

IFA INTERNATIONAL WORKSHOP on Effective Last-Mile Delivery

10-12 February 2010, New Delhi, India

PANEL DISCUSSION

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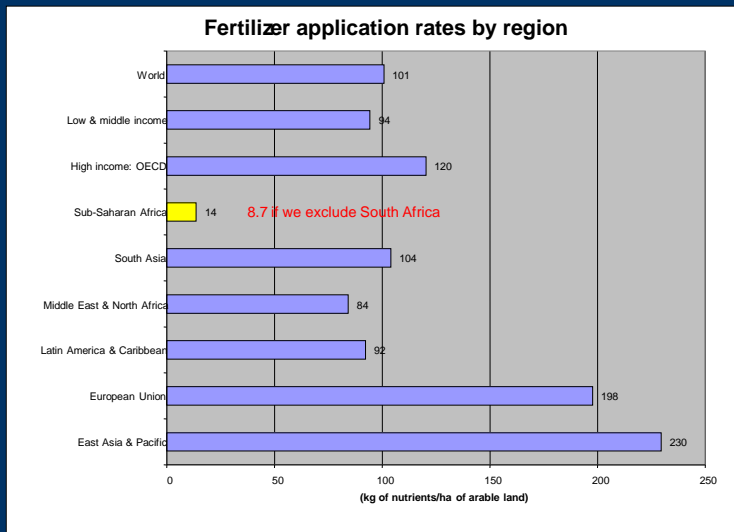
Session on How to Improve Knowledge Transfer in Developing countries?

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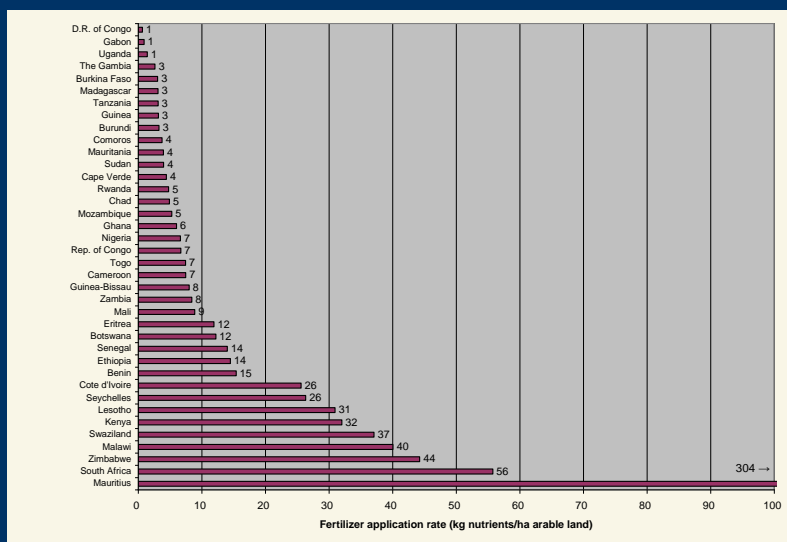
Effective Last Mile Delivery
International Fertilizer Industry Association
February 10-12, New Delhi

Missing input markets: fertilizers



Source: Minot and Benson (2008). "Fertilizers subsidy in Sub-Saharan Africa, New Wine or just New Bottles"

