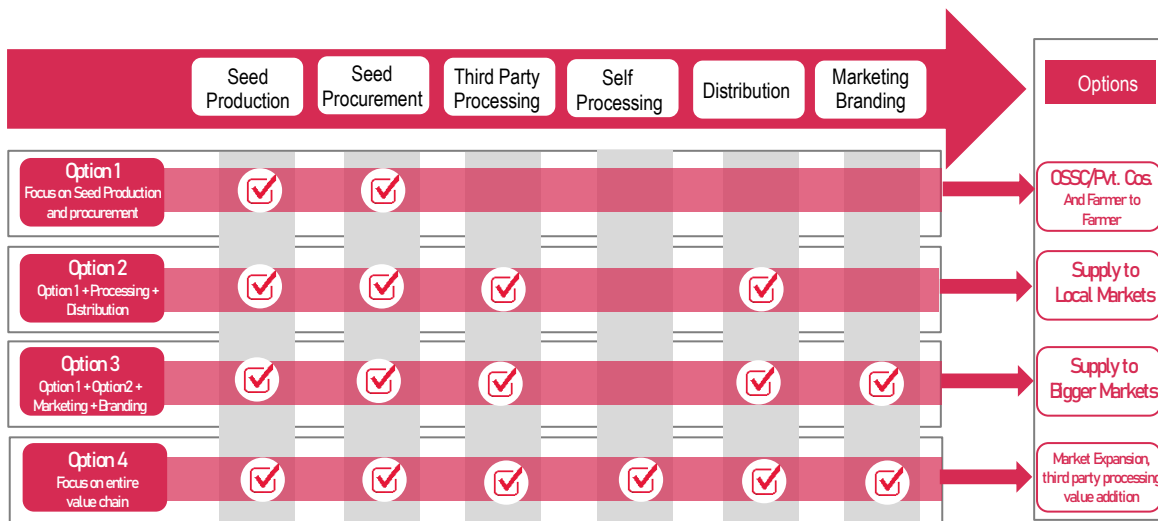
- To understand various business models of paddy seed enterprise

Topic 1

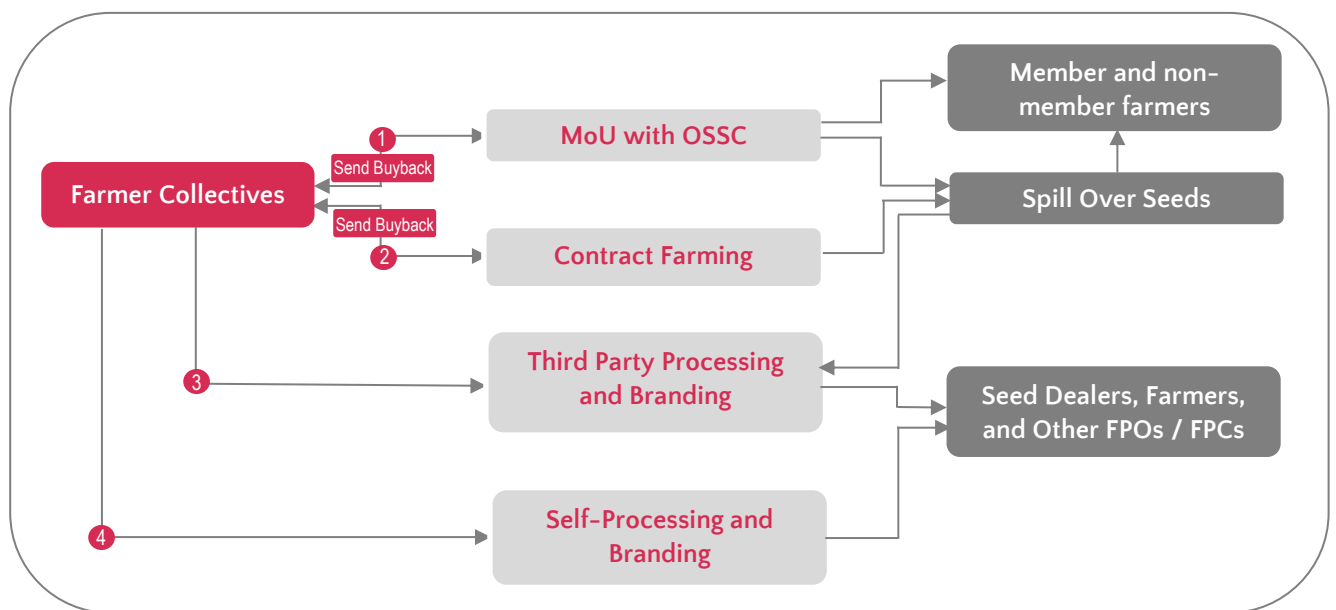
INTERACTION: Business model and options for farmer collectives in paddy seeds business

The paddy seeds business model has several options for the farmer collectives to decide as to which part of the value chain they want to focus on based on their current strengths, resources and contextual make up. It is important for farmer collectives to brainstorm and come to the decision on the time frame for intervening in the various business options. As depicted in Figure 4 and for easier understanding in Figure 5, the farmer collectives have different business options to think of as they enter into the paddy seed business.

- The Farmer Organization (FPO/FPC) has the opportunity to cultivate paddy seeds for the Odisha State Seeds Corporation (OSSC) to ensure guaranteed market returns. The FPO/FPC can select suitable members to engage in this activity. It's recommended to begin with 1-2 hectares of seed production initially and subsequently scale it up.
- Since the OSSC may not purchase the entire seed lot, FPOs/FPCs have the option to package the remaining seeds under their brand and sell them in nearby markets or to their members.



[Figure 4: Pictorial depiction of business models and options in paddy seeds business]



[Figure 5: Pictorial depiction of business models and options in paddy seeds business]

- FPOs/FPCs can enter into contract agreements with private companies to cultivate paddy seed varieties as per their requirements. This approach helps minimize risks and ensures returns for the FPOs/FPCs.
- FPOs/FPCs can gradually expand their paddy seed production by involving more members. The procured paddy seeds can then be processed through third-party

arrangements, also known as job-processing. The packaging and branding will be done by the FPOs/FPCs, and they can subsequently sell the products to dealers, farmers, other FPCs/FPOs, etc.

- The FPOs/FPCs can establish an appropriately sized processing unit for paddy seeds to undertake seed production, processing, branding, and marketing activities. This approach enables them to achieve higher margins and complete the entire value chain.
- Moreover, FPCs should explore storage facility options, whether for third-party processing or their own processing unit. Planning for proper storage facilities (input shops, farmer service units, godowns, etc.) is crucial for the FPC, as the volume of procurement, transportation, and the timing of sales or distribution to farmers depends on this. Storage options can be explored at the village or district level, ensuring logistical accessibility, and may be available on a rental basis as deemed suitable.

