

PUBLIC SECTOR SEED INDUSTRY



A Brief INSIGHT



- Deal with High volume - Low value crop seeds.
- Margin of Profit is Low (1%-2%).
- High competition between Pvt. and PS Seed Industry.
- High Cost of Breeder Seed / Foundation Seed.
- Mismatch between seed Procurement price and Seed distribution price.
- No control Over seed selling rate fixation.
- High risk Involved if Drought situation prevails.
- Lack of Research works marketing ability – Weak Dealer Network.
- Financial support – High Interest Rates.

STRATEGIES

- Low volume- high value crop seed production –possible



- Synergy between PVT-PS seed industry-government allocation-QTY of seed to be produced.



- Govt. subsidy/incentive for BS/FS seed purchase



- ▶ Entire seed distribution –through PS seed corp.–can avoid rate mismatch



- ▶ Drought–Unsold seeds–diff btwn procurement rate & selling rate–govt support.



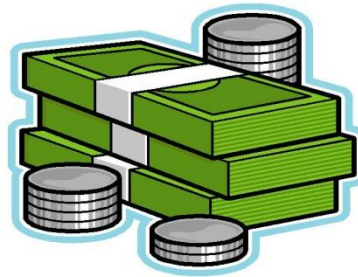
- ▶ Research & Marketing:– Apart from govt. Support PS corp. should keep 5–10% of the profit– For research & marketing purpose.
- ▶ Have strong dealer network



- ▶ Finance—very important
- interest free loan



- revolving fund



- govt security to avail loan from the banks



