Delivering Fertilizer Solutions for Smallholder Farmers

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IFDC Overview

Who We Are: IFDC is a non-profit public international organization that provides solutions to food security, agricultural sustainability, and economic development.

Our Mission: IFDC enables farmers to increase agricultural productivity, generate economic growth, and practice environmental stewardship by enhancing their ability to harness inputs and management practices and participate profitably in markets.
IFDC in Africa

For more than 25 years, our projects have assisted millions of smallholder farmers, helping to move them away from subsistence farming. They are now agricultural entrepreneurs, able to actively participate in local and regional agricultural trade.

- Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship *(2SCALE)* – DGIS/Netherlands
- Local Government Approach to the Agricultural Market *(ACMA II)* – Netherlands Embassy/Benin
- Feed the Future Ghana Agriculture Technology Transfer Project *(Feed the Future Ghana ATT)* – USAID/Ghana
- Enhancing Growth through Regional Agricultural Input Systems *(EnGRAIS)* – USAID/West Africa
- Smallholder Agricultural Productivity Enhancement Program *(SAPEP)* – Islamic Development Bank
- Scaling Up Fertilizer Deep Placement and Micro Dosing *(FDP MD)* – USAID/Mali
- Toyota Tsusho Fertilizer Africa, Kenya *(TTFA)* – Toyota
- Transforming Irrigation Management in Nigeria *(TRIMING)* – World Bank/Nigeria
- Supporting Agricultural Productivity in Burundi *(PAPAB)* – Netherlands Embassy/Burundi
- Integrated Seed Sector Development *(ISSD)* – Netherlands Embassy/Burundi
- Resilient Efficient Agribusiness Chains *(REACH-Uganda)* – Netherlands Embassy/Uganda
- Promotion of Nutrition-Sensitive Potato Value Chains in East Africa *(PNSP-Uganda)* – GIZ/Uganda
- Food Security through Climate Adaptation in Mozambique *(FAR-Sofala)* – Swedish Embassy/Mozambique
Abuja Fertilizer Summit 2006

Summary Indicator/Target
8 → 50 kg (nutrients)/ha in 2015

IFDC appointed by the African Union (AU) to undertake technical preparation and reporting:

- 12 technical background papers
- Technical facilitation (program, speakers)
- Preparation of Summit Proceedings
Accomplishments since Abuja

Progress
• Create sense of urgency:
  ➢ Malabo Declaration
  ➢ CAADP Compacts
• Exploitation of local deposits
• Change in government policies
• Industry focus on Africa
• Investment in local capacity
• PPPs between governments, industry, and development partners

Monitoring
• NEPAD/CAADP data
• Bill & Melinda Gates Foundation (BMGF) Fertilizer Dashboard
• AfricaFertilizer.org/IFASTAT
## Implementation Status of Abuja Declaration on Fertilizers

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Status</th>
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<tbody>
<tr>
<td>Establishment of policy and regulatory frameworks</td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>Capacity for quality control</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Elimination of taxes and tariffs</td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>Development of agro-dealer networks</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Distance traveled to purchase fertilizers</td>
<td>Good</td>
</tr>
<tr>
<td>Increase in the proportion of farmers using chemical fertilizers</td>
<td>Good</td>
</tr>
<tr>
<td>Increasing market size</td>
<td>Partially Satisfactory</td>
</tr>
<tr>
<td>Introducing targeted subsidies</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Introducing national financing facilities for importers and agro-dealers</td>
<td>Good</td>
</tr>
<tr>
<td>Introducing regional procurement initiatives</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Improving access to complementary inputs</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Establishment of the AFFM</td>
<td>Satisfactory</td>
</tr>
</tbody>
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Average Application Rate Grows Steadily

Fertilizer application rate up ~1 kg/ha/yr by 2021

Data for SSA excluding South Africa

Source: IFA, Feb 2018
Anticipated Relative Growth 2021/22

- Africa: +32%
- E. Eur. & C. Asia: 20%
- Lat. Am. & Carib.: 10%
- South Asia: 5%
- West Asia: 5%
- East Asia: 0%
- Oceania: 0%
- North America: 0%
- W. & C. Europe: 0%