SESSION 6: PREPARATION OF BUSINESS AND MARKETING PLAN

Session time: 1 hour 45 minutes

Session summary

Sl No	Topic / Task	Methodology	Time	Resources
1	Understanding important factors for preparing business and marketing plan for paddy seed enterprise	Interaction	45 minutes	White board, flip charts, marker board, marker pens, LCD projector
2	Developing the business model canvas for farmer producer organizations	Group activity	60 minutes	Large printed Business Model Canvas templates (one per group), sticky notes (in multiple colour), flip charts, markers, mexample of a filled musiness model canvas for paddy seed business (for reference)

OBJECTIVES:

- To understand the factors to consider while setting up a paddy seed enterprise
- To learn comprehensive value chain integration and branding
- To prepare the marketing plan for paddy seeds
- To understand business model canvas tailored to a paddy seed enterprise

Topic 1

INTERACTION: Understanding important factors for preparing business and marketing plan for paddy seed enterprise

The business and marketing plan are the templates on which the entire organization runs. Hence, it is advisable to spend considerable time, energy and resources to construct the business and marketing plan and put it into action accordingly. As has been portrayed in Figure 6, there are various steps and processes involved in creating the business plan. The planning will depend on the business goal that the organization has set. A business goal of an enterprise can be to

undertake paddy seed cultivation in 50 hectares of land (or 200 tons of paddy seeds, given an average yield of 4 tons per hectare) in the next 1 year. The business and marketing plan that the organization prepares should well align with the business goal. There are various considerations and factors that need to be taken care of once the business goal is decided. We will be discussing them in detail.

Finance: The capital decision holds significant importance, and it's crucial for farmer collectives to plan in advance how and from where they will source the necessary capital for paddy seed cultivation, procurement, processing, and marketing. If there are government and other grants, and schemes available to mitigate risks during the initial years of operations, every effort should be made to take advantage of them. If the capital is being availed from banks, Non-Banking Financial Corporations (NBFCs) and Micro-Finance Institutions (MFIs), then the rate of interest should be carefully evaluated. To optimize the rate of interest, it's essential to explore multiple funding opportunities. The timing of sourcing of capital is equally important based on the timeline of various activities as there is a cost (rate of interest) component associated with it. Not all the capital will be required at once. The purpose of capital for each business activity should be clearly calculated and defined. During the procurement season, the need for capital is highest, as paddy seed growers must be paid promptly to maintain their engagement. Efforts should be made to rotate the working capital as much as possible so as to maximize the Returns on Capital Employed (ROCE). Finally, preparation of a complete repayment schedule with regards to the various sources of capital should be done proactively so as to ensure timely repayment and negate the business losses arising out of penalties and interest amount accumulation.

Sources of Money would include (not limited to)

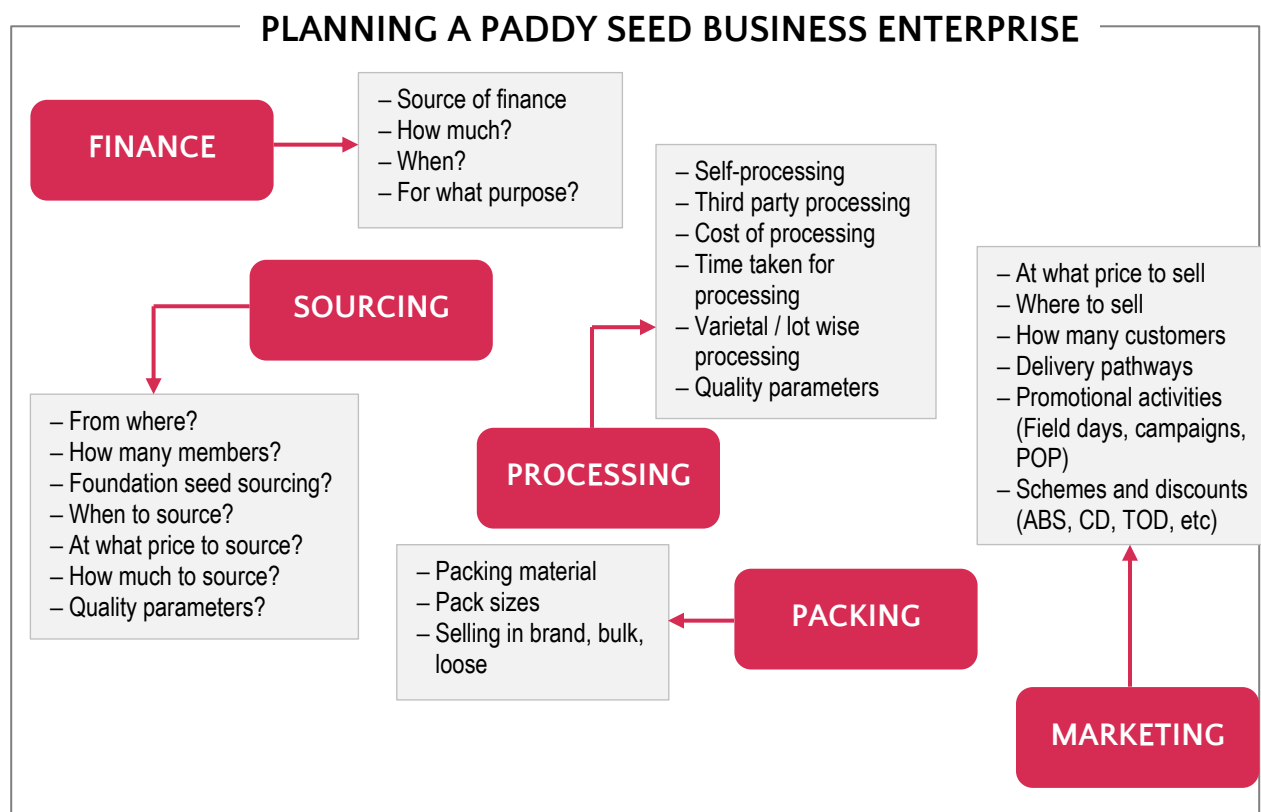
- Savings: reserves and surplus of previous year
- Advance payment from buyers
- Loan: through Banks, Micro-Finance Institutions, NBFCs.
- Equity: through Members
- Grant Support: through Government Schemes
- Debt Financing

Sourcing/Procurement: It consists of two elements: first, determining the source of foundation seeds, and second, identifying the farmers from whom certified seeds are to be procured. Both activities go hand in hand, and it is crucial to address the following questions:

- How many farmers need to be targeted (as per the business goal)? – PLACE
- Which location to target? – PLACE

- How much foundation seeds will be needed? - QUANTITY
- Which are the sources from where the foundation seeds can be procured? - PLACE
- When to procure? - TIME
- How much to procure? - QUANTITY
- What quality parameters should be clearly charted? - QUALITY
- How to take care of the lots that do not meet the set criteria? - RISK-AVERSION

The sourcing should adhere to the principle - right place, right customers, right quantity, right quality, right time - to minimize risks and streamline the process effectively. As per the sourcing plan, the activity sheet and its scheduling should be prepared. This involves outlining when various activities will occur and estimating the required inputs and funds at different stages. It is important to ensure adequate funding is available whenever needed for organizing business activities effectively.



