The African Fertilizer Volunteers Program

PARTNER. BUILD. CHANGE.

Public and Private sector Partnerships key in SMME Development for Enhanced Farmer Productivity and Food Security in Africa

NEWSLETTER #2
Small Medium Enterprises (SMEs) are an important cog in the agribusiness machine. Nurtured through public and private sector partnerships, SME’s help unlock economic value for farmers through agro dealerships.

Under its flagship African Fertilizer Volunteers Program (AFVP), AFAP seeks to mobilize global expertise in support to the development of smallholder farmers and increasing smallholder fertilizer users and usage in Sub Saharan Africa. The AFVP program recognizes the role of SME’s and agro dealers in realizing the goals of fertilizer use and access. Aware of the many challenges faced by smallholder farmers in accessing inputs, including the strategic fertilizers, AFAP is convinced that targeted support to SME’s has never become more pressing than it is now.

The role of the private and public sectors in enhancing small businesses was one of the topics of discussion at the Africa Fertilizer Agribusiness Conference co-hosted with CRU Events in Dar es Salaam, Tanzania from 10-12 October 2016. The SME’s sector is a leverage for agro dealers to better serve smallholder farmers across the African continent through the provision of inputs, agronomic knowledge and best practices at their farm gate. Besides, the agro dealer network in rural areas is more attuned to farmers’ needs and agro dealers have the advantage of quicker response time right to the grassroots than bigger and more established fertilizer manufacturers and distributors usually based in urban areas.

We profile the experiences of some agro dealers who have benefitted from the capacity building programs availed by AFAP under the AFVP. In addition, we share a selection of stories from discussions at the Africa Fertilizer Agribusiness Conference 2016 held in Dar es Salaam, Tanzania which we hope extends the dialogue around fertilizer access in Africa.

As you read, please give us your feedback and enrich our promotion of agribusiness and SME’s development which are important in the quest for a food and nutrition secure Africa.

Jason Scarpone
Chief Executive Officer and President, AFAP
About AFAP

What We Do

To add value to the agriculture value chain, AFAP together with its partners have developed market driven business solutions through our advisory, capacity building, and program management services.

Who We Are

The African Fertilizer and Agribusiness Partnership (AFAP) is an independent non-profit organization founded in 2012 by a partnership of African development organizations. It was built on the work of the Comprehensive African Agriculture Development Program (CAADP), a framework for achieving ambitious agriculture development goals set in place by African nations and leaders.

AFAP has since evolved into a social enterprise and service provider to the private and public sectors on sustainable development projects and policies focused on market-driven business solutions in fertilizer and agribusiness for agriculture productivity. AFAP combines technical expertise with entrepreneurial innovation. We add value to the fertilizer and agribusiness value chain by building the capacity and linking African Hub-Agrodealers and Smallholder Farmers to global fertilizer and food companies, balanced crop nutrition products, technology, financing, and equipment providers in Africa. We are committed to furthering social inclusion and gender equality throughout all our intervention with strategic partners across Africa.

AFAP’s public-private partnership strategy is ultimately designed to build capacity of African fertilizer and agribusiness SMEs, and increase agricultural productivity. The execution of that strategy with partners results in increasing food security, income, job creation, and agriculture contribution to national GDPs.

Our Vision:

To be an effective catalyst working towards more inclusive, Agriculture-driven prosperity for Africa by applying sound business principles and strategies, market-driven solutions to the fertilizer and agribusiness sector by building better and stronger local companies that will ultimately increase food security and engender prosperity across the African continent.

Our Mission:

To enhance fertilizer and agribusiness development and investments across Africa by planning, financing and implementing initiatives in collaboration with public and private sectors, donors and NGO stakeholders.
AFAP offers:

