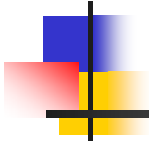


Factors Driving the Growth in Fertilizer Consumption in Kenya, 1990-2005



Can the Momentum be Sustained?

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Tegemeo Agricultural Policy Conference

Safari Park Hotel, Nairobi

May 18, 2006



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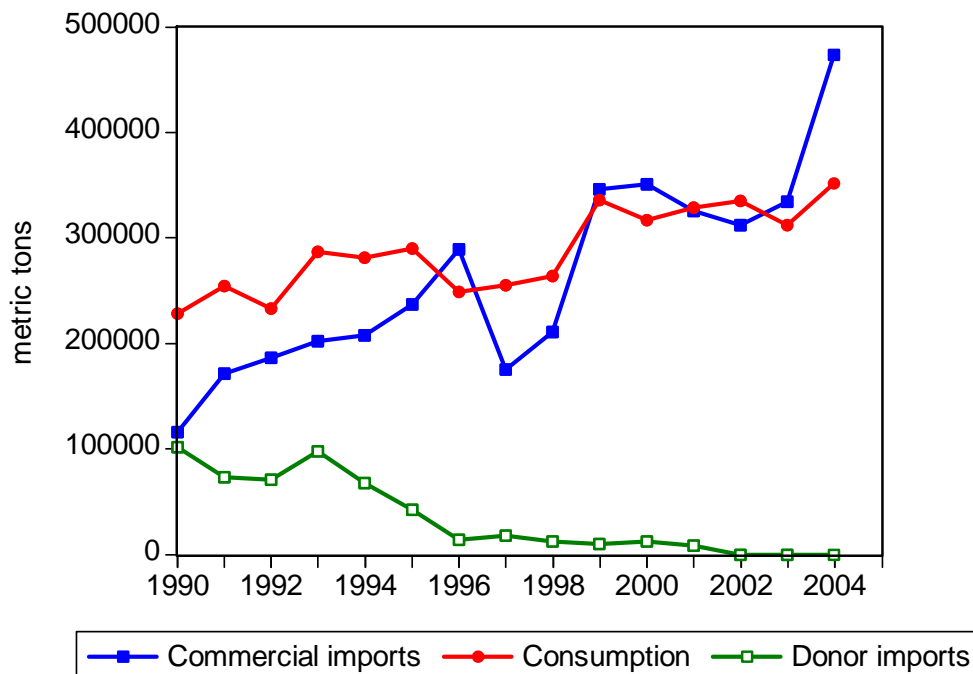
Introduction

- Fertilizer use Africa-wide is stagnant
 - Africa: 9 kgs / ha
 - South Asia: 101 kgs / ha
 - East and Southeast Asia: 135 kgs / ha
 - Latin America: 73 kgs / ha

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Intensity of fertilizer use (1996-2002)	% growth in fertilizer use intensity (kg/ha cultivated) (mean 1996-2002 / mean 1990-95)	
	< +30%	> +30%
< 25 kg/ha	DRC (0.5, -47%)	Uganda (0.6, +237%)
	Angola (0.7, -69%)	Rwanda (1.8, +89%)
	Niger (0.9, +5%)	Mozambique (3.2, +142%)
	Guinea (2.0, -4%)	Ghana (3.6, +68%)
	Burundi (2.3, -6%)	Chad (4.3, +93%)
	Madagascar (2.9, -8%)	Cameroon (5.9, +77%)
	Mauritania (4.0, -64%)	Togo (7.0, +30%)
	Tanzania (4.8, -47%)	Cote d'Ivoire (11.8, +53%)
	Gambia (5.2, +15%)	Botswana (11.8, +294%)
	Nigeria (5.6, -73%)	Senegal (13.2, +67%)
	Burkina Faso (5.9, -28%)	Ethiopia (14.4, +71%)
	Zambia (8.4, -34%)	Benin (17.6, +76%)
	Mali (9.0, +7%)	Lesotho (23.2, +35%)
	> 25 kg/ha	Swaziland (30.5, -40%) Malawi (30.8, +9%) Zimbabwe (48.3, +9%)

