



## The African Fertilizer Industry *Current Situation and Potential Growth Opportunities*

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## Why Agriculture and Fertilizers Count in Africa?

*In resource-poor low-income countries  
(excluding sub-Saharan Africa), agricultural  
growth is **5** times more likely to reduce  
poverty than growth in any other sector.*

*In sub-Saharan Africa, agricultural growth is  
**11** times more effective at reducing poverty.*

FAO, State of Food Insecurity in the World, 2012



## Contents

- Current situation
- Medium-term outlook
- Long-term prospects

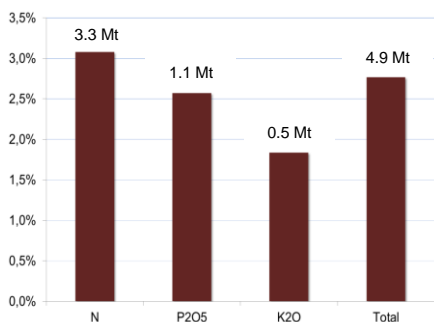


## CURRENT SITUATION

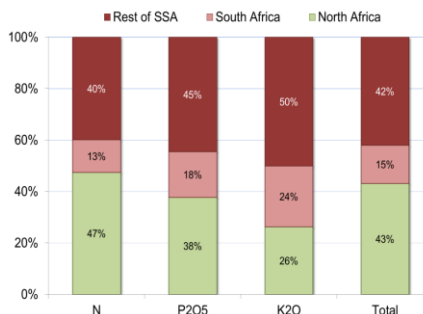


## Fertilizer Consumption in Africa in 2011/12

Africa's Share of World Consumption



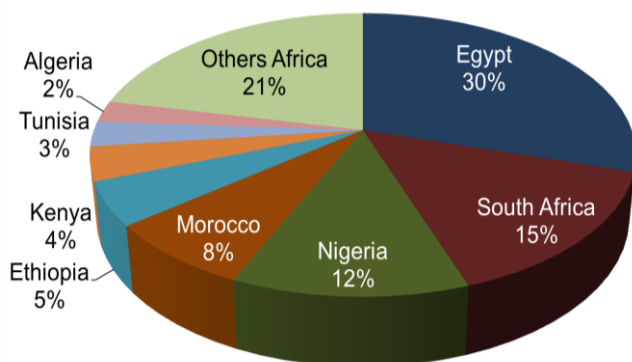
Contribution of the Sub-Regions to African Consumption



Source: IFA Agriculture



## Main African Fertilizer-Consuming Countries



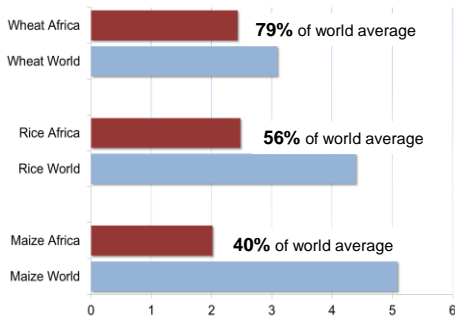
	Average 2009-11
Egypt	1 389
South Africa	702
Nigeria	559
Morocco	359
Ethiopia	233
Kenya	181
Tunisia	134
Algeria	114
Others Africa	1 008