1. CONSULTANCY SERVICES
A range of consultancy and advisory services on an on-going or ad-hoc basis, including:

• Market Entry Services: Specialist advice on developing investment and trade relationships to international fertilizer and agribusiness companies interested in trading, value creation and investing in Africa in the input and outputs markets
• Hub-Agrodealer Development: Identification, mapping, capacity building
• Market Analysis: Advice on Africa Agriculture landscape and commercial issues including fertilizer blending plant feasibility studies, blending plant audits, and conceptualization
• Linkages to Public Sector: Facilitate beneficial Public Private Partnerships to develop sustainable and competitive Fertilizer and Agribusiness value-chains
• Business to Business Linkages: Facilitate business to business interactions and linkages to qualified SMEs to increase market share and revenue of clients
• inputs Subsidy Programs Advisory: To help government make the appropriate evidence-based decision regarding subsidies
• Access to Finance: Facilitate access to finance particularly credit, credit guarantees, DFI financing, matching grants and risk management products to SMEs for the market to grow and flourish
• Trade Missions: AFAP assists companies looking to build international connections and business partnerships through our outgoing and incoming trade missions across Africa

2. SME BUSINESS CAPACITY BUILDING
AFAP works with fertilizer and agribusiness partners to train, guide and mentor African entrepreneurs to acquire business skills, share knowledge and apply innovative technologies to help increase their household income.

3. PROGRAM MANAGEMENT
Plan, implement and monitor innovative projects that address local challenges including:

• Value Chain Management: Analysis & Management to increase agricultural productivity
• Output Markets: Linking farmers to market while showing profitability per crop and region
• African Fertilizer Financing Mechanism (AFFM): To help Ministries of Finance and Agriculture prepare technical proposals for eventual fertilizer value chain funding via the African Development Bank
• Volunteer Program: Volunteers provide technical skills, mentoring and training directly to communities in need to develop ideas, teach different trades within the agribusiness sector.
• Youth in Agribusiness: To build the capacity of youth interested in becoming entrepreneurs in the fertilizer and agribusiness industry. We aim to empower the spirit of entrepreneurship in Africa.

4. BUSINESS ENABLING ENVIRONMENT FACILITATION
AFAP works to build enabling environment for fertilizer sector growth in Africa. Our premise is that an enabling environment is critical for increased private sector participation and investment in the fertilizer space. Therefore AFAP works to facilitate private sector input to fertilizer policy design and implementation in order to create a more enabling environment for fertilizer business. We do this by offering a range of policy advisory services as follows:

• Support for public-private dialogs (PPDs)
• Support to national fertilizer trade associations and agrodealer associations
• Policy Services to the Private Sector – AFAP provides policy advice to private companies on how to navigate policy and regulatory issues that affect their operations
• Policy Support to Government – AFAP policy support to governments includes: analysis of fertilizer policies and regulations using a private sector lens to identify constraints to fertilizer supply and distribution and recommendations on how to make the policy environment more private sector friendly

5. CONFERENCES
The annual East and Southern Africa Fertilizer Trade Platform (ESAF) and the West Africa Fertilizer and Agribusiness Conferences represents a commercial-driven collaboration between the public sector, private sector and civil society to promote dialogue, share knowledge on good practices, and promote the trade of fertilizers and agribusiness to increase food security in Africa.
The International Fertilizer Association (IFA) is the only trade association representing the global fertilizer industry. This industry provides the crop nutrients that allow farmers to meet the world’s growing food, feed, fiber and bioenergy needs in a sustainable manner.

IFA member companies represent all activities related to the production and distribution of every type of fertilizer, their raw materials and intermediates. IFA’s membership also includes organizations involved in agronomic research and training. IFA has some 550 members in about 86 countries.

**IFA’s Mission:**
IFA promotes the efficient and responsible production, distribution and use of plant nutrients;

**IFA’s Vision:**
Productive and sustainable agricultural systems contribute to a world free of hunger and malnutrition;

**IFA’s Approach:**
IFA provides a framework for exchanges and collaboration among its members on areas of common interest, and a structure for agreeing on common positions and joint actions.
Services to Members:

• **STATISTICS & MARKET INTELLIGENCE:**
  Authoritative, comprehensive information about the industry and fertilizer markets is the basis of robust competition on the open market, trade and appropriate policies. The information provided through IFA’s statistics and analyses are critical for the industry and policymakers alike.

• **BUSINESS NETWORKING:**
  Peer-to-peer contacts remain fundamentally important for the industry’s business operations and robust competition. Networking also facilitates the exchange of best practices to drive improved performance. IFA provides open forums for networking and the exchange of knowledge and expertise.

