

What can we do to increase worldwide agricultural productivity sustainably?

Intervention by Mr Thorleif Enger, President of the International Fertilizer Industry Association (IFA), at the Opening Session of the 77th IFA Annual Conference in Shanghai, China, on Tuesday, 26 May 2009

At the start of this year's conference I would like to reflect on some of the main events of the past year, and on some actions the fertilizer industry can take to address current challenges and grasp opportunities.

It is impossible to ignore the **economic downturn** that all of us face in our countries. Last year's roller coaster year was certainly out of the ordinary. Sadly, it ended with a weak economic situation. The commodity markets experienced one of their most staggering plunges in history: hydrocarbons lost 75 per cent of their value, wheat 60 per cent and sea freight 95 per cent. The fertilizer market was also affected. The reports that will be presented tomorrow by the Secretariat will be testimony to its performance in 2008/09. The broad consumption figures are revealing enough: nitrogen -1.5 per cent, phosphorus -7 per cent, potassium -14 per cent.

These figures are not only bad for the fertilizer industry, they are also very worrying with respect to world poverty and food security. Significant yield reductions should be anticipated, with delayed or with no applications. According to recent World Bank research,¹ it is estimated that the crisis will add some 64 million people to the total population living on less than \$2 a day. When incomes start to decline, women and children are the most vulnerable to hunger and economic marginalization. Since our industry contributes so dramatically to feeding people, we have the responsibility – as businesses and as citizens – to share our commitment to sustainable increases in productivity and to assistance (with policymakers) to small-scale farmers.

¹ Shaohua Chen and Martin Ravallion, The impact of the global financial crisis on the world's poorest.
www.voxeu.org/index.php?q=node/3520

Last year's global food crisis stimulated renewed interest in the agricultural sector on the international policy agenda. A number of initiatives were taken to provide short-term relief to countries in need. As I pointed out during IFA's Annual Conference in Vienna, we should focus our attention on longer-term analysis for more permanent solutions. Some of the current international initiatives are:

- The FAO High-Level Meeting on Food Security
- The UN Secretary-General's High-Level Task Force on the Global Food Security Crisis
- The FAO High-Level Panel of Experts on Food Security
- The Obama administration's commitment to double aid to agriculture in Africa and Latin America
- The EU's commitment to donate 1 billion euros for agricultural inputs in Africa
- The G8 Agriculture Ministers' meeting.

IFA has been actively involved in all these initiatives, providing expertise and representing business and industry. Our **message to the G8**, issued on 14 April 2009, expresses our overall position. The fertilizer industry calls on governments to:

- 1- Invest in higher agricultural productivity
- 2- Support farmers in becoming rural entrepreneurs
- 3- Implement policies to provide access to inputs

The role of inputs, particularly plant nutrients, is now being given central importance in most policy documents focusing on food security.

As the fertilizer industry, we can take a number of steps that will contribute to greater food security in the world. IFA has summarized the priorities for action in these three points:

- Engage in public-private efforts to achieve sustainable growth across the wider food production value chain, especially in developing countries
- Optimize existing capacity and invest in additional capacity and logistics in strategic areas, along agricultural development corridors
- Support investment in emerging economies where there is potential for fertilizer and food production

It is important to bear in mind that it is only through **collaborative efforts** that solutions will be found to our problems. I would therefore like to emphasize the need for more extensive public-private partnerships. The fertilizer industry is in a

unique position to work hand-in-hand with key actors in the local, national, regional and international agricultural food value chain that have the capacity to influence not only public policy, but also practices in the field. These partnerships should engage the scientific community, local and national authorities, businesses and, most importantly, farmers.

The world's agricultural producers – from small-scale subsistence farmers to large-scale commercial ones – are our customers. We need to make additional efforts to reach out to them. If we are committed to changing the image of our industry, considering the full lifecycle of our products and taking responsibility for the impact the products we manufacture have on people, animals and the environment, farmers are our natural partners.

To illustrate this notion of partnership, I would like to cite the “**Farming First**” initiative. IFA is one of the four founders of the “Farming First” coalition, which promotes sustainable agriculture. The coalition was originally formed for advocacy purposes at the United Nations Commission on Sustainable Development. “Farming First” is a good example of innovative partnership, as it was designed by representatives of the world's farmers, scientists and business and supported by a number of national delegations. The six principles of “Farming First” are now fully represented in the final negotiated text of the Commission.