Source: IFA Agriculture

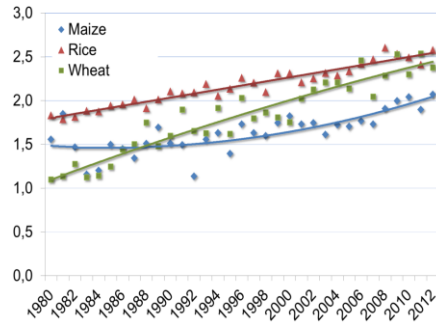


## African Cereal Yield

African vs. World Cereal Yields



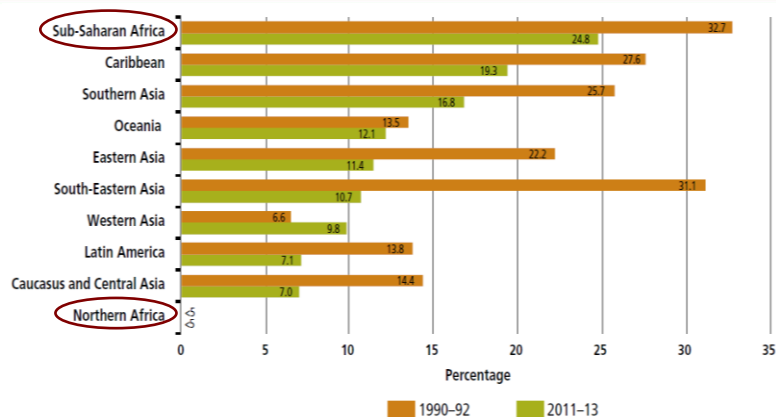
Evolution of African Cereal Yields



Source: FAOSTAT



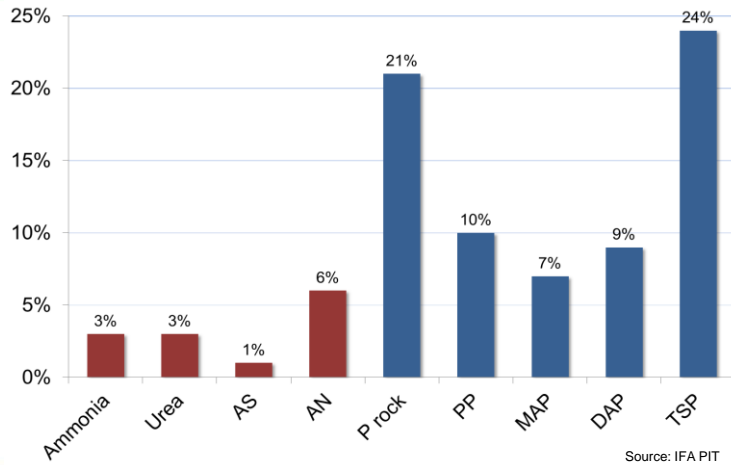
## Undernourishment Trends by Region



Source: FAO 2013

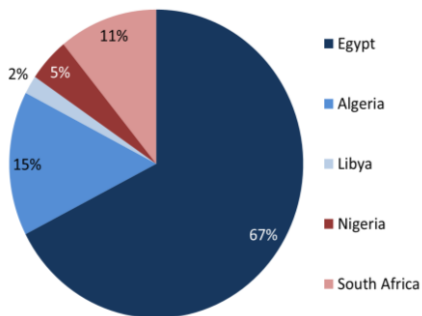


## Africa's Contribution to World Fertilizer Production in 2012



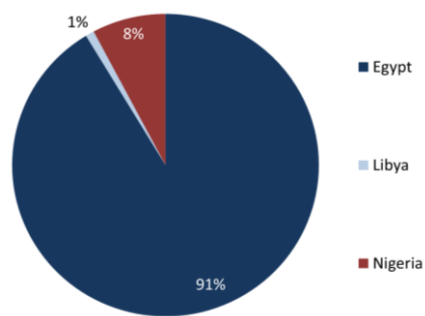
## Production of Ammonia and Urea in Africa in 2012

Ammonia Production Share



Total = 5.7 Mt

Urea Production Share



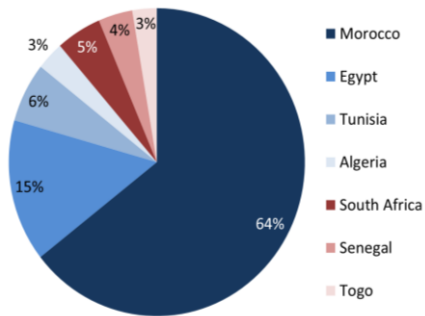
Total = 4.8 Mt

Source: IFA PIT



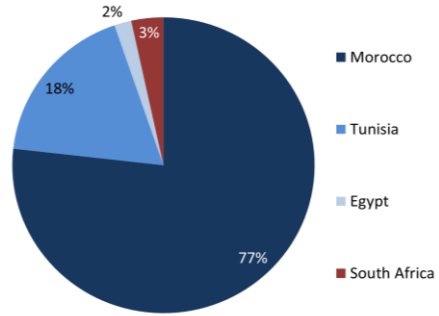
## Production of P Rock and Processed Phosphates in Africa in 2012

**P Rock Production Share**



Total = 41.7 Mt

**PP Production Share**



Total = 6.2 Mt

Source: IFA PIT



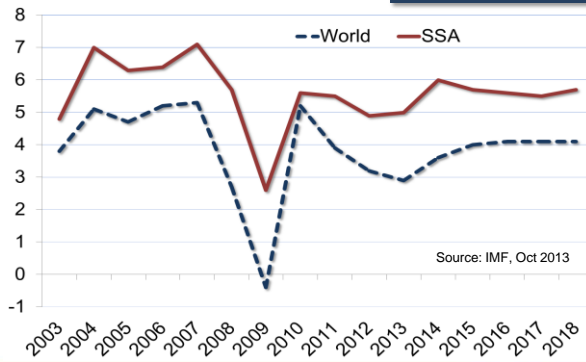
## MEDIUM-TERM OUTLOOK