• **BENCHMARKING & BEST PRACTICES**
  Continuous improvement is critical for the sustainable production, distribution and use of fertilizers. IFA is uniquely placed to promote best practices throughout the fertilizer value chain and to foster improvement in the industry’s own performance through benchmarking. IFA thus proposes to its members a voluntary certification called “Protect & Sustain” recognizing Members’ performance in their Safety, Health & Environmental (SHE) management.

• **INTERNATIONAL ENGAGEMENT & REPUTATION BUILDING**
  International institutions and initiatives address issues that can directly or indirectly pertain to fertilizer production, distribution and use. IFA engages with relevant agricultural, scientific and policy forums and stakeholders to gain insight into diverse viewpoints and to share the industry’s perspectives. One of IFA’s important roles is also the promotion of nutrient stewardship, i.e. the efficient planning and management of plant nutrients. IFA therefore communicates extensively on best practices and brings its support to projects and programmes that diffuse nutrient stewardship all around the world.

The Association cooperates actively with:

• Consultative Group on International Agricultural Research (CGIAR),
• Organisation for Economic Co-operation and Development (OECD),
• United Nations Environment Programme (UNEP),
• The Food and Agriculture Organisation (FAO) and the World Farmers Organisation (WFO)
JOIN AS A VOLUNTEER.  
MAKE THE DIFFERENCE.  
MAKE A CHANGE.

• Empower African entrepreneurs who want to develop their skills in a variety of areas.  
• Train, guide, mentor, and collaborate with driven local community members to develop ideas, teach different trades within the agribusiness sector, and help them become self-sufficient and generate income for their households.  
• Make a commitment to lead projects, assess the needs on the ground, and provide solutions to strengthen the communities in which they work.  
• Gain valuable and stimulating experience in new and developing markets in Africa

As a volunteer, you can choose to spend from 8-10 days on projects to 18 months in-country depending on project scope, schedule, and availability. Volunteers come from a wide range of backgrounds and share their expertise in:

• Business Management, Sales and Marketing  
• Project Management  
• Value Chain Development  
• Agribusiness  
• Produce Quality assurance  
• Soil Science  
• Agro Processing  
• Distribution Channel  
• Supply Chain Management

About the African Fertilizer Volunteers Program (AFVP)

The African Fertilizer Volunteers Program (AFVP) is a socio economic enterprise development program focused on food security and income generation in the fertilizer and agribusiness value chain. We work with local partner organizations on sustainable development projects to empower communities and we are committed to furthering social inclusion and gender equality throughout all our work across Africa. We make the best use of local knowledge and our volunteers provide technical skills, mentoring and training directly to communities in need.

This program is run jointly by the African Fertilizer and Agribusiness Partnership (AFAP) and the International Fertilizer Industry Association (IFA).
SPONSOR A VOLUNTEER – HELP SOMEONE MAKE A DIFFERENCE

This is a great opportunity to empower and improve the lives of African entrepreneurs in their communities. If you are unable to take time off to volunteer, you can play your part by sponsoring a volunteer. By sponsoring a volunteer, you are adding value to African entrepreneurship to institute good practices, develop business skills, generate positive attitude, and share global knowledge. With your support, the expected outcomes are reachable: increase in sustainable employment and rural disposable income, increase in savings, reduction in rural exodus, and eventual wealth creation for small and medium size entrepreneurs in Africa. With disposable income and solid business education, the African entrepreneurs will be able to pay his/her children school fees, afford healthcare, own a house, and consume nutritious food.

All of our volunteers will be posted on assignments to plan, implement and service long-term sustainable development projects. All of the AFVP assignments are based on the principle of people-centred skills-sharing development with committed volunteers working alongside committed local people.

FEES INCLUDE

- Accommodation
- Food: Three meals a day – Breakfast, Lunch and Dinner
- Support: Local in-country team support
- Airport Transfers: Airport pick up and drop off in-country
- Transportation: Daily transfers between accommodation and project site and all project related travel expenses in-country
- Internet: Free WIFI
- Insurance: Travel Health Insurance (comprehensive coverage for evacuation and medical emergencies)
- Training Materials: Printing of trainings materials and/or handbooks for communities
- Pre-Departure Kit: Full project details will be sent
- Orientation: Meet and greet and the airport and in-country orientation

FEES DO NOT INCLUDE

- Flights
- Living Allowance
- Passport
- Immunizations
- Visa
- Personal expenses

PAYMENT DETAILS

All contributions are sent directly to AFAP. The sponsorship fee is used to match AFAP contributions to volunteer placements costs in areas of operation.