[Figure 6: Pictorial representation on the planning of a paddy seed business enterprise]

Example:

- Farm level paddy seed procurement
- Paddy seeds processing
- Packing and Branding
- Sales

Example of Inputs would include:

- Foundation Seeds
- Transport
- Labor

Processing: The farmer collectives in the very initial year of operation should not get involved in fixed cost scenarios by setting up a processing unit until and unless there are favorable Government schemes which reduces the risk to a greater extent. During the preliminary phase, the entrepreneurial venture should consider outsourcing the processing activity and focus on back-end seed production. Simultaneously, it is essential to actively pursue forward linkages with buyers and channel partners. OSSC and other private companies where the capacity of processing unit is underutilized, the farmer collectives can approach them to take up the third-party processing and packing activity. An important consideration here is to make a judgment regarding when to process and how much to process based on the availability of storage, cost of processing, season and market demand. To maintain the purity and quality of the varieties concerned, the decision should be made regarding the time of processing as per the availability of the third-party processing unit, as there are high chances of mixing. The processing unit should be thoroughly washed and dried before taking up the processing of the required varieties. This would ensure maintenance of quality in the seeds of the market-demanded varieties and would go a long way to sustain customer and brand loyalty. To mitigate the risk of mixing and ensure consistent quality, processing should be carried out on a varietal lot-wise basis.

Packing: The farmer collectives should decide what packing material is to be used so as to ensure that the quality and shelf life is maintained and it does not get deformed or distorted during transport. In Odisha, PP bags and jute bags are commonly used to pack 20 kilograms of paddy seeds. There is an increasing inclination among paddy growers for 10-kilogram pack sizes, which are priced higher. But innovative packaging designs can be used to distinguish products from competitors. The farmer collectives can also think of packs that are reusable to enhance brand visibility and better customer connect. Depending on the market-demand and business goals, the entrepreneurial ventures can decide whether to sell in bulk, brand or loose formats. During the

initial period, the farmer collectives should allot certain quantities to each of the formats so as to understand the nuances of each of the delivery mechanisms and thereafter can decide on which way to go. Packing material, pack sizes and mode of selling are important criteria to testify the type of investment needed in such an activity.

Marketing: Arguably the most crucial component among all is marketing activity. It's vital to address the following questions:

- Where to sell?
- When to sell?
- Whom to sell to?
- What price to sell at?
- What product quantity and quality to sell?
- How to promote the products?

This leads us to the concept of the 4Ps of marketing: Product, Price, Place, and Promotion.

- a) **Product:** Product is what the business has to offer to the customers to satisfy their needs. A product is known by its quality and attributes that leads to greater consumer satisfaction. Thus, in paddy seeds, the varieties demanded by the market, featuring traits desired by growers would define the product. It is crucial here to note that the product (paddy seeds) should be able to deliver and meet the expectation of the paddy growers leading to their satisfaction and repurchase.
- b) **Place:** It deals with availability and accessibility of the product. It's essential to have popular seed varieties stocked on shelves of dealers, distributors, and retailers at the right time and in sufficient quantities. This enables user farmers to access these varieties; otherwise, they may switch to alternative varieties, which could be influenced by dealers. A mismatch in production, placement and quantity can result in various issues such as sales returns, extended credit periods, slow money turnover, challenges in maintaining the working capital cycle, Non-Performing Assets (NPAs), and inventory accumulation. These factors can incur costs and affect profit margins. Ensuring easy availability and accessibility of products can boost dealer confidence, foster customer loyalty, enhance brand value, promote timely payments, and create a favorable business environment. Therefore, it is essential to establish a robust forward linkage in terms of supply chain and dealer management, with key focus on warehousing, logistics, and strategic dealer selection.

- c) **Price:** This is a delicate matter, involving:
- Analyzing the cost of production and current market prices.
 - Determining customers' willingness to pay.
 - Avoiding setting prices excessively high or low.
 - Estimating projected profit margins.
- d) **Promotion:** Before a customer makes a purchasing decision, it's natural that they want to see, hear, or experience the product. This depends on how the product is presented to them in terms of quality, packaging, labeling, and other factors. Consequently, the following questions arise:
- How can customers become aware of your product?
 - What strategies can be used to attract customers?
 - How will customers discern that your product is superior to others?

According to a survey, farmers tend to prefer flashy, reusable packaging made of high-quality material, particularly for 10-kilogram pack sizes. They are willing to pay a premium for such packaging.

The promotional aspect of marketing involves determining the schemes and benefits provided to channel partners for selling the product. Schemes such as advance booking, cash discounts, turnover incentives, off-season promotions, tour schemes, and others help to maintain the interest and motivation of the channel partners. Therefore, besides showcasing the product, effectively managing channel partners is equally crucial to instill confidence and attraction towards the brand and product.

The other two components essential for building the marketing strategy are discussed below.

- i. **Product differentiation:** To offer a distinct proposition to customers, enterprises can devise unique strategies for the above-mentioned 4Ps of marketing. This approach can help them distinguish themselves from competitors. Essentially, product differentiation strategies can be implemented through the following methods:
- Modifying the products
 - Adjusting packaging
 - Changing pricing strategies
 - Offering paddy seed varieties not sold by others

- Utilizing unique promotion tools
- Introducing different schemes

ii. **Channel Management:** It is critical to understand the delivery mechanisms so as to make the paddy seeds available on the shelf when customers look for it. The channel partners like warehouse service/logistics providers, agri-input dealers, distributors, retailers should be well aligned to the business goals to ensure timely business, less delay in supply of seeds, meeting the farmers demand and cordial business relation with the concerned channel partner. The important aspects which needs to be taken care are:

Distribution Channel Selection:

- Choose appropriate distribution channels based on the target market and product (paddy seeds) characteristics.
- Options may include direct sales, distributors, retailers, or online platforms.

Channel Communication:

- Establish effective communication channels with the channel partners.
- Regularly update them on new product releases, promotions, and any changes in pricing or marketing strategies.