Crop Land Expansion 2021/22

- Source: IFA, Feb 2018
SSA Consumed 3.7 Mt Nutrients in 2016

2016 Fertilizer Consumption Estimates

SSA at a Glance
3.7 Mt nutrients
- 2.0 Mt N
- 1.1 Mt P₂O₅
- 0.6 Mt K₂O
2.0% of world demand
- 1.9% of N
- 2.4% of P₂O₅
- 1.6 of K₂O

Top-4: 50% share

Source: IFA, Feb. 2018
2015-2017 Consumption in Six Eastern African Countries

- 6 countries: +31% in 2 years
  - 2015 1.9 million tons
  - 2016 2.0 million tons
  - 2017 2.5 million tons

- Ethiopia + Kenya
  - 86% of consumption growth

- Key drivers:
  - National investments: subsidies and programs for food crops
  - Private sector engagement
  - Donor/investor community

Source: FTWG / AfricaFertilizer.org
Fertilizer Production and Blending Capacities are Booming

http://africafertilizer.org/production/
Changes in the Market: NPKs to Multinutrient Blends

- NPK fertilizers dominate in SSA:
  - Rarely meet complete nutrient demands → low return on investment.

- Multinutrient blends contain secondary and micronutrients (SMNs):
  - Additional 30%+ yield.
  - SMNs less expensive than NPKs.

- Fertilizer blenders can efficiently make targeted crop-specific blends.
Drivers for Change – Sub-Saharan Africa

- Industry interest – investments in production (e.g., Morocco, Nigeria, Ethiopia, Kenya); Africa “last frontier.”
- Renewed donor interest: USAID, AGRA, BMGF, AfDB, World Bank, IDB.
- Subsidies: Growth fastest in subsidized markets.
- Fertilizer Industry Association: B2B opportunities and policy advocacy.
- Alternative smallholder access-to-credit solutions:
  - One Acre Fund.
  - Commercial farmer associations.
  - Agri-food industry and local commodity sourcing.
- “Credit guarantees work” for importers, distributors, agro-dealers (AFAP example).
What are the Gaps?

• Policy and regulations: no harmonization; diverse standards are trade barriers.
• Subsidies: from blanket → smart → exit.
• Limited data: ag productivity, FUBC, market data.
• Capacity and coordination constraints, both public (extension) and private sector.
• Limited trade finance opportunities.

Opportunity

• Fertilizer Platform to guide public and private investments to promote a competitive fertilizer sector.
Moving Forward: Roadmap to Abuja II

• President of Nigeria has offered AU to host next summit.
• Preparations take time: 12-18 months.
• Industry is interested if preparations are serious and if roles of public and private sector are “balanced.”

• General consensus:
  ➢ Not a fertilizer summit but a soil health summit. Focus moves from Fertilizer → Productivity → Closing the Yield Gap.
  ➢ Fertilizer industry to focus on “demand drivers” (urban food needs, agri-food industry, import substitution, etc.) → requires broad government/policy support.

• Closing the yield gap will be the mantra for the years to come.
THE BIG FOUR: Commitment to 100% Food and Nutrition Security

- Redesign subsidy model
- 50% of fertilizers blended
- Liming expanded
- Double irrigated cropland by 2022
- Improve credit access for inputs
- Warehouse receipt system for price stability
- Regulatory enforcement
Kenya Opportunity: The pieces are in place

Cooperation and communication between stakeholders is a necessity for rapid progress.

- Two quality lime suppliers
- Four quality blenders, one manufacturer
- Other quality suppliers of multi-nutrient compounds
- A liberalized fertilizer market, > 40 fertilizer products available to farmers
- Quality laboratory services (public and private)
- Port for easy fertilizer import
- Outstanding implementing organizations
- Solid research (national and international)

Cooperation and communication between stakeholders is a necessity for rapid progress.
Thank you!