

Rethinking the seed industry in Pakistan

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The primary aim of agricultural research and development is to enhance crop productivity and profitability. Despite introducing numerous crop varieties in Pakistan, the sector has not fully utilized its potential. Moreover, there has been a 76 percent increase in seed-producing companies over the past 15 years.

However, only 37 percent of the required certified seed for all crops combined is accessible to farmers. Consequently, the country lags behind global standards in crop productivity.

The primary reason for this productivity gap is the insufficient availability of quality seeds to the farmers, largely due to inefficiencies in the regulatory structure of seed markets.

Bridging this gap necessitates the implementation of policies and interventions aimed at providing small-scale farmers with better access to quality seeds, technology, training, and financial support. Let's delve specifically into the challenges facing the seed industry in Pakistan.

Genetically pure and high-quality seeds are imperative to achieve high productivity in the agriculture sector. However, the current regulatory processes in the seed market involve numerous steps from receiving Basic Seed to Final Certification.

This process engages multiple government departments for different tests such as value for cultivation use and distinguish, uniformity and stability (DUS) testing to final notification of the seed certification. This results in significant delays and posing additional costs. Further, it has badly damaged the growth and potential benefits of both agriculture and the seed sector.

Moreover, different stakeholders are involved in the development and marketing of the seed business within an overly-regulated environment. The excessive regulation has made the private sector reluctant to invest in Research and Development within the seed sector.

In the contemporary marketing landscape, a brand's reputation holds more value than approvals from the Federal Seed Certification and Registration Department (FSC&RD). Notably, despite the government spending more than Rs 800 million annually on FSC&RD, its certification does not translate into market value. Hence, there is a pressing need to deregulate the seed sector from a centrally managed variety approval system.

Alternatively, the private sector is ready to take the lead or actively participate in the process of variety development, but it is reluctant to share or hand over Germplasm to the government

authorities for approval. This reluctance stems from the fact that FSC&RD relies on the National Agricultural Research Center (NARC) to conduct trials for new varieties seeking approval.

However, NARC itself engaged in developing new crop varieties of different crops, leading to a conflict of interest. Consequently, the private sector is wary of making heavy investments in variety development. The requirement for approval means that private companies must send their seeds to competitors for testing, which is seen as illogical and greatly increases the risk associated with investment.

Moreover, private entities view the time-consuming seed testing procedures at FSC&RD as adding no value to the seed business ultimately. Therefore, several companies have opted to release varieties directly into the market without seeking approval from FSC&RD.

The existence of a large number of informal seed suppliers, some of which operate without registration, highlights a failure on the part of regulators to ensure the provision of high-quality certified seed to the farmers. The bulk of certified seeds are produced under the supervision of provincial seed corporations, which then entrust the marketing and multiplication of these seeds to the private sector.

Consequently, the informal sector continues to serve as the primary source of seed supply in the agriculture sector. Further, a large number of unregistered enterprises engage in selling seeds without proper labeling and branding. This proliferation of low-quality seeds is widely recognized as a significant driver to the low productivity observed in Pakistan's agriculture sector.

To liberalize the seed sector, first abolish the stringent seed certification to attract private sector investment and to create space for its growth as a poorly regulated seed market promotes low-quality seeds, affecting agricultural productivity

A transition from a centrally controlled variety approval system to a free market mechanism is an urgent requirement, where entry and exit are free without any restriction.

The role of FSC&RD will be to keep records of registered firms only. Brands/companies have to submit a surety bond issued by banks to FSC&RD only to get registered. The FSC&RD should be bound to issue the registration on the same day after receiving the surety bond issued by banks. Banks will issue the surety bond after receiving the amount mentioned in the surety bond in their reserve.

Which will be kept by the bank until the brand/company cancels its registration with FSC&RD. Any farmer can launch a complaint if the seeds do not contain characteristics mentioned in the labeling. In the event of a proven violation, their registration licenses may be revoked, and the bonded amount can be seized.

This amount of surety bond can be used to repay the loss of the consumer or can be handed over to

the government to settle the dispute. If the complainant is found guilty, he must have to face a fine equal to the amount covering all the expenses involved during the whole procedure.

The involvement of the public sector in the approval of seed varieties, seed production business, and price regulation needs to completely abolish.

The intellectual property rights (IPRs) system requires a more transparent and justified framework, a task that can only be accomplished through the active involvement of the private sector. Further, specialized courts with adequate understanding and expertise in bio-safety systems, genetic tools, genes, and procedures involved in developing transgenic varieties are necessary to adjudicate disputes related to IPRs. Alternatively, existing courts could seek technical guidance from relevant experts in such matters.

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