Inventory Management:

- Implement efficient inventory management systems through stock MIS to ensure an adequate supply of paddy seeds to meet demand.
- Minimize stockouts and overstocks to maintain a smooth supply chain.

Promotions and Marketing Campaigns:

- Develop and execute marketing campaigns through promotional meetings, buyer seller meets to create awareness and demand for the paddy seeds
- Offer incentives and discounts if possible to channel partners for achieving sales targets or promoting your products effectively.

Topic 2

Activity: Exploring a business model canvas for farmer producer organizations (FPOs)

Objective: To help farmers and FPO (Farmer Producer Organization) members understand and develop a Business Model Canvas tailored to a paddy seed enterprise.

Step-by-Step Instructions:

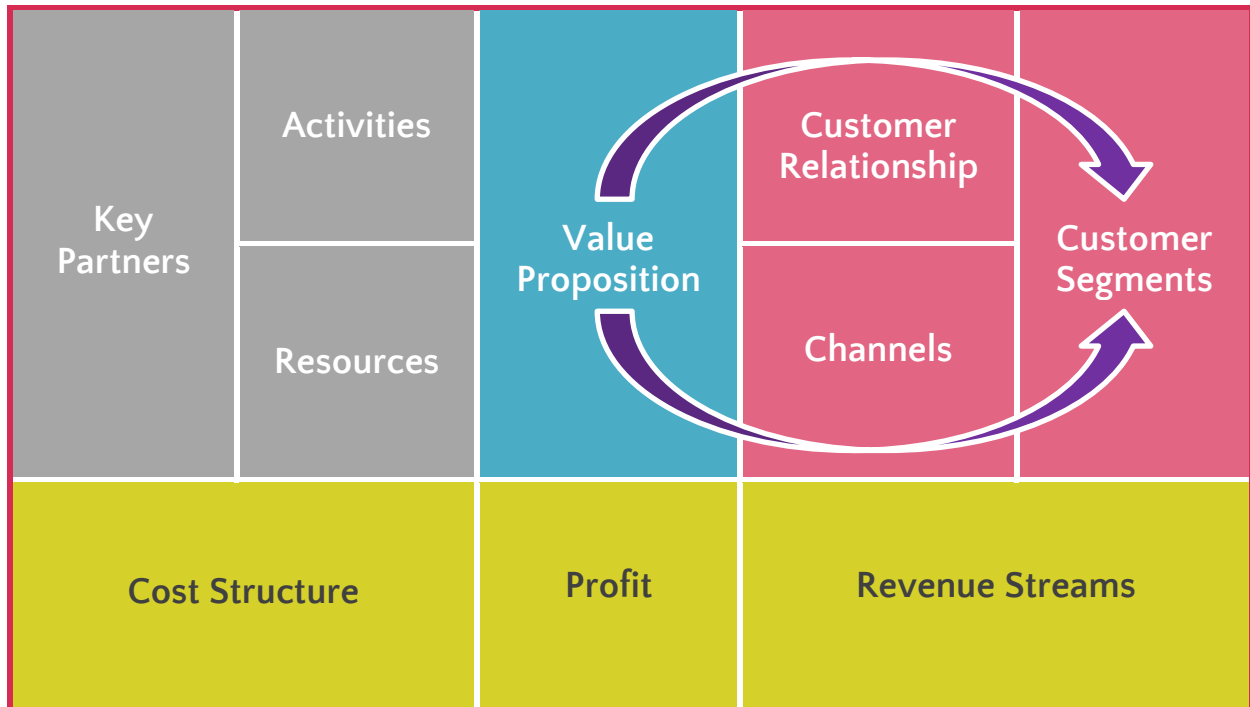
Introduction

- A. Briefly introduce the Business Model Canvas and its importance in structuring and understanding a business.
- B. Explain the nine building blocks of the canvas (Key Partners, Key Activities, Key Resources, Value Proposition, Customer Segments, Channels, Customer Relationships, Revenue Streams and Cost Structure) (Refer to Fig. 10 below).

Each building block of the canvas tries to answer the following questions:

1. **Customer segments:** Who are the buyers of our agricultural products? What types of consumers or businesses do we serve?
2. **Value proposition:** Why do customers purchase our agricultural products? What benefits do we provide or what needs do we fulfill for them?
3. **Channels:** How do we distribute our agricultural products and services to the market? Through which platforms or networks do we reach our customers?
4. **Customer relationships:** How do we attract, retain, and expand our customer base? What strategies and interactions do we employ to build and maintain strong customer relationships?
5. **Revenue streams:** How does our FPC generate income? What are our primary sources of revenue in the agribusiness?
6. **Key resources:** What unique strategic resources does our FPC possess or require? This includes land, technology, skilled labor, and farming equipment.
7. **Key activities:** What unique strategic activities does our FPC undertake to deliver our value proposition? What essential farming practices and processes do we perform?

8. **Key partnerships:** What non-core activities can we outsource to focus more on our primary farming and agribusiness operations? Who are our key partners and collaborators?
9. **Cost structures:** What are the major expenses involved in running our FPC? How do we manage and optimize these costs effectively?



[Figure 7: Pictorial representation Business Model Canvas]

- C. Emphasize how these elements interact within the four domains: Firm Domain, Value Proposition, Customer Domain, and Financial Domain.

Firm (or "Enterprise") domain (Grey color)

Every enterprise relies on key partners (individuals or organizations) to engage in activities that consume resources (incurring costs) during the process of creating value. These three critical elements - partners, resources, and activities - converge to form the foundation of an enterprise's value creation process.

Value proposition (Blue color)

At the heart of any business model, including those pertaining to post-harvest technologies, lies the concept of a "value proposition." This term encapsulates the perceived benefits of a firm's product or service in the eyes of the customer. Essentially, a value proposition is the driving force

that compels a customer to choose a particular product over a competitor's offering or to discontinue existing practices in favor of a novel solution. It serves as the conduit through which value, generated by the firm through its products, is captured and delivered to the customer.

Customer domain (Pink color)

This domain plays a pivotal role in delivering value, encompassing the actualized benefits described in the value proposition, to different categories of customers, often referred to as "customer segments." It includes the channels and relationships established with the firm's delivery partners, various actors within the supply chain, and the diverse customer groups served.

Financial domain (Pear color)

On the enterprise side of the business model, costs are incurred as resources are expended (in the Firm Domain). However, the viability and sustainability of any business model hinge on the customer side's ability to generate revenues. For a business to thrive, the revenue derived from customers must surpass the costs borne by the enterprise in the execution of its activities, ultimately yielding a net profit for the business owners. It's important to note that every business, including those centered around post-harvest technologies, must generate a profit or, at the very least, break even to ensure long-term sustainability. While there's a noble desire to see farmers receive maximum value, in reality, profit is a driving force that motivates all participants within a business ecosystem.