4 weeks: $7,000
6 weeks: $9,800
8 weeks: $12,800
12 weeks: $18,300

CONTACT

Are you ready to positively impact lives in Africa? Do you have business and technical skills which you are willing to share with less educated and fortunate people? Do you have the ability to take time off for a greater good? If so, make a difference today in the lives of African entrepreneurs. Apply as a volunteer or sponsor a volunteer to empower African entrepreneurs and their communities. Kindly contact, Sandra Pires at spires@afap-partnership.org or Tel: +27 (0)11 844 7320.

“A technological revolution is unfolding on smallholder farms across Central Malawi, thanks to the efforts of a Fertilizer Volunteer.”

Dr Pieter Haumann.
Growing trees and small holder farmers in Limpopo

For Ezael Thenga, the passion for trees coupled with his experience as an agriculture specialist were enough reasons to start a nursery business in Vhembe District in South Africa’s Limpopo Province.
In 2012, Ezael Thenga and his wife Masaya opened Khumbe Nurseries which supplies at manner of trees, shrubs, seedlings and seeds to farmers across the District. In addition, the Thengas also run a thriving agro dealership within the nursery which enabled their business to offer more services under one roof.

The potential of agriculture in Vhembe District where farmers focus 80 percent on cropping and 20 percent on livestock motivated the Thengas to start a business. Mr. Thenga who has worked in agriculture for 38 years wanted to share his knowledge to help raise the productivity of farmers in Vhembe District.

“I wanted people to walk into my shop for inputs and also ask what is under the shade cloth so that instead just buying seeds they will also buy seedlings,” Thenga said. “I also provide technical advice to farmers and through a radio Program I present every week I am able to teach the community about better farming techniques and promote dialogue on problems smallholder farmers face.”

Describing agro dealership as a passion, Thenga said subsistence farmers who rely on rain fed agriculture provide business during summer where there are more purchases of seeds and pesticides but in winter business is low.

“With the extreme weather being experienced I used the opportunity to encourage smallholder farmers in the District to consider drip irrigation to be able to farm throughout the year,” he said adding that, “last summer we had no river that flowed and this has hit me somehow as the farming community are feeling the drought and the worse is still to come. Farmers should adopt appropriate irrigation systems like drip irrigation and micro jets to use little water available and still remain viable.”

Smallholder farmers face the challenge of access to better inputs and knowledge on adapting to climate change. Thenga has promoted the growing of drought tolerant cultivars especially in the case of maize that can sustain small holder farmers with little rain. He has also encouraged
farmers to move from flood irrigation to more appropriate irrigation systems like drip.

Have farmers taken to heart his advice?

“My phone never stops ringing. When I go on the air, I get calls with endless queries on whatever subject I will have discussed on the Program,” said Thenga. “The farmers who come into the business are also a sign they are practicing some of the techniques shared and want to know more about better farming methods and more importantly, best inputs to use.”

Thenga admits that being an agro dealer is demanding as it requires startup capital which he did not have when he started his operation and financed it through his savings. Technical and also financial support from government and the private sector is key to ensuring that agro dealers in rural areas can establish and run successful operations. Khumbe nurseries supplies almost 3 million plants each season to customers across Vhembe District.

Convinced of the need to bring in the youth into agriculture, Thenga has partnered with his daughter, Tondani Mlaudzi in the nursery and agro dealership business.

“Agriculture needs more young people and we cannot wait until old people retire, we need to complement their skills and knowledge so that agriculture continues and young people innovate to ensure agriculture grows,” said Mulaudzi, who has also established her own business, Lwasingo Agricultural Enterprise.

Mulaudzi said startup finance was a challenge for young farmers as was the lack of land.

“To be a farmer, yes you need the passion but you need land and finance to carry your passion through the business and young people many a time lack these resources,” Mulaudzi said. “Agriculture is here to stay as it provides us with food every day and farmers need the training to produce food better and live off what they produce.”
Supportive policies that foster business creation, capacity building and facilitate access to capital are needed if agro dealers are to help smallholder farmers raise their productivity through the effective use of inputs, including fertilizers.

