

## Rice Seed Production and Distribution Project



Continuous dryer

### Outline of Loan Agreement

Loan Amount / Disbursed Amount	3,000 million yen / 758 million yen
Loan Agreement	February 1985
Terms & Conditions	Interest rate 3.5%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	March 1992

### Project Outline

Rice Seed Production and Distribution Centers (SPC) were to be constructed on Sumatra to promote the stable supply of high-yield seeds and contribute to increased production of rice.

### Results and Evaluation

At project planning, attaining self-sufficiency in rice production was a priority task for Indonesia and the supply of high-yield seeds was deemed essential. After 1984, when stable self-sufficiency in rice was attained, the project was downscaled from the planned establishment of eleven SPCs to five due to government financial circumstances. Locations were also reviewed in consideration of rice supply conditions in individual regions resulting in the selection of Sumatra (3 sites), Sulawesi (1 site), and Java (1 site).

Approximately 85% of the planned average rice seed production was attained at each of the SPCs between 1993-2000. Interviews with local farmers revealed that more than 90% had purchased rice seeds at project SPCs. Increased single-crop yields and shorter growth periods are cited as effects of high-yield seeds.

Although all the SPCs are receiving government subsidies due to controls on the market price of rice seed, deregulation of the rice seed market is predicted, thus a comprehensive study of the role and management of SPCs, including rice seed production and marketing, improvements to the facilities and the operation and maintenance system, and so forth, is considered necessary.