Group Work: Mapping the Business Model Canvas

1. Divide participants into small groups (4-5 members per group). Ensure that each group has a mix of farmers and FPO members to encourage diverse perspectives.
2. Distribute the Business Model Canvas templates and sticky notes to each group.
3. Groups work together to fill in each section of the canvas. Provide guidance and prompts as needed. Ensure they consider the following aspects:
 - a) **Firm domain:** Key partners (farmers, distributors, Govt departments), key activities (collective production, product aggregation), key resources (human resources, information, financial).
 - b) **Value proposition:** Unique value offered to customers, why customers would choose their product/service.
 - c) **Customer domain:** Target customer segments (Farmers, B2Bm B2C), channels to reach customers (farmers' markets, online platforms, retail stores), customer relationships (feedback, reward).

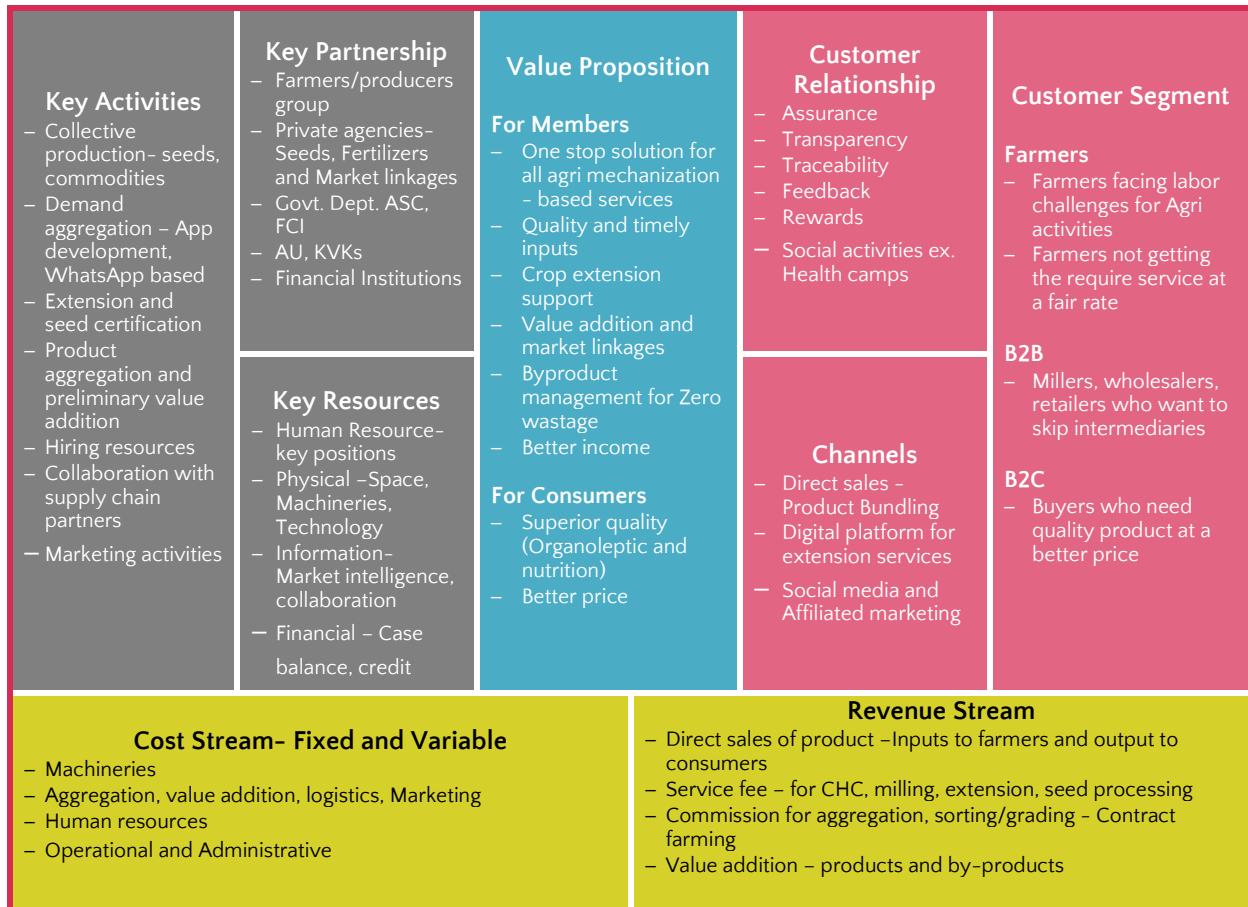
- d) **Financial domain:** Major costs (fixed and variable), potential revenue sources (sales of products, service fee, value addition).

Group presentations

Each group presents their Business Model Canvas to the entire group. Encourage other participants to ask questions and provide feedback.

Discussion and reflection

- Facilitate a discussion on the insights gained from the activity.
- Show the sample Business Model Canvas (Refer to Figure 8) and discuss the nine building blocks.
- Discuss how the Business Model Canvas can be used to continually refine and improve their business models.



[Figure 8: Pictorial representation sample Business Model Canvas]

Conclusion and next steps

- Summarize the key learnings from the activity.
- Encourage participants to apply the Business Model Canvas to their own agricultural businesses.
- By the end of this activity, participants will have a practical understanding of how to develop and refine their business models using the Business Model Canvas, tailored to their unique agricultural contexts.

SESSION 7: PROFITABILITY AND SUCCESS FACTORS

Session time: 45 minutes

Session summary

Sl No	Topic / Task	Methodology	Time	Resources
1	Understanding the success factors and profitability of paddy seed enterprise	Interaction	45 minutes	White board, flip charts, marker board, marker pens, LCD projector

OBJECTIVES:

- To understand the cost implications of taking up paddy seed cultivation
- To assess the potential profitability of paddy seed cultivation
- To understand key factors for success of paddy seed enterprise

Topic 1

INTERACTION: Understanding the success factors and profitability of paddy seed enterprise

Farming as an enterprise (FAAE) means farming should be looked at from the commercial lens, as a business unit. The activities and their costs should be clearly earmarked to understand as to which is the most cost-consuming activity and in which processes the cost can be optimized. Ultimately, to keep farming sustainable one should earn profit. FAAE also means that paddy seed growers should make decisions regarding whom to collaborate with, the available margins, anticipated harvest quantities, buyer preferences for quality, prevailing market prices, and suitable varieties considering biophysical conditions.