Fertilizer Trends, Kenya, 1990-2004



Fertilizer Imports, by Company, 2003

Import Firm	Tonnes	% of Total
Norsk Hydro (Now Yara Ltd)	141,618	38%
Mea Ltd	73,836	20%
KTDA	68,460	18%
Supplies & Services Ltd	34,197	9%
Shah Kanji Lalji & Sons (K) Ltd	22,050	6%
Bat (K) Ltd	10,984	3%
Metro Plastics Ltd	8,800	2%
M.O.A.R.D	6,413	2%
M.O.A.R.D./JICA	3,339	1%
Export Trading Co. Ltd	2,200	1%
Totals	371,896	100%

% of Small-Scale Farmers Using Fertilizer

	1995/96	1996/97	1999/00	2003/04
Coastal Lowlands	2%	3%	5%	6%
Eastern Lowlands	19%	30%	37%	46%
Western Lowlands	2%	3%	4%	8%
Western Transitional	29%	32%	59%	61%
High Potential Maize Zone	67%	69%	86%	90%
Western Highlands	52%	57%	73%	74%
Central Highlands	63%	78%	90%	93%
Marginal Rain Shadow	12%	20%	22%	27%
Nationwide Sample	43%	51%	64%	69%

Small Farm Fertilizer Use on Tea

	1995/96	1996/97	1999/00	2003/04
kgs/acre cultivated (users only)	326	326	344	387
% households using fertilizer	85%	84%	92%	92%

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Small Farm Fertilizer Use on Sugar

	1995/96	1996/97	1999/00	2003/04
kgs/acre cultivated (users only)	na	115	192	142
% households using fertilizer	34%	30%	51%	48%

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Small Farm Fertilizer Use on Coffee

	1995/96	1996/97	1999/00	2003/04
kgs/acre cultivated (users only)	67	77	90	86
% households using fertilizer	41%	46%	56%	49%

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Small Farm Fertilizer Use on Mono-crop Maize

	1995/96	1996/97	1999/00	2003/04
kgs/acre cultivated (users only)	59	69	72	67
% households using fertilizer	47%	47%	50%	59%

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Small Farm Fertilizer Use on Inter-crop Maize

	1995/96	1996/97	1999/00	2003/04
kgs/acre cultivated (users only)	58	59	64	102
% households using fertilizer	55%	56%	63%	66%

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Kgs/ha fertilizer applied on fertilized fields

	Year	Coastal Lowlands	Eastern Lowlands	Western Lowlands
Maize Mono	96/97	-	11.8	5.0
	99/00	-	9.3	-
	03/04	0.1	48.3	-
Maize Intercrop	96/97	-	2.2	7.3
	99/00	2.6	5.5	4.1
	03/04	-	12.3	2.3
All Crops	96/97	2.8	25.5	9.5
	99/00	0.2	6.8	1.2
	03/04	0.7	11.5	5.5

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Kgs/ha fertilizer applied on fertilized fields

	Year	Bungoma Kakamega	Hi- Potential Maize Zone	Western Highlands	Central Highlands	Total Sample
Maize Monocrop	96/97	60.7	224.9	52.0	128.0	154.8
	99/00	68.6	231.7	50.0	186.8	167.7
	03/04	104.7	232.6	54.8	87.1	153.4
Maize Intercrop	96/97	62.6	143.8	60.8	128.4	67.4
	99/00	78.4	176.7	62.5	92.8	69.1
	03/04	118.9	189.0	101.8	129.5	98.4
All Crops	96/97	69.4	160.6	74.2	210.9	93.9
	99/00	116.4	158.7	78.5	238.2	88.9
	03/04	114.4	164.5	117.1	256.7	102.1

Reasons for the Upsurge in Fertilizer Use in Kenya

1. GoK has maintained a stable fertilizer policy stance since 1990
 - Supportive of private investment
 - Eliminated import licensing quotas
 - Foreign exchange controls
 - Retail price controls
 - No large subsidy programs

Reasons for the Upsurge in Fertilizer Use in Kenya

2. Private sector investment in fertilizer distribution has expanded rapidly
 - 10-11 importers
 - 500 wholesalers
 - 8,000 retailers