Emerging agro dealers in South Africa’s Limpopo Province have been supported by AFAP through targeted training on entrepreneurial skills and awareness on fertilizer use. There are more than 100 agro dealers serving smallholder farmers in the rural areas of Limpopo Province, many of whom have overcome hurdles to set up shop in a competitive environment.

Luambo Mundhedzi, from Makado Municipality of Vhembe District, is the owner of LAHCOS Agro dealer and has been operating the dealership since 2012. Through his efforts, he has mentored a number of other agro dealers in the District because agro dealers play a critical role in farmer support and in agricultural production.

“There is a shift in the model where agro dealers were found in towns that farmers have to walk more than 50km one way to buy seed and fertilizers,” said Mundhedzi. “The rural agro dealer network has brought the inputs and knowledge on farming and vest farming practices to the door step of the farmers but this not been an easy task.”

Mundhedzi, a former agriculture consultant and vet nutritional adviser, Mundhedzi says agribusiness has its challenges but it makes sense to be in agriculture because people need food.

“We need a policy framework that recognizes agro dealers...
and ensures that agro dealers are trained and comply with the laws to operate thriving businesses that will create jobs and contribute to economic development in their areas,” said Mundhedzi, who in 2012 participated in a capacity building training hosted by AFAP and AGMARK.

A presenter in a radio Program, Phalaphala Zwavhulimi, about farming matters, Mundhedzi is convinced that spreading awareness about inputs and their correct usage especially on fertilizer application is important to get more smallholder farmers using them. Without the knowledge on fertilizers, smallholder farmers will not raise their productivity, says Mundhedzi who is working to formalize an agro dealer association in Limpopo.

“Agriculture is my life;” he said. “Farmers need to know how to feed the soil that feeds us and agro dealers can develop rural areas as hubs for jobs and income.

Philemon Manavhela, agro dealer in Vuwani area, east of Vhembe District concurs that conducive policies are needed that do not conflict government projects with the business of agro dealers. For example, Manavhela said while government supports smallholder farmers with free inputs such schemes should not be to the disadvantage of agro dealers but should complement what agro dealers are doing.

“There needs to be complementarity in work of agro dealers and government Program as the goals is for smallholder farmers to improve their production, adopt new practices and also know how to use inputs better,” said Manavhela. “Agrodealers and farmers alike will benefit from continuous training as the agriculture sector changes information is to business and farming success.”

Another agro dealer, Nancy Mulalo Khorommbi, from Sibasa town in Limpopo is working with extension officers and the Department of Agriculture and the Madzivhandila College of Agriculture in Thohoyandou to promote access and use of fertilizers.

“I am trying to teach others how to plant crops and horticulture products and advise on the correct use
of fertilizers,” Khorommbi said. “Information exchange is important especially in bringing in young people to agriculture. As an agro dealer I make use of field days to encourage learning and sharing of information on agriculture and inputs.”

For Thabita Chauke, an agro dealer from Lephalale in Zeerust, training has been a game changer in how she serves smallholder farmers in her area.

“I have realized that our farmers do not know much about fertilizers and I want to help them to understand how fertilizers are used. Without fertilizers and other inputs we are going nowhere. As the practices change, farmers need new knowledge and have to upgrade themselves so they can perform better and efficiently.”

Chauke has 13 hectares of land on which she grows peppers, spinach and tomatoes and has used her farm to teach and motivate other farmers on best farming techniques.

“Through the training facilitated by AFAP I have learnt a lot about applying fertilizers and doing the soil samples. It is my dream to be able to explain soil sampling and to be able to give fertilizer programs to farmers that I serve because soil testing is important so as to use the right fertilizer that will improve one’s productivity,” said Chauke.

Farmer, Thinavhuo Muntswu, from Makavhini village in Limpopo has supported her family through growing and selling vegetables. She says as a farmer she has to learn new farming methods and access better inputs that will increase her yields and income.