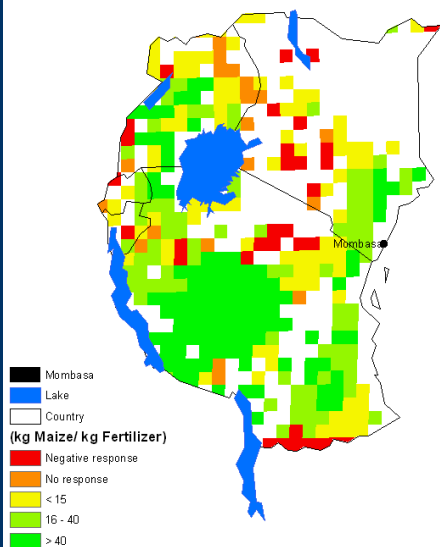
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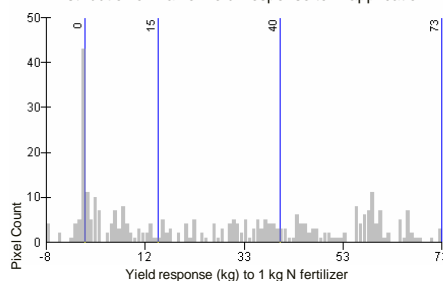
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Maize Yield Response to Fertilizer

Yield Response to 1 kg N fertilizer



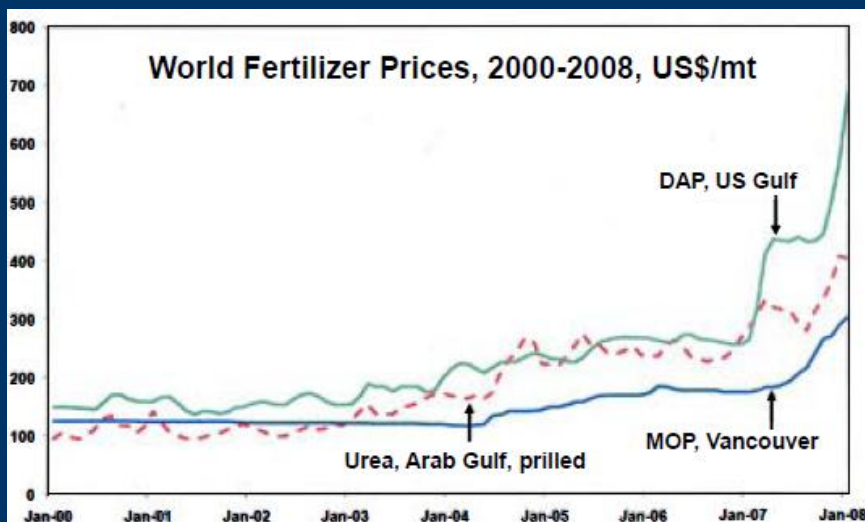
Distribution of Maize Yield Response to N application



Increased fertilizer use can significantly raise productivity growth in smallholder agriculture

Source: Harvest Choice, IFPRI.