The initial step in understanding farming as a commercial enterprise is to comprehend and calculate the cost of cultivation (in Rs. per hectare or acre) and production (in Rs. per quintal). It is highly encouraged for farmer collectives to provide training to their farmer-members in this regard. This effort will significantly contribute to building customer loyalty and trust, ultimately streamlining the procurement process.

A typical costing sheet for paddy seeds production is being depicted in Table 2. The costs, yields and net profit figures will vary depending on the variety, land and soil type, existing market conditions, biophysical conditions, etc. Therefore, it is desirable for the farmer collectives to treat this as an indicative cost only and develop their own cost of calculation and production sheet depending on the local conditions. A separate costing sheet is being given with this manual to facilitate the same. The important thing here is to understand the various activities and associated cost components and accordingly fill-in the figures to get an understanding of the total cost and profit.

Cost of cultivation (Rs. per acre) and Cost of Production (Rs. per quintal)			Paddy seeds production			
Sl No	Activities	Sub activities	Unit description	Unit	Unit cost	Amount
A	Cost of Production					
1	Seeds	Seed purchase	KG	20	37.5	750
2	Nursery raising	Compost and fertilizer	KG	3	24	72
		Labour cost	Days	1	120	120
		Ploughing cost	Days	0.5	300	150
3	Main field preparation and harvesting	Tractor	Hour	2	1000	2000
		Transplantation (10 Labour)	Days	1	1200	1200
		Weeding (10 Labour) 1 time	Days	1	1200	1200
		cutting (10 Labour) 1 time	Days	1	1200	1200
		Paddy Thresher cost	Days	1	2400	2400
4	Nutrition and pest management	Pesticide				1500
		DAP	KG	50	24	1200
		NPK	KG	100	12	1200
		Potash	KG	25	20	950
		Rouging		3	1000	950
		Labour cost for fertilizer and pesticide application	Days	5	120	600
5	Transfer of produce	Transportation From Field to Home	Days	1	1000	1000
		Transportation From home to Mandi/PC	Days	1	0	0

Cost of cultivation (Rs. per acre) and Cost of Production (Rs. per quintal)			Paddy seeds production			
Sl No	Activities	Sub activities	Unit description	Unit	Unit cost	Amount
6	Seed producer registration	Registration cost for seeds grower	Rs	1	150	150
7	Miscellaneous cost	(Mandi registration, weight/quality-based reduction, mediator cost, Mandi halting cost)	Rs.	0	0	0
	Total cost of cultivation (Rs/acre)					16642
	Total cost of production (Rs/quintal)					1110
B	Sale value (Rs.)	Paddy Productivity	In quintal	14	2000	28000
A-B	Net Profit					11358

[Table 2: Costing sheet for paddy seed cultivation]

Calculating the profitability

The profitability being discussed here pertains specifically to the paddy seeds business and should not be considered as indicative of the overall profitability of the entire organization.

A profitability calculator sheet is included with this manual to assist in this process. This calculator will help the farmer collectives to:

- Understand the business process and cash flow in the paddy seed business.
- Understand the various cost components and profitability that would accrue in the paddy seed business.
- Comprehend as to which head is consuming more cost and how and where they should optimize their processes.

The cost entry and other cost dimensions can be customized as per the context and other scenarios which are unique to each farmer collective. This will be a strong numerical evidence for the paddy seeds business to be a strong commercial case.

PROFITABILITY CALCULATOR FOR FARMER COLLECTIVES – PADDY SEEDS BUSINESS

Disclaimer: This profitability calculator is restricted to paddy seeds business only. The results of the profitability calculator should be treated as indicative only.

Proposed bag size for sale/market (in Kgs)	Please enter the pack size that the company wishes to sell to the end customers
--	---

S. No.	Particulars	Description/Instruction	Amount (Rs./Quintal)
CULTIVATION RELATED COST			
1	Manpower	Enter the specific manpower cost related to monitoring of paddy seed fields and farmer engagement. The salaries and number of months employed should be converted in Rs./Qtl by dividing the expenses (in Rs.) with the procured/sourced quantity (in Qtls) of paddy seeds. If there are no such expenses, please enter zero.	
2	Rouging	If rouging is being facilitated by the farmer collectives as a service then please enter the cost. Divide the expenses (man-days multiplied by wages per day) with the procured/sourced quantity (in Qtls.) of paddy seeds. If there are no such expenses, please enter zero.	
3	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
4	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
PROCUREMENT RELATED COST			
5	Sourcing/Procurement Rate	Enter the rate at which the paddy seeds is being procured from the paddy seed growers/farmers.	
6	Cost of gunny bags used for packing the paddy seeds at farmer level	In case the farmer collectives is sending its own packing material at farmgate for packing the paddy seeds then please enter the rate. In case, the farmer is using his/her own packing material, enter zero.	
7	Labour cost for packing the material	If the procured paddy seeds is being packed at farmer cost, please put zero	

S. No.	Particulars	Description/Instruction	Amount (Rs./Quintal)
8	Transport cost from field to the warehouse	If the procured paddy seeds is going to the processing plant directly, please put zero	
9	Transport cost from field to the processing plant	If the procured paddy seeds is going to the warehouse, please put zero	
10	Cost of loading the material at farm-level	Convert it into Rs./Qtl and enter	
11	Cost of unloading the material at Warehouse/Processing plant	Convert it into Rs./Qtl and enter	
12	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
13	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
PROCESSING and STORAGE RELATED COST			
14	Transport from warehouse to the processing plant	Convert it into Rs./Qtl and enter	
15	Cost of loading at the warehouse	Convert it into Rs./Qtl and enter	
16	Cost of unloading at the processing plant	Convert it into Rs./Qtl and enter	
17	Processing charges incurred at the processing unit	Convert it into Rs./Qtl and enter	
18	Cost of loading the material at the processing plant	Convert it into Rs./Qtl and enter	
19	Transport cost from processing plant to the warehouse	Convert it into Rs./Qtl and enter	
20	Seed Certification Charges charged by the agencies like OSSOPCA	Convert it into Rs./Qtl and enter	
21	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
22	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
WEIGHT, PROCESSING and other LOSSES			
22	Weight loss during transport from field level to warehouse / processing plant	May be ascertained as per the field practice and convert it into Rs./Qtl and enter	
23	Processing loss	May be ascertained as per the field practice and convert it into Rs./Qtl and enter (e.g. 2-3 kg/Qtl)	
24	Losses due the small unusable seeds	Normally taken as 9-10 kg per quintal. Multiply the losses (in Kgs) by procurement rate (as per column 5)	
25	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	

