



1st Annual West Africa Fertilizer Stakeholders Forum

September 18-19, 2013 • National Theatre • Accra, Ghana



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FORUM SPECIAL REPORT

USAID WAFP SUCCESSFULLY ORGANIZES FIRST WEST AFRICA FERTILIZER STAKEHOLDERS FORUM

The USAID West Africa Fertilizer Program, implemented by the International Fertilizer Development Center (IFDC) and the African Fertilizer and Agribusiness Partnership (AFAP), organized the first annual West Africa Fertilizer Stakeholders Forum on September 18 and 19, 2013, under the theme: **“Ensuring a Favorable Policy and Regulatory Environment for Fertilizer Trade and Use in West Africa.”**

The Forum, hosted by the Economic Community of West African States (ECOWAS) in Accra, Ghana, brought together the region’s fertilizer stakeholders to discuss practical approaches to overcoming the financial, logistical, technical and political challenges facing the fertilizer industry in order to improve the availability and use of quality affordable fertilizer in West Africa. Fertilizer consumption levels in the region are generally below 10 kilograms/hectare (kg/ha), compared with a world average of 107 kg/ha and far below the target of 50 kg/ha set by African governments through the Comprehensive Africa Agriculture Development Program (CAADP) to be met by 2015. In attendance were 236 participants, including public officials, policymakers/ implementers, international manufacturers and traders, importers, blenders, distributors (wholesalers and retailers), bankers, and farmer-based organizations.

Specific challenges addressed by forum participants included: inadequate commitment to recognize or treat agriculture as a broad-based engine for growth; lack of a collective commitment to recognize the strategic importance of fertilizer and complementary inputs in increasing crop productivity; port infrastructure deficits resulting in slow off-loading of cargo, long delays and high cost of port operations passed on to consumers; and high financial costs at the importer, distributor and agro-dealer levels. Also significantly contributing to the setbacks in the fertilizer subsector are transportation challenges, including: poor road and rail infrastructure and unavailability of appropriately sized

trucks for hauling fertilizer; poor storage and warehouse infrastructure; disruptive effects of poorly managed fertilizer and seed subsidy programs; limited networks of agro-dealers; lack of an effective fertilizer trade association that can advocate for members’ interests and effectively communicate with government; and finally, lack of a regional stakeholder forum that brings all the fertilizer industry players together on regular basis to find practical solutions.

Setting the Stage for Dialogue

The stage for dialogue for this forum was set by high-level personalities representing governments of West African countries, USAID missions in Ghana and West Africa and the West African regional economic block, ECOWAS. **Ghana’s Minister for Food and Agriculture, Hon. Clement Kofi Humado** indicated in his welcome remarks that “a more sustainable way of increasing productivity is by increasing yields per unit area of land, generally referred to as ‘intensification,’ and this can only happen in a sustainable manner if farmers have better access to high quality and affordable fertilizers...”



▲ High-level representatives of the Government of Ghana, U.S. Embassy in Ghana, ECOWAS and the private sector at the opening session of the Forum.



▲ H.E. Pat C. Alsup of the U.S. Embassy in Ghana delivering her address.

The **Chargé d’Affaires at the U.S. Embassy in Ghana, C. Patricia Alsup** emphasized the fact that West Africa is not taking full advantage of the yield potential on current agricultural lands, owing significantly to the fact that fertilizer consumption in the region is generally 10 kg/ha, compared with the global average of 107 kg/ha. She drew on lessons from the Asian Green Revolution, which has shown that fertilizer is a key to productivity increases, along with improved seeds, good farming practices and a favorable policy and regulatory environment backed by strong political will.

The **representative of the president of the Republic of Ghana and Minister of State in Charge of Financial and Allied Institutions, Hon. Fiifi Kwetey** charged the participants to consider not just the issue of the quantity of fertilizer used but efficiency and the development of an integrated plant nutrient management approach as a way of reducing the cost of fertilizer and also improving soil health.

Delivering his **keynote address, the ECOWAS Commissioner for Agriculture, Environment and Water Resources, Dr. Marc L. Atouga**, indicated that the Forum has come at a very opportune time, because in exactly 15 months, the region will be required to give an account of whether it has been able to meet the fertilizer consumption target of 50 kg/ha set by African leaders through the Comprehensive Africa Agriculture Development Program (CAADP) to be met by 2015. “The Forum offers a unique platform for introspection and an opportunity to give a new impetus to a collective commitment to make fertilizers available and affordable in the sub-region,” he said.