Global fertilizer prices tripled in 2007



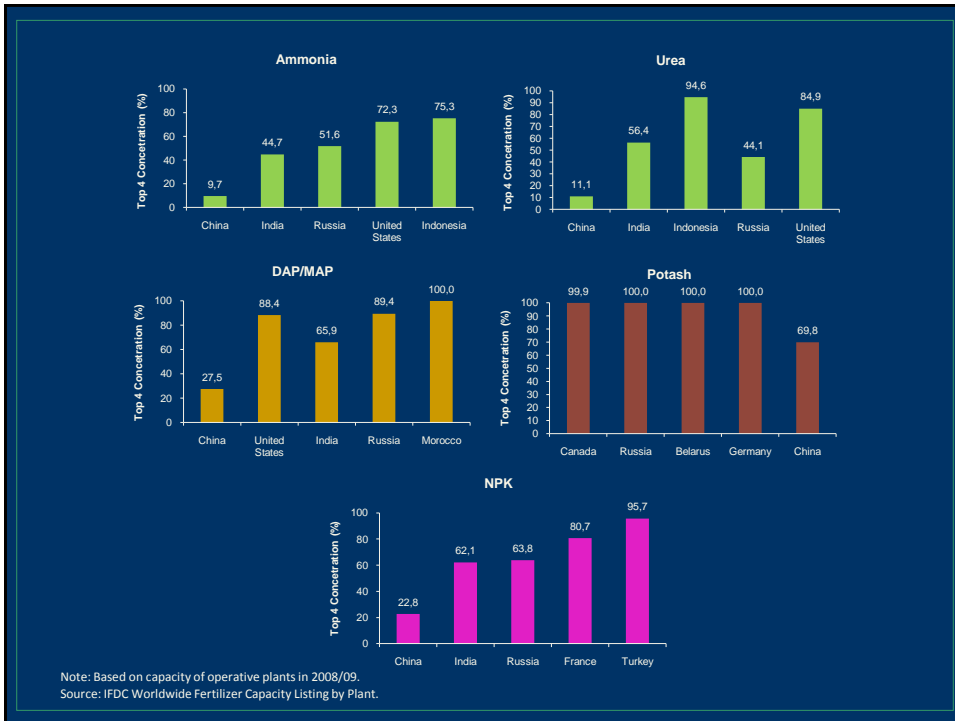
Source: IFDC, 2008

Highly concentrated market structure

Fertilizer	Top 5 countries (% of World in parenthesis)	Top 5 Capacity (000 MT)	Top 5 % of World
Ammonia	China (22.8), India (8.9), Russia (8.5), United States (6.5), and Indonesia (3.9)	84,183	50.6
Urea	China (33.1), India (13.1), Indonesia (5.4), Russia (4.2), and United States (4.1)	95,802	59.9
AN	United States (15.4), Russia (14.7), China (7.7), Uzbekistan (4.8), and Romania (4.5)	28,770	47.1
DAP/MAP	China (23.3), United States (21.2), India (11.4), Russia (6), and Morocco (4)	22,896	65.9
Phosphoric Acid	United States (20.9), China (19.3), Morocco (9.6), Russia (6.2), and India (5.3)	28,274	61.3
Potash	Canada (37.6), Russia (13.2), Belarus (9.9), Germany (8.2), and China (7.7)	39,687	76.7
NPK	China (29.3), India (8.2), Russia (6), France (4), and Turkey (3)	47,186	50.4

Note: Based on capacity of operative plants in 2008/09.

Source: IFDC Worldwide Fertilizer Capacity Listing by Plant.



Market failure focus

Goal: making commodities markets function for the poor at local, regional, and international markets by:

- **Releasing constraints to participation**
- **Enhancing benefits from participation**

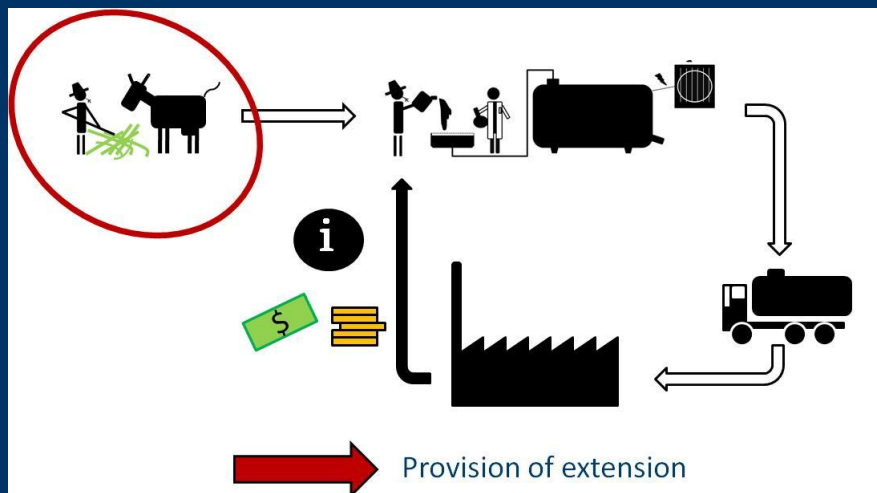
Major Outcomes of Market Failures:

- High transportation costs
- Information asymmetry
- Missing input markets
- Policy induced barriers
- Non economic barriers



inefficiency and high transaction costs

Contract farming as an alternative



Kids – A way to influence parents behavior with ICT