“Learning never ends for a farmer and I always follow the advice of extension offices on best techniques and the drought being experienced has meant as a farmer I have to use more efficient ways of growing my vegetables and in buying other vegetables for resale I have to pay particular attention to quality which determines my prices,” Muntswu said.
ETG Head (Fertilizer) in Tanzania, Manoj Shewkani, says the Group has invested in world class bagging and logistic facilities to ensure a seamless service in the sourcing and distribution of fertilizers across Africa.

During a tour of the Group’s fertilizer plant in Mbagala Industrial Area in Dar es Salaam, Shewkani told visitors that the Group which has a 30 percent of the fertilizer market in Tanzania was expanding its facilities to improve fertilizer access and quality standards. One major challenge that ETG has sought to address has been the fertilizer quality and correct bagging to eliminate fake fertilizers in the fertilizer market.

Working with the Tanzania Fertilizer Regulatory Authority which monitors all fertilizer activities within Tanzania, ETG has focused on ensuring that labeling on its fertilizer bags reflected the correct content even with rebagging.

“We have been able to eliminate this challenge by 90 percent and what is written on our bags is what is actually inside the bags,” Shewkani said.

Commending the role of government in promoting fertilizer investment in Tanzania, Shewkani said while government have sought to help farmers through subsidies on fertilizers, there is greater need to engage the private sector to understand the problems of the fertilizer industry. In this way governments can enact conducive policies that will attract investors into the fertilizer sector. Tanzania’s Minister of Agriculture, Fisheries and Livestock, Charles Tizeba, has said Tanzania will introduce a collective importation system of fertilizers as
to control random importation and prices escalation of the inputs as farmers were paying high price for fertilizers even when the global fertilizer prices were dropping.

Shewkani said ETG was working with NGOs helping smallholder farmers and promoting agro dealers. Currently the Group is running a program under Payment Guarantee Program which help agro dealers and is being supported by AFAP where agro dealers can access fertilizer on credit terms from suppliers which did not happen before.

“We are working to appoint exclusive distributors to sell our products on the markets something we used to do ourselves but we are now engaging agro dealers so that they can also grow. We then keep our focus on our importation activities,” Shewkani said.

ETG’s sources fertilizers from the Middle East, Russia, Jordan, Ukraine, Madagascar and China. The Group has also developed an app to improve fertilizer access by farmers.

“The app will allow farmers to order their fertilizer and this can revolutionize and transform the delivery of fertilizer in Africa,” Ashish Lakhotia, Chief Executive Officer, Fertilizer and Agri Inputs Vertical (ETG), adding that, “If companies can deliver T-shirts and gadgets to your door why not fertilizers?”

The ETG Group distributed more than 1.5 million metric tonnes of fertilizers in 2015, making it one of the largest integrated supply chain distributor in Sub-Saharan Africa which has by far the lowest usage of fertilizers compared to other regions of the world. Africa currently accounts for less than 1 percent of the global fertilizer market. ETG currently owns more than 300 warehouses with up to 1.9 million metric tonnes of storage capacity in Africa and offers a one stop shop solution for farmers through its supply of farming inputs such as seeds, agro-chemicals, fertilizers and agronomic services.
WHAT IS THE STATE OF THE FERTILIZER TRENDS AND MARKETS IN AFRICA NOW?
Globally we are in a state of oversupply of fertilizer at the moment and this has led to price pressure. Companies are continuing to expand their fertilizer production and are looking to new end markets with a lot of attention on Africa. Demand in Africa has typically been poor because of distribution issues and farmer education. We are now seeing investments in downstream distribution and blending systems within Africa to try and address some of these issues. However, there remains some way to go before farmer capability and fertilizer affordability issues are fully addressed and this is holding back consumption.

YOU TALK ABOUT FERTILIZER DEMAND BEING POOR, WHAT IS THE VALUE OF THE GLOBAL FERTILIZER MARKET AND WHAT IS AFRICA’S SHARE THERE?
We tend to look at the three main nutrients when we talk about the global market that is nitrogen, potash and phosphate. If you add consumption of those three nutrients together you have 192 million tonnes, of which Africa consumes just 6 million tonnes, or 3%. In terms of global demand we have four main players; China, (the biggest consumer by far), Brazil, USA and India. If you look at agriculture production around the world there are around 30 countries that consume around 95 percent of the global fertilizer production.