The Forum

The forum included plenary sessions with presentations on the State of the Fertilizer Industry in West Africa and the ECOWAS Legal Framework regulating production, trade and quality control of fertilizers in the region. There were also panel discussions on the fertilizer trade association and stakeholder forum with representatives from various associations (input suppliers, manufacturers, importers, distributors and farmers) sharing their experiences, views and fears. Notable among the organizations whose representatives shared their views were the Ghana Agro-Input Dealers Association (GAIDA), the Fertilizer Suppliers Association of Nigeria (FEPSAN) and the Association des Grossistes et Détaillants d’Intrants Agricoles du Burkina Faso (AGRODIA). Other contributions also came from Olam, Northgate Limited and Chemico (Ghana); Toguna (Mali); NOCAIDA and Notore (Nigeria); and SEDAB (Senegal).

The Forum also offered a unique opportunity for participants to discuss specific challenge areas of the fertilizer industry in concurrent group sessions that came out with recommended solutions to problems related to importing and logistics, innovative financing, subsidy programs in West Africa, implementation of the ECOWAS regulation on fertilizer trade and quality control and the Fertilizer Trade Association and Stakeholder Forum.

A significant component of this Forum was the Network and Exhibits session, which provided an opportunity for participants to visit exhibition booths and learn about new fertilizers and seed technologies, products, logistics, innovative financing, market information and applications



▲ Dr. André de Jager (with microphone), IFDC-NWAFD director, chaired the session on the State of the Fertilizer Industry in West Africa. With him are (from left to right) Patrice Annequin, MIS specialist; Dr. Kofi Debrah, WAFP chief of party; and Georges Dimithe, MIR Plus team leader.



▲ Mr. Charles Puyiol, Grants Manager for WAFP leading a group discussion on innovative financing.

of Information, Communication and Technology (ICT) systems to agriculture. The exhibits showcased products from manufacturers and blending and logistics firms. Fertilizer-related technologies were displayed by IFDC and the national agricultural research and extension systems. Investment opportunities and innovative financing products will be made available by AFAP.

Local and international exhibitors included Chemico Limited, AMG West, Wienco, Olam Ghana, Yara Ghana Limited, Accra Compost and Recycling Plant, Farm Direct, Louis Dreyfus Commodities and Nectar Group.

Closing

Speakers at the closing session of this maiden Fertilizer Stakeholders Forum in West Africa were unanimous in stressing the importance of the government and private sector working together to achieve the *Abuja Declaration on Fertilizers for an African Green Revolution*.

Alexandre Deprez, USAID/West Africa Mission Director, suggested that “stakeholders should tackle the fertilizer subsector challenges as a region, rather than a collection of individual countries in order to be able to solve productivity and food security problems.” He also reiterated the support of the U.S. Government to the region via its Feed the Future initiative, which includes removing constraints in the fertilizer sector.

Principle Conclusions and Recommendations

The concurrent group discussions at the forum produced key conclusions and recommendations in relation to each of the five challenge areas discussed.

Concerning the issue of **importing and logistics deficiencies** related to bulk purchases and discharge,

bagging, inland transport and warehouse management services, participants were of the view that the fertilizer supply chain is relatively inefficient due to various reasons including poor port, railway and road infrastructure, inefficient trucking systems and lack of economies of scale, resulting in higher costs per bag of fertilizer. Discussants also concluded that there are challenges associated with cross-border trade, and creation of a single regional market using the ECOWAS provisions, such as the Common External Tariff applicable to fertilizers, is a key priority areas that needs to be tackled in order to increase the availability, access and affordability of fertilizers in the region. It is believed that complexity requires a holistic, multi-sector strategy developed by both the private sector and governments to address the constraints.

The key recommendation to this challenge is to identify regional actions to create economies of scale in the fertilizer business. Such actions include investing in better road and rail infrastructure within and between countries in the sub-region, harmonizing regional custom policies and providing fertilizer recommendations covering specific crops and agro-ecologies to enable the importation of large fertilizer quantities at a time to benefit from economies of scale.



▲ An exhibitor explains his products to officials during a tour of the exhibition center.

In response to the problem of **limited innovative short-term and long-term financing** for fertilizer stakeholders, discussants agreed on the need to create special agricultural liaisons to the commercial banks and to key staff in agricultural financing. Participants recommended the identification of initiatives that will reduce the credit bottleneck in the fertilizer value chain. This, they proposed, could be achieved by prioritizing the development of affordable agricultural financial instruments and crop insurance products for farmers’ groups and also governments and donor organizations

setting up mechanisms for providing risk capital, such as guarantee facilities for farmers.

The group that discussed **unfavorable subsidy programs in West Africa** identified various challenges, which tend to limit the effectiveness of current subsidy programs. These include absence of tracking systems for monitoring the movement of fertilizers and traceability mechanisms to minimize smuggling across borders, abuse and delays in paying participating importers.

The recommendation is to identify key weaknesses in existing subsidy programs for discussion and improvement. Each country should establish a multi-institutional Fertilizer Subsidy Task Force to advise on subsidy programs while governments must develop and enforce systems that will ensure that subsidy programs reach the intended beneficiaries.