“Farming First” advocates promoting sustainability within the agricultural production process. It demonstrates that productivity increases can be achieved in a socially and environmentally responsible manner, inclusive of all agricultural production systems. The fertilizer industry must be a leader in promoting sustainable agriculture. IFA is at the forefront of five significant initiatives that directly contribute to greater sustainability:

- First, IFA's **Stewardship Programme** concretely embodies the promotion of the highest standards for: responsible fertilizer production; workplace safety and health; the environmental impact of production, transportation and use; and waste management. By looking at the entire lifecycle of the products we manufacture, from the sourcing of raw materials to application at the farm, the stewardship programme is a holistic concept of sustainable development.
- Second, there is IFA's **Global Framework for Fertilizer Best Management Practices**. While the global framework encompasses broad concepts of balanced fertilization and nutrient use efficiency, when put into practice FBMPs have to be tailored to specific sites, crops and agro-ecological

conditions. The Four Rs are an easy concept to disseminate: the Right Product at the Right Time, at the Right Place and at the Right Rate.

- Third, there is IFA's **Task Force on Climate Change**. This year is an important milestone for climate change. The United Nations Framework Convention on Climate Change will conclude its post-2012 negotiations. A new "green deal" (as it has been called) is envisioned by some people, founded on the principles of a carbon-neutral or carbon-friendly economy. The fertilizer industry recognizes that it is a significant contributor to greenhouse gas emissions. However, as the task force policy paper clearly highlights, new technology is available to dramatically reduce these emissions through the use of catalysts. In addition, if we look at the entire lifecycle, fertilizers can make a positive contribution to soil carbon sequestration and are therefore also part of the solution. These are some of the important messages that IFA will soon share with you through its policy paper, *Fertilizers, Climate Change and Enhancing Agricultural Productivity Sustainably*.

- Fourth, there is **IFA's Micronutrient Initiative**. The fertilizer industry is opening a new chapter in its contribution to nutrition. Research demonstrates that agronomic biofortification, or micronutrient fertilization, not only helps crops fight against nutrient deficiencies; it also helps people and livestock to do so. In this connection, IFA and the International Zinc Association (IZA) are cooperating on zinc fertilization, building on scientific breakthroughs demonstrated in Turkey. Zinc deficiency is the fifth leading risk factor for disease in the world, mostly affecting children under the age of five in developing countries. The fertilizer industry can be part of a long-term global effort to improve public health and to benefit millions of children worldwide.

- Fifth, there is **IFA's Africa Forum**. For an economic sector to be sustainable, a market must exist. Fertilizer production and use in the world is quite diverse geographically. However, we are missing tremendous opportunities to conduct business and contribute to food security in one part of the world: Africa. Sub-Saharan Africa has the lowest agricultural productivity and the lowest fertilizer use rates in the world. IFA established the Africa Forum last year to:
 - Raise awareness of the positive role fertilizers can play in Africa's development
 - Contribute to increased fertilizer use by African farmers, in line with agronomic recommendations

- Encourage investment in fertilizer production and distribution in Africa

In recognition of Africa's prominent role, the recipient of the **2009 International Crop Nutrition Award is Dr André Bationo from the Alliance for a Green Revolution in Africa**. This honour is bestowed on researchers who have made significant contributions to more efficient fertilizer use. Dr Bationo was nominated by Industries Chimiques du Sénégal (ICS), in recognition of his pioneering research on innovative soil fertility management techniques adapted to small-scale farmers in Africa. Among other achievements, André Bationo pioneered the development of fertilizer microdose technology in West Africa to reduce the risk of crop failure. This technology has been adopted in Mali, Burkina Faso, Senegal and other African countries.

Dr Bationo currently works for the Alliance for a Green Revolution in Africa (AGRA), based in Accra, Ghana. He is the Director of AGRA's West Africa Program and Senior Program Officer of the Soil Health Program. He holds a PhD in Soil Chemistry and has been involved in research and programme management for the past 25 years. His last two positions were at the Tropical Soil Biology and Fertility Institute of the International Center for Tropical Agriculture (TSBF-CIAT) in Nairobi, Kenya, as Coordinator of the African Network for Soil Biology and Fertility (AfNet), and previously at IFDC in Niamey, Niger, working on joint IFDC-ICRISAT research projects.

At the end of the "Farming First" video, you were asked: "What can you do to help farmers?" I would like to propose that you also reflect on the following:

"What can you do to make the fertilizer industry more successful and more sustainable – economically, environmentally and socially?"

In order to participate actively in this process, I encourage you to ensure that the tools that have been developed are fully integrated within your operations and in your corporate culture.

You can:

- Reduce emissions by adopting existing technologies
- Promote the use of Fertilizer Best Management Practices (FBMPs) by farmers
- Share the IFA Safety Handbook with production teams
- Endorse the 12 IFA Safety, Health and Environment Principles and integrate them in your company culture
- Participate in benchmarking exercises

- Invest in emerging economies
- Implement water management programmes

It is the role of the Association to show best practices and lead innovative programmes, aiming at excellence in all our activities.

Thorleif Enger