S. No.	Particulars	Description/Instruction	Amount (Rs./Quintal)
26	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
PACKING RELATED COST			
27	Cost of packing material (TL/CS)	Convert it into Rs./Qtl and enter	
28	Labor cost for packing the material including stitching cost (TL/CS)	Convert it into Rs./Qtl and enter	
29	Cost of printing the brand name (TL/CS)	Convert it into Rs./Qtl and enter	
30	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
31	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
CUSTOMER FACING COSTS			
32	Transport from warehouse/processing plant to the market place/input shop	This cost component should also include the loading and unloading charges if applicable	
33	Dealer level schemes	Advance booking, turnover discount, cash discount, tour schemes, etc. The cost of the schemes needs to be converted into Rs./Qtl.	
34	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
35	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
OTHER COSTS			
36	Cost of Storage at the Godown (inc. electricity cost) of procured seeds	Convert it into Rs./Qtl and enter	
37	Godown fumigation and insurance	Normally taken as Rs. 2 per quintal, however will vary on case to case basis.	
39	Average interest rate on the purchase rate	This is the time in months that goes by after the payment has been done to the farmers till sale. This is taken at the rate of 12% per annum	
40	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
41	Any other cost. Please mention the same in the description column	Convert it into Rs./Qtl and enter	
DEDUCTING THE SALE OF SMALL SEEDS			
42	Deducting the amount of sale of small seeds	Obtain this by multiplying the quantity of small seeds quantity with the sale price of small seeds. E.g. the small seeds are sold at Rs. 7-10 per Kg.	
43	Total Actual Expenditure (in Rs. Per Quintal)		0
44	Total Actual Expenditure (as per the bag size)		0

S. No.	Particulars	Description/Instruction	Amount (Rs./Quintal)
SALES, REVENUE and PROFIT			
45	Proposed price per Kg of seeds	Based on marked-pricing and existing competition price at marketplace. Also assess the quantity realized after deducting the quantity of small/undersize seeds	
46	Proposed price per bag of seeds	As per the bag size rationalize the proposed price taking cue from column 43	0
47	Profit per bag of seeds (in Rs.)		0
48	Profit per Quintal (In Rs.)		0

[Table 3: Sample profitability calculation for farmer collectives engaged in the paddy seeds business.]

Critical success factors in paddy seeds business

Like any other business, paddy seeds business is also unique and has got critical factors that decides the success and sustainability of this business model.

- Varietal Mapping of the local and nearby markets. This will help in understanding the customer demand and accordingly the seed production program can be undertaken.
- The selection of location and farmers is critical to the paddy seed business. Irrigation facilities are required for quality seed production. Selection of farmers should be done so that monitoring and aggregation becomes hassle-free.
- Understanding the distributor/dealer and retailer network; their credit policy, schemes, coverage, etc. will aid in deciding the various delivery pathways and framing the credit policy and market friendly schemes. This will also provide a spread to the brand in various targeted geography.
- Set the expectations right and crystal clear on quantity, quality, delivery, time, prices, and other associated parameters for ensuring greater transparency and smoother supply chain.
- Understanding the competition; private seed companies, other players, etc. This will help to create a better offering and competitive pricing in the marketplace.
- Working capital management and its optimum rotation will ensure greater return on capital.
- Member-share capital mobilization to fund the operations will reduce dependency on external sources.

- The sourcing of foundation seeds is a lifeline for this business. Therefore, the source, quality and quantity should be pre-fixed so as to avoid any discrepancy in supply and demand.
- Creation of strong brand pull in the market will keep the channel partners and paddy growers interested in the product.

ATTACHMENTS

1. [Cost of cultivation for paddy seeds](#)
2. [Profitability calculator for paddy seeds business](#)



ANNEXURES

Annexure 1: Seed certification process and compliance

In India three classes of seeds viz., Breeder seed, Foundation and Certified seed are being followed, out of which only Foundation and Certified seed classes are under the purview of Certification Agency. The seed subjected to certification is labeled. Thus, all certified seeds must be labeled, but all labeled seeds are not necessarily certified. Agency after confirming all the prescribed field and seed standards issue white and Azure blue (ISI 104) colour tags foundation and certified seed class respectively. While, Truthfully Labeled Seed should carry Opale green colour tag.

CERTIFICATION SHALL BE COMPLETED IN SIX BROAD PHASES

1. Receipt and scrutiny of application
2. Verification of seed source
3. Field inspections to verify conformity to the prescribed field standards.
4. Supervision of post-harvest stages including processing and packing
5. Analysis of seed samples including genetic purity and seed health test
6. Grant of certificate and certification tags, tagging and sealing.

In Odisha, Odisha State Seed Certification Agency(OSSCA) was formed on 3rd June 1977 and registered under Societies Registration Act,1860(Reg. No. 12176/1112 dt 14.10.1977), to carry out the functions of certification Agencies under Seeds Act 1966 in Orissa State w.e.f. 01.09.1978 with a mandate to maintain and make available to public high quality seeds(with prescribed standards) and propagating materials of notified kind & varieties so grown and distributed as to ensure genetic purity through certification. To carry out Organic Certification in the state, OSSCA has been renamed Orissa State Seed & Organic Products Certification Agency (OSSOPCA) from which a separate agency has been carved out which is called Orissa State Organic Certification Agency (OSOCA) for the purpose. Now OSOCA has been accredited under NPOP to function as Inspection & Certification body for organic crop production with effect from 01.06.2012

Operational Calendar laid down by OSSOPCA for the certification process as below.

Sl. No	Activity	Cut Off Dates
1	Distribution of Foundation seeds to Growers (Kharif)	1st May to 15th June.
2	Transplanting in the main field.	1st July to 1st week of August.
3	Registration with OSSOPCA	By 31st August
4	Field inspection by OSSOPCA (2-3 times during cropping season)	Pre-flowering, Flowering, Maturity.
5	Issue of Threshing certificate by OSSOPCA	As soon as threshing is completed.

Sl. No	Activity	Cut Off Dates
6	Procurement by OSSC Ltd. (Un-processed seeds)	January onwards (procurement should be started from 15th November to December for short duration paddy seeds to be utilised during Rabi season).
7	Processing of seeds	Procuring agency(OSSC) should prepare the Processing Schedule based on;
		(a) Desired Variety within 10 years.
		(b) Duration of the variety.
		(c) Capacity(TPH) of the Seed Processing plant(SPA) and availability of seed storage space both for un-processed and processed seeds.
		(d) Variety with dormancy are to be processed preferably after 20th February.
		Processing of Paddy seeds to be completed by 30th April.
8	Payment of Seed cost to Growers	Within 7 days of seed processing, initial payment to be given.
9	Drawal of Seed Sample for Testing	Within 3 days of processing (sampling requisition is to be given by Zonal Manager/SPMO) through online to OSSOPCA.
10	Seed Testing by Laboratory	Within 30 days from the date of sample.
11	Communication of result to OSSC/Growers	1-2 days after final count by the seed analyst.
12	Payment of final seed cost to Growers	Balance amount is to be given within 15 days receipt of result.
13	Issue of Tag certificate and Tags to OSSC/Growers	Within 3-5 days of receipt of result.
14	Online entry at the level of OSSC on deposit of cost of seeds by PACS/Dealers and supply of seeds.	Immediately on the same day after delivery of seeds
		(Should not be more than 24 hours).