In order to ensure effective **implementation of the adopted ECOWAS Fertilizer Regulatory Framework**, stakeholders recommended that each member country should create awareness and educate citizens on the ECOWAS Regional Fertilizer Regulation that has been passed. In addition, fertilizer analysis laboratories should be established or upgraded in every country in the region to check and control the quality of fertilizers in the markets in order to minimize potential adulteration and other non-compliant practices in the fertilizer industry. Members in this group believed that all this can be achieved if country- and regional-level Fertilizer Control Committees are established to coordinate efforts toward the implementation of the fertilizer regulation.

Finally, regarding the creation of a regional **Fertilizer Trade Association and Stakeholder Platform**,



▲ *Alain Sy Traore, ECOWAS Director for Agriculture, leading discussions on the implementation of the ECOWAS Legal Framework on Fertilizers.*



▲ *A group photograph of some of the forum participants.*

participants came to the conclusion that such an association should be formed to federate the existing stakeholder associations and develop an action plan to facilitate the process, taking into consideration the lessons learned from previous unsuccessful attempts. In order to make the proposed Federation of Associations in the fertilizer trade sustainable, participants agreed that funding must go beyond the traditional dues-paying mechanisms by engaging in innovative fundraising strategies such as fee-for-service, awards, conferences, etc., and institution of public-private partnerships.

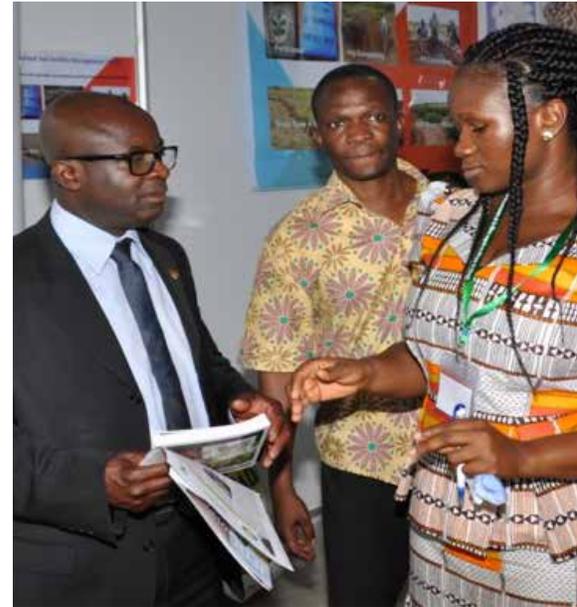
Consensus was reached by participants to institutionalize the Annual West Africa Fertilizer Stakeholders Forum. It was further agreed that the specific steps to enable this must be taken by ECOWAS, IFDC and AFAP to create an interim executive committee in the immediate future to plan the event.

The Way Forward

As the way forward, the action plans developed by the participants along the five fertilizer industry challenge areas will be used as a starting point for each country to develop action plans specific to their environment. Each country will have a Fertilizer Working Group (FWG) with whom the West Africa Fertilizer Program and its partners, ECOWAS and AFAP, will work to refine action plans and seek the necessary resources (from existing programs, government budget, etc.) for their implementation.

First Annual West Africa Fertilizer Stakeholders Forum In Pictures

- ▶ A participant asks a question at the plenary.
- ▶ (Far right) Antoinette Addo of IFDC attends to a patron at the IFDC exhibition booth.
- ▶ (Middle left) Dr. Kofi Debrah, WAFP chief of party, explaining issues on the state of the fertilizer industry in West Africa.
- ▶ (Middle right) Dr. Georges Dimithe, MIR Plus team leader, delivering his presentation on the fertilizer situation in West Africa.



- ◀ Forum participants visit exhibition booths that showcase products from manufacturers and blending and logistics firms.



- ▶ (Top left) Dr. Marc Atouga of ECOWAS in a tete-a-tete with Dr. Kofi Debrah and Nana Asante Krobea of the Ministry of Food and Agriculture in Ghana.
- ▶ (Top right) Hon. Kofi Humado, Minister for Food and Agriculture in Ghana, assessing the UDP equipment on display at the IFDC exhibition booth. With him is Hon. Fijfi Kwetey, Minister of State in Charge of Financial and Allied Institutions.
- ▶ (Middle top) A forum participant addresses the plenary.
- ▶ (Middle) Forum officials including Dr. C. Buzzrad, Dr. Kofi Debrah, Dr. Marc Atouga and Nana Osei Bonsu of the private sector addressing the press before the commencement of forum proceedings.
- ▶ (Bottom) Dr. Candace Buzzard, USAID's Regional Director for Agriculture, undergoes registration for the forum.



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