



## FAO Representation - Afghanistan

### Success Story –2008

#### **New private enterprises driving seed industry growth in Afghanistan**

Private sector participation in the Afghanistan seed industry is new. It all began in 2004 when eight pilot small-scale enterprises were established in five provinces of Afghanistan with the technical assistance of FAO and financial support of the European Union. All these enterprises are doing well and after only three seasons, they now account for over 50% of all certified wheat produced and sold in the country. These certified seeds are of international quality standards and tested in 5 well equipped laboratories located in the main agricultural regions of Afghanistan.

Hambastagi Seed Company (HSC) located at Gulbafa village in Gozara district of Herat province is one of the leading new small-scale private enterprises that demonstrate outstanding results. Besides a modern seed cleaning plant and storage facility provided by FAO as start-up support, the enterprise covers all other operational costs on its own including funds for the purchase of raw seed from contract growers, labour and transportation costs, packaging and chemical treatment costs, and quality control and sales costs.



HSC at full capacity with raw seed awaiting cleaning

With a membership of 12 entrepreneurial farmers, HSC buys foundation seed each year and contracts farmers in surrounding villages of Gozara district for the production of certified seeds under strict technical supervision of the company and guidance of FAO and the Ministry of Agriculture. In doing so, the number of contracted farmers has increased from 28 in 10 villages during 2005 to 75 in 25 villages during 2008 thus spreading benefits across the community.

In terms of seed production, HSC increased its total output and sales of certified seed from 318 tonnes in 2005 to 776 tonnes in 2007 and earns a reasonable profit margin of 28% after accounting for all costs.

Apart from wheat, Hambastagi Company has its eyes on seeds of other profitable crops such as vegetables. Of prominence is a traditional highly delicious egg plant variety preferred by farmers in the Herat area. HSC has begun small scale seed production of this variety and it is going like hot cake. Such could surely get farmers off opium production.

It is in the hands of small businesses like Hambastagi that the future of the Afghanistan seed industry lies. The FAO seed project is helping to lay a strong foundation for a sustainable organized seed industry and the prospects look strong.