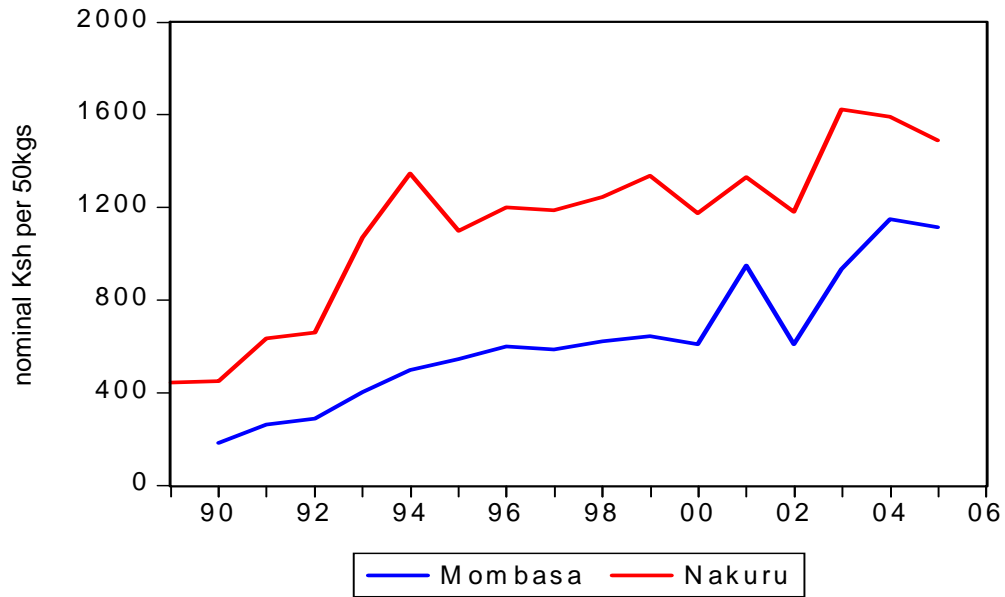
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Reasons for the Upsurge in Fertilizer Use in Kenya

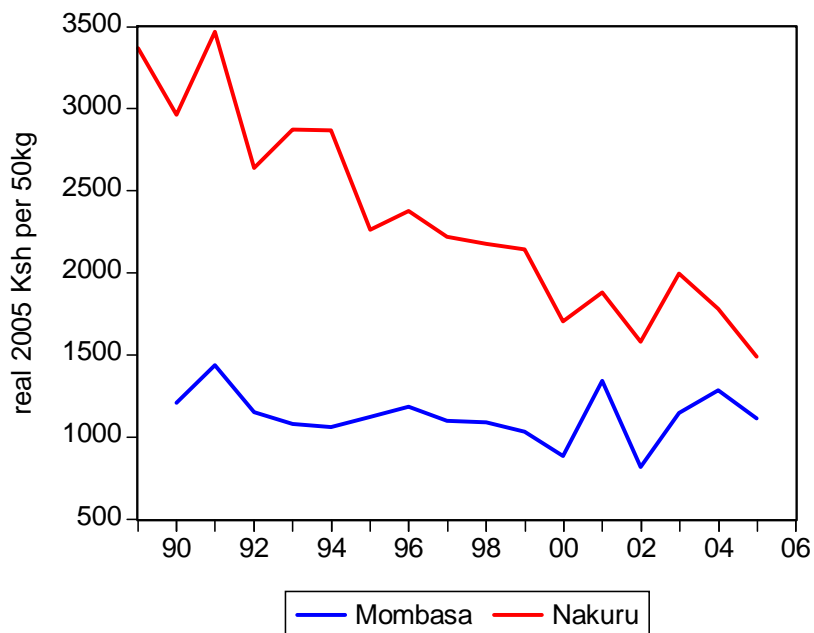
3. Small farmers' are now much closer to fertilizer retailers
 - 1997: 8.4kms
 - 2004: 4.3kms
 - Transaction costs of acquiring fertilizer much lower, thanks to more dense network of retailers

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4. Large decline in fertilizer marketing margins



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4. Large decline in fertilizer marketing margins

- Has helped to maintain incentives for small farmers to apply fertilizer, even when:
 - International fertilizer prices are increasing
 - Real maize prices have declined since 1990
 - Growing output marketing problems for sugar and coffee

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Can the Momentum be Sustained?

- Good News and Cause for Concern
- Good News:
 - Slow erosion of some of the interlinked input-credit-crop marketing arrangements that were so successful in past decades
 - Coffee, especially in Western Kenya
 - Sugar, especially in South Nyanza

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Point #1

- Use clear language to state point.
- Use evidence both verbal and visual to support your point.
- Amplify your point with an incident or anecdote.
- Develop a logical transition or bridge to your next point.

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Close

- Summarize your points.
- State your conclusion. Make it relevant to your audience.

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