WHAT COULD MAKE AFRICA THE NEXT FERTILIZER FRONTIER AS IT WERE?
Well there are a lot of good signs coming out of West Africa at the moment, with some more crop diversification and more fertilizer being purchased, particularly in Ghana, Nigeria and Cote d’Ivoire. When we move to East Africa there are good signs in Ethiopia in terms of the volumes of fertilizer going into that country and there are some positives in the Kenya and Tanzania markets. Generally, demand growth is forecast to be quite good, but aforementioned problems with distribution and affordability are holding that demand growth from going even further.

WOULD YOU SAY BY ANY CHANCE THE CURRENT REGIONAL DROUGHT HAS AN IMPACT ON THE FERTILIZER MARKETS?
Definitely it does. In fact it is one of key fundamentals to fertilizer use around the world. The drought and natural disasters that occur and which farmers always have to deal with, impacts players across the whole agricultural supply chain, including input providers. If rains do not fall farmers cannot produce to their desired level and this impacts on their buying power and direct income. If we see a continuation of droughts in Southern and East Africa we will expect reduced fertilizer buying in the short term.

WHAT DO YOU SEE AS THE ROLE AND IMPACT OF THE PRIVATE SECTOR IN DEVELOPING THE SMMES SUCH AS THE AGRO DEALERSHIPS AND PLUGGING THEM IN THEIR NETWORKS?
This conference has discussed this widely. Indeed, everyone is linking together and collaborating to make sure that the same people are talking to each other. This results in working from the private sector through NGOS right to SMMEs and the government coming in with the policies. There has to be a drive through the private public partnerships (PPPs) that will ensure wide benefits for all. In terms of private sector investments in fertilizers in Africa we are beginning
to see a lot major international companies coming in to set up offices in different countries and to understand the market. In some cases this has involved investing in downstream assets. A key example of this is Toyota Tsusho in Kenya, which has set up a blending facility, 100% owned by them, and they have worked long side the government to set this up.

**DO YOU EXPECT ANY MAJOR DEALS TO BE SIGNED AT THIS CONFERENCE?**

No. I think we are already seeing quite a lot of business occur across Africa and the evolution of companies coming in and setting up sales offices. In terms of major deals occurring in Africa, I do not see that happening at the moment it’s just companies are trying to establish themselves here. Further down the line we might see partnerships between different blending facilities and different major suppliers but for the time being if you are a private blender you have lots of different fertilizers to choose from.

**WHAT IS NOT HAPPENING IN AFRICA THAT SHOULD BE HAPPENING THAT WILL RAISE THE USE OF FERTILIZERS IN AFRICA AND INVESTMENT?**

Infrastructure has been holding the market back and we have seen in numerous presentations through the conference just how high the cost of getting the fertilizer to farmers is. Although we have seen low prices on the international market, this has not flowed through to the African farmers because of these issues. Another factor is the lack of transparency and liquidity in the market. One of the immediate improvements that can be made on both the government and business level is increasing transparency on prices and policies. Governments should be doing their best to encourage a strong competitive environment but to also increase transparency.

**AFRICAN FARMERS ARE PAYING MORE FOR FERTILIZERS THAN THE AMERICAN AND ASIAN COUNTERPARTS HOW COME?**

This is a result of the combination of transaction costs and lack of transparency in the fertilizer distribution system. We have heard a lot at this conference about logistical and handling costs. We are also handling much smaller volumes in a smaller market and there is not much liquidity there as you have seen in markets like the US or Brazil. You have one shipment coming in and that shipment will last a month or even a year so there is not the high volumes coming into the market and this has an obvious impact on pricing. If demand increases this will help increase liquidity, but to do this we need to get prices to a more logical level right now.

**ARE YOU OPTIMISTIC THAT AFRICA IS AN EMERGING MARKET FOR FERTILIZER THAT COULD REACH MATURITY?**

I am not going to say when it will reach maturity because that is still a long way off. But, in terms general demand growth, there is a lot of potential and this conference has been attended by many companies targeting this market. This has naturally created competition which will help to pull prices down. I am positive about the African market and CRU’s forecast for growth across the different fertilizers in Africa is strong, but it is coming from a very low base. We are not going to see demand reach maturity for a long time but there is great opportunity here.
Feed Africa: Helping secure Africa’s food and nutritional security

Agriculture productivity can help reduce poverty, hunger and malnutrition in Africa if the right investment is made to ensure the product of smallholder farmers, says Dr. Chiji Ojukwu, Director, Agriculture and Agro-Industry Department at the African Development Bank (AfDB) which has launched a multi-billion agriculture development initiative, known as Feed Africa.

Addressing a session at the African Agribusiness Fertilizer Conference in Tanzania in October 2016, on the AfDB’s Feed Africa Strategy & Fertilizer SMME Development, Dr. Ojukwu bemoaned that agriculture remained a major source of income in Africa but its untapped potential has resulted in persistent poverty and deteriorating food security. Agriculture employs over 60 percent yet it’s contributes around 25 percent of employment and over 60 percent of the GDP but 420 million African still live on less than $1.25 a day. The situation is made worse by relatively low productivity and rapidly rising imports of food at more than $50 billion a year in Africa.

“Those living in poverty will rise to 550 million by 2025 if we do nothing,” Dr. Ojukwu said pointing that rising urbanization was driving demand for food products that are currently not supplied by African producers for example premium rice. The AfDB has launched its Feed Africa Program as a strategic response to food and nutritional insecurity in Africa. The Program is part of the Bank’s ‘high 5’ priorities which include power, industrialization, integration and quality of life of Africans.

The Bank has set ambitious targets to alleviate poverty through jobs creation and providing sustainable livelihoods, ensuring zero hunger and malnutrition and elimination of large scale commodity imports that can be produced in Africa. It also seeks to trigger selective exports and growing Africa’s share of market value for processed commodities to 40 percent, for example, cocoa value addition.

“The level of value addition is so low that most of what we produce we export as raw commodities, for example, while chocolate industry commands $100 billion of business annually, Africa which produces 73 percent of cocoa only gets 10 percent,” Dr. Ojukwu said.

Achieving Feed Africa’s goals requires massive investment with the bank estimating that between $315-400 billion will be needed in the next decade to unlock $85 billion of revenue annually in agriculture production by 2025.

2016 marks a since the African Union Special Summit of the Heads of State and Government adopted the twelve-resolution Abuja Declaration on Fertilizer for an African Green Revolution. The Declaration was a commitment by Heads of Government to increase Africa’s fertilizer use from the then-average 8kg per hectare to 50kg per hectare by 2015. According to the International Fertilizer Industry Association (IFA), however, average fertilizer use in the region today is still only 12kg of fertilizer per hectare, compared to 150kg per hectare average in Asia.

Concerned about the low fertilizer use in Africa compared to other parts of the world, due to structural, logistic and price issues, the AfDB established the African Fertilizer Financial Mechanism (AFFM) in 2007. The Fund launched with the assistance of the African Union and the United Nations Economic Commission for Africa (UNECA) is funding Programs to help push Africa’s fertilizer usage to the 50kg per hectare.
PARTNER, BUILD, CHANGE

The African Fertilizer Volunteer Program aim to help grow and establish agro dealers, smallholder farmers and integrate them into markets and value chains. To do this, AFAP is also helping the SMME by creating policies that will create a business enabling environments, develop agrodealer networks, access to inputs, finance, insurance, technology and provide trade and market linkages.

How to Get Involved?

1. **DONATE** – Your contributions help us to deliver innovative programs and place volunteers to create lasting sustainable change. Your donations help AFAP to place highly-skilled volunteers in projects that will empower people living in economically disadvantaged situations and are highly motivated entrepreneurs that need some mentorship.

2. **BECOME A VOLUNTEER** – Share your skills and experience by signing up to become a volunteer to train, mentor and coach committed local people. Volunteers can share their expertise in:
   - Business management and planning
   - Project Management
   - Marketing
   - Safety, Health and Environment
   - Inputs Quality Assurance
   - Soil Scientists
   - Logistics
   - Distribution

3. **BECOME A PARTNER**
   - **Fund a Project** – contract with AFAP to design, implement and project manage an agribusiness program in rural Africa using our local on the ground knowledge and expertise
   - **Resource Partner** – private sector is encouraged to partner to contribute to the program by providing specialized skill sets or technologies that will assist SMME

Interested in Participating?

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