A study into the feasibility of establishing a local vegetable seed supply enterprise in Solomon Islands

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ABSTRACT

This paper examines the factors contributing to the development of a robust local seed supply system in Solomon Islands in the absence of conventional infrastructure and an enabling regulatory environment. It is based on a case study of an agricultural input supplier based in Honiara who contracted with a local farmer to grow eggplant and tomato primarily for seed production. An economic analysis to determine whether such an enterprise would be economically viable for both parties and a discussion of the practical constraints and opportunities in the current agribusiness environment are presented. The economic analysis indicated there are potential financial incentives for a retailer to contract with a farmer to supply seed for the local market. Based on the data collected during the study, the cost of production was SBD 443 and 4,126 per kg for eggplant and tomato respectively, while costs for processing and retailing were SBD 1,780 and 8,691 per kg for eggplant and tomato, respectively. The rate of return varies according to the price at which the farmer sells the seed to the retailer, and the retail price of that seed. However, as the real demand for seed is not yet realised and standards and regulations to ensure quality are not yet in place, a local, private-sector driven seed supply enterprise in the near future seems a limited possibility.

KEYWORDS: Pacific region, seed supply system, enterprise development, vegetables, analysis