CONSTRAINTS AND OPPORTUNITIES OF THE KENYAN FERTILIZER INDUSTRY

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Fertilizer trade liberalised in 1990s

Fertilizer consumption below 200,000 MT before liberalization

Fertilizer consumption 450,000 MT by 2009

There are 16 private importers, 500 distributors and 6000 retailers
Local fertilizer prices are dictated by world market prices.
CONSTRAINTS

1. Price distortions in the market
2. Non-recognition of CoC issued at load port
3. Delayed clearance at destination ports
4. No government support to local fertilizer manufacturers
5. Reliance on rainfed agriculture
6. Inadequate output markets for farm produce
7. Delayed payment to farmers by NCPB
8. Lack of communication between GOK and private sector
1. Political stability
2. Potential fertilizer consumption of one million MT.
3. Fixing soil acidity problem with lime and appropriate fertilizers
4. Modern rail network - SGR
5. Road construction to facilitate fertilizer delivery.
6. Presence of agricultural experts in the country.
7. Improved coffee prices.
8. Existence of 4 blending plants, one chemical plant and one upcoming NPK granulation plant
9. Investment in fertilizer manufacture.
1. On subsidy, GOK to consider:
   i. Subsidizing all fertilizer imports and setting retail prices or
   ii. Subsidize fertilizer only for small scale farmers (less than 2 acres) or
   iii. Withdraw the subsidy programme and purchase cereals on timely basis and at higher prices.

2. KEBS to recruit reputable PVoC inspectors at load ports
THANK YOU

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