Sl. No	Activity	Cut Off Dates
15	Tagging and diversion	The seed lots are to be tagged immediately after getting certificate. Then diversion is to be made as per demand.
		For Kharif from 2nd fortnight of April to 1st fortnight of July and for Rabi from October to January
16	Online entry by dealers/PACS after sale of seeds to the farmers.	Immediately on the same day.
17	Subsidy release to the dealers/PACS through OSSC Ltd (involving NIC, Scheme officers of Directorate for creation of payment file and release at the level of OSSC)	Preferably within one month after online entry by the dealers/PACS, subject to availability of funds under different scheme (State sector/Central sector).
18	State Level Seed Pricing Committee Meeting	* Kharif Season- By 30th April or before Akshayay Trutiya, whichever is earlier.
		* Rabi Season- By 30th September.

Source: OSSOPCA portal, Odisha. The user may refer to the website for updated information as required

License requirement for comprehensive Seed Production and Business Program

A. State-level Seed License: Odisha State Seed Corporation mandates the seed license for seed storage, selling and other activities pertaining to seed transportation. The FPC shall apply for the state-level seed license before beginning the seed business. The seed license can be applied at the district level but the validity of the same is 1 year. However, seed license applied at the State level is valid for a period of 3 years. The process of the seed license application for the same has been explained below:

1. The FPC shall prepare a letter and submit the same at the State-level along with the recommendations from the local Sarpanch and Assistant Agriculture Office at Krushi Bhawan, Bhubaneswar
2. Apply for the license on the below website
<http://agrisnetodisha.ori.nic.in/AgrisnetSLS/Seed/District/NewRegistration1.aspx>
3. Bring the O-form from Seed Producing Officer or private agency from where the seeds were purchased from
4. Preparation of the sketch map by hand along with Google map

5. Preparation of sale register and stock registers
6. Submit online challan of Rs.1000 against seed license application
7. Submit a letter of authorization under whose name license shall be given
8. Preparation of request letter for seed license to Director, Farm & Seeds, Krushi Bhawan, Bhubaneswar

Documents Required

1. Certificate of Incorporation of the FPC
2. O form from the SPO or private agency from where seeds were purchased
3. Sketch map
4. Stock register
5. Memorandum of Association, Articles of Association
6. Permanent Account No (PAN) and Tax Deduction and Collection Account No (TAN)
7. 3-year godown agreement
8. GST numbers
9. Chairperson (Aadhar card, Photos)
10. All the documents sign by the head of the institution

The file shall be forwarded from Krushi Bhawan to the local DAO office. The DAO shall complete the field inspection & verification and return the file to Krushi Bhawan for issuance of the license.

B. Fertilizer License: The FPC shall provide the seed growers with Urea, Potash, DAP fertilizers for seed production. Fertilizers can be procured, stored and distributed against the fertilizer license as mandated by the State Seed Corporation. The process of fertilizer license application has been explained below:

1. Bring O-Form/ Source form from the company dealer(IFFCO, Nagarjuna or any other fertilizer distributor)
2. Fill the Challan detail as per format obtained from the DAO
3. Pay the Challan fees Rs. 1500/- in Bank and get the Challan no from bank officials
4. Apply for the license on the website <http://agrisnetodisha.ori.nic.in/>
5. Apply on the link under fertilizer registration certificate district wise and apply for new FRC

6. Fill out the Application form details (email ID, phone no, name of Firm, business type, address, etc.)
7. Fill the Challan and O-Form details and print the application form
8. Deposit the document at DAO

Documents Required

1. Applicant certificate (Bsc. Chemistry)
2. Voter, Aadhaar and Pan card ID, Passport size photo
3. GST of PC
4. Sketch map of business place
5. Land document (Rent agreement with the landowner)
6. PC and Applicant agreement document

Post the submission the documents shall be verified by the DAO and fertilizer license shall be issued subsequently providing access to point of sale.

Seed Producing Agency License & Seed grower registration: In order for the FPC to start processing and production of seeds, OSSOPCA has mandated seed-producing agency license to be established. Also, to maintain the seed quality, OSSOPCA also mandates to register the seed growers in the OSSOPCA online portal before undertaking seed production. The Seed Producing Agency License is an annual license with a validity of 1 year only. The license needs to be renewed every year for the PC. The process of seed-producing agency license application has been explained below:

1. Preparation of letter to Seed Certification Officer for application for the license
2. Assimilate all the data of the seed growers like farmer name, home address, land address with GPS location and photo, seed tag no, seed grower agreement and land record/Patta copy, aadhar card, voter card
3. Submit these documents to the AAO for creation of the farmer id
4. After the creation of farmers ids, all seed growers shall be registered on the OSSOPCA website <http://agrisnetodisha.ori.nic.in/stock/login.aspx> using the farmer id created by AAO.

After farmer registration is complete, letter to be submitted at Krushi Bhawan, Bhubaneswar with enclosure of all documents mentioned below

Documents Required

1. Certificate of Incorporation of the FPC
2. PAN, TAN

3. GST
4. Source certificate of seeds purchased /O-form along with the agency's seed license
5. Purchase bill for seeds
6. FPC Seed License
7. Rent agreement office and godown
8. Sketch map
9. MoA, AoA (with the underlined point of seed business operation)
10. MSME registration certificate
11. Authorization letter of BODs to nominate the chairperson for the seed agency license
12. BOD identity docs (Aadhar card, PAN card)
13. Request letter for SPA
14. Online challan of 1000/- rupees



Rice
Science
for a Better
World

IRRI is dedicated to abolishing poverty and hunger among people and populations that depend on rice-based agri-food systems. Through our work and partnerships, we aim to improve the health and welfare of rice farmers and consumers; promote environmental sustainability in a world challenged by climate change; and support the empowerment of women and the youth in the rice industry.

INTERNATIONAL RICE RESEARCH INSTITUTE

IRRI is a member of One CGIAR.

Mailing address: Plot No- 340/C, Saheed Nagar, Bhubaneswar, Odisha, Pin – 751007,
Phone - +91 674 258 4949

Headquarters: Pili Drive, Los Baños, Laguna 4031, Philippines, Phone: +63 2 8580 5600

Email: info@irri.org