

Fertilizer sector

Introductory brief for stakeholders

Rapid assessment of the fertilizer sector in Ethiopia

The global impact of the COVID-19 pandemic is expanding daily. Countries around the globe, including Ethiopia, are confronted with multiple challenges, from minimizing the devastating impact on health services, to protecting human lives and livelihoods, and ensuring sufficient food supplies and the functioning of services for those most in need. Between present disruptions and future threats to the food supply chain, the COVID-19 outbreak has generated extreme vulnerability in the agriculture sector.

The first case of COVID-19 was reported in Ethiopia on 3 March 2020; by 25 May, the number of reported cases had risen to 655. The virus has disrupted not only human lives, but also activities in our society and the economy in general, in ways that we have not seen before. As a novel virus and threat to humanity, we know very little about how it will affect agriculture, food security and income generation, and so we need to monitor closely the effects of today's situation on today's activities in agriculture.

The impact of COVID-19 on agriculture

The World Bank¹ is projecting economic growth in sub-Saharan Africa to decline from 2.4% in 2019, to between -2.1% and -5.1% in 2020. This would be the first recession in the region in 25 years. Agriculture is considered to be one of the sectors most severely affected, with many countries in the region facing a high risk of food insecurity. With trade blockages becoming an even more likely scenario, agricultural production could shrink by 2.6% to 7%. Food imports are also expected to decrease substantially, varying from 13% to 25%. The High-Level Panel of Experts, under the Committee on World Food Security,² indicates that the COVID-19 crisis is leading to instability in both local and global food markets, causing a disruption to food supply and availability. The poorest people will be the most affected. At the same time, there is a fear that government and development partners will cut their agricultural

spending and shift their priorities towards managing the immediate effects of the crisis in public healthcare.

COVID-19 crisis and the fertilizer sector

Fertilizers have played a vital role in raising agricultural productivity in Ethiopia for decades. Over the two decades following the introduction of fertilizer to smallholder farmers in the country under the Freedom from Hunger Campaign in the late 1960s, national annual fertilizer use grew from 3,500 metric tons (MT) to about 140,000 MT by the early 1990s. Thereafter, fertilizer use increased to about 200,000 MT in 1994, to 400,000 MT in 2005, and to 1.4 million MT in 2020 (MoA, 2020)³. Activities in the fertilizer sector are time specific and involve many actors and market transactions.

IFDC⁴ has reported that the COVID-19 virus is currently not causing any significant issues relating to fertilizer supply and distribution in East and Southern Africa (ESA). However, there is concern that future constraints on cash availability will arise in the on-farm sector, as a result of limited demand in the coming season due to uncertainty in export and national markets.

According to the Ministry of Agriculture (MoA), the procurement, transportation and distribution of fertilizer is in a relatively good position to face the challenges resulting from the COVID-19 lockdown. However, the supply of bags and the risk of COVID-19 infection for the truck drivers and workers at distribution centres, are expected to affect the timely distribution of fertilizer to some extent. To avoid a food crisis following the health

1] World Bank, 2020. *An Analysis of Issues Shaping Africa's Economic Future. Africa's Pulse*, No. 21, Spring 2020. World Bank, Washington, DC ([link](#)). 2] HLPE, 2020. *Interim Issues Paper on the Impact of COVID-19 on Food Security and Nutrition*. HLPE Secretariat, Rome ([link](#)). 3] MoA, 2020. *Input directorate of Ministry of Agriculture six months report*. 4] IFDC, 2020. *COVID-19 fertilizer watch. 15 May 2020 - Bulletin No. 3.* ([link](#)).

crisis we currently face, urgent coping strategies are needed for the fertilizer sector.

The COVID-19 pandemic is likely to affect the fertilizer sector in multiple ways. We provide just a few examples:

- If quality inspection of fertilizers is not conducted, the quality of the fertilizers cannot be certified
- If truck drivers are not available to transport fertilizers, then farmers will not have access to synthetic fertilizers during the next growing season
- If the transportation and distribution of fertilizers from port of arrival to regional distribution centres and Kebele/subdistrict distribution points is restricted, then farmers will not have access to synthetic fertilizers during the next growing season
- If the price of fertilizers rises or the quality of fertilizers declines, farmers will purchase less fertilizer and agricultural productivity will decline
- If the quality of fertilizers decreases, agricultural productivity in farmers' fields will decline
- If market outlets for agricultural products are not operational and stable, farmers and producers will be less willing to purchase fertilizers
- If farmers do not have access to credit and cannot mobilize themselves to distribution centres, then less fertilizer will be purchased and used during production
- If government measures do not adequately take these considerations into account during the months when fertilizers are needed the most, then everything is at risk.

One disruption to an activity in the chain can affect those that follow, as illustrated by the examples above. Just a few poor decisions in one or more activities can diminish the resilience of the fertilizer sector as a whole.

Rapid assessment of the fertilizer sector

The rapid assessment of the fertilizer sector is conducted to raise awareness on the impact of the COVID-19 pandemic on the fertilizer sector at federal and regional levels, through conducting a survey and focus group discussions (FGDs). The survey covers the full range of functions of the fertilizer sector, as well as fertilizer supply chain operations. The resulting 'Fertilizer Alert' document will inform decision-makers in government, development practitioners, research, private sector and civil society on where the impact is felt the most, and contribute towards the development of immediate actions to address current challenges.

COVID-19 Fertilizer Alert - Ethiopia

Wageningen Centre for Development Innovation (WCDI) and Wageningen Environmental Research (WEnR), part of Wageningen University & Research (WUR), in collaboration with its partners in BENEFIT/CASCADE⁵, aim to raise awareness on the impact of the COVID-19 pandemic on the fertilizer sector in Ethiopia. Above all, they advise urgent and practical action. Beyond the immediate purpose of informing and urging practical action, the partners are developing the 'fertilizer alert' documents and rapid assessments as global public goods for contributing to enhanced resilience in the fertilizer sector. The alerts complement other efforts, for example by IFDC, that provide insights and compare countries in the functioning of the fertilizer market and supply chain.

Method

The rapid assessment is conducted through rapid remote survey and focus group discussions (FGDs). Iterations will be performed on a regular basis. The country partners establish a panel, including experts representing government, research, industry, service delivery, and farmers' organizations. Panellists answer a fifteen-minute survey delivered by an application on their smartphone or run through their desktop. The survey covers the full range of fertilizer sector functions and supply chain operations. Questions relate to the level of impact on practical activities within the current time frame. A summary of the results is generated and feeds into the FGDs. Each FGD brings together around six experts, virtually or physically (observing security instructions), to review the results, propose actions, and identify stakeholders responsible for taking action. FGDs are planned at regional levels. The expertise and practical experience of those stakeholders in the fertilizer sector determines their participation. WCDI and WEnR, with its national partners in BENEFIT/CASCADE, will compile a fertilizer alert using the outcomes of the survey and FGDs.

Communication

In line with emerging lockdown restrictions in the countries in which our partners are based, primary parts of the rapid assessment are digital. The surveys are app-based, and the FGDs take place as much as possible virtually through videoconferencing. The team uses a variety of communication tools, including social media, blogs, video messages, and portals to share each fertilizer alert. The same applies for the rapid assessment tool, which is shared as a public good to a wide array of stakeholders, in order to facilitate their efforts to transform agriculture in other low-income and middle-income countries.

5] *Bilateral Ethiopian-Netherlands Effort for Food, Income and Trade partnership/ Capacity-building for scaling up of evidence-based best practices in agricultural production in Ethiopia programme (BENEFIT/CASCADE)*

About WCDI and WEnR

Two WUR units - WEnR and WCDI – are collaborating with partners in Ethiopia to produce these fertilizer alerts. WEnR contributes towards the realization of a high quality and sustainable green living environment, through qualified and independent research. WCDI supports value creation by strengthening capacities for sustainable development. As a capacity-building institute with international expertise, WCDI, in collaboration with WEnR, brings knowledge into action, with the aim of exploring the potential of nature to improve quality of life. WUR collaborates with its partners in the CASCAPE programme in supporting the Government of Ethiopia to increase agricultural productivity in a sustainable way, enhance agricultural growth and achieve food security; CASCAPE is part of the BENEFIT.

Team

Members of the CASCAPE project team take responsibility for the rapid assessments and fertilizer alerts. WUR staff contribute with technical, sector transformation, facilitation, and communication expertise in the fertilizer sector. The team includes Akalu Teshome and Eyasu Elias (BENEFIT/CASCAPE), Eric Smaling (WEnR), Herman Snel and Walter de Boef (WCDI).

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