Adding Value to the Fertilizer and Agribusiness Value Chain

About AFAP

AFAP is a non-profit African social enterprise, which was created in 2012 with an initial US$25 million grant from the Alliance for a Green Revolution in Africa (AGRA). AFAP provides services to the private and public sectors on sustainable development projects and policies focused on market-driven business solutions in the fertilizer and agribusiness value chain. AFAP combines technical expertise with entrepreneurial innovation to meet or exceed its clients’ expectations.

AFAP’s vision

To be an effective catalyst working towards a more inclusive, agriculture-driven prosperous 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.

AFAP and the Cocoa Fertilizer Initiative

The Cocoa Fertilizer Initiative requested AFAP to provide the following services in the fertilizer initiative:

1. Supplier Credit Guarantees via the APC mechanism
2. Agrodealer dealer network development via the Hub and Spoke model

Supplier Credit Guarantee

Yara-Barry Callebaut managed a supplier credit guarantee for the first time with 6 cooperatives
Louis Dreyfus – Cargill managed a supplier credit guarantee with 300 cooperatives

The spill-over of the APC in the Cocoa Fertilizer Initiative is now being considered for credit guarantee in the oil palm sector.

Hub-agrodealer network development

More than 26 Hub-Agrodealers and ANADER agents received appropriate business advisory and technical services training.

AFAP has now mapped more than 46 agro-dealers for OCP.
AFAP was able to convince the Initiative members to consider and adopt the hub-agrodealer model.

- Rural retailers/agrodealers: moving small quantity of goods usually without a warehouse
- Hub-Agrodealer: the ideal input (for fertilizer companies) and output partner (for smallholder farmers and cooperatives) usually with significant warehouse space

Lessons Learned

During the Initiative implementation, AFAP learned the following lessons:

- The industry did not fully understand the guarantee scheme
- The industry is not willing to provide full access to the cooperatives
- The cooperatives are not interested in playing the role of hub-agrodealers
- The local/commercial banks are still unwilling to invest in the fertilizer sector despite the guarantee facility

What would AFAP have done differently?

The Cocoa Fertilizer Initiative provided AFAP an excellent opportunity to deliver its services in Côte d’Ivoire. Nonetheless, AFAP wishes to have taken the following actions:

- Sensitize the fertilizer industry by sharing more useful data showcasing the success of the guarantee scheme
- Conduct due diligence of farmer cooperatives prior to involving them in agro-dealer training
- Provide storage investment grant to expand warehouse capacity

Next steps

Going forward, and building on its experience in Malawi, Ghana, Mozambique, Tanzania, Zambia and South-Africa, AFAP is interested in adding value to the fertilizer and agribusiness value chain in Cote d’Ivoire by accomplishing the following:

- Develop a robust National Fertilizer System in Cote d’Ivoire
- Strengthen existing hub-agrodealer networks
- Implement Financial Inclusion Programs for Smallholder Farmers
- Manage Youth in Agribusiness Programs

To provide technical assistance for market strategy, business planning, technical training, and investments to local SMEs

Add value to your fertilizer and agribusiness projects with AFAP, kindly contact:
Pierre Brunache, Jr.  
Chief Agribusiness Officer  
Office: +27 (0) 11 844 7320  
Mobile: +27 79 588 0180  
Skype: p.brunache  
Email: pbrunache@afap-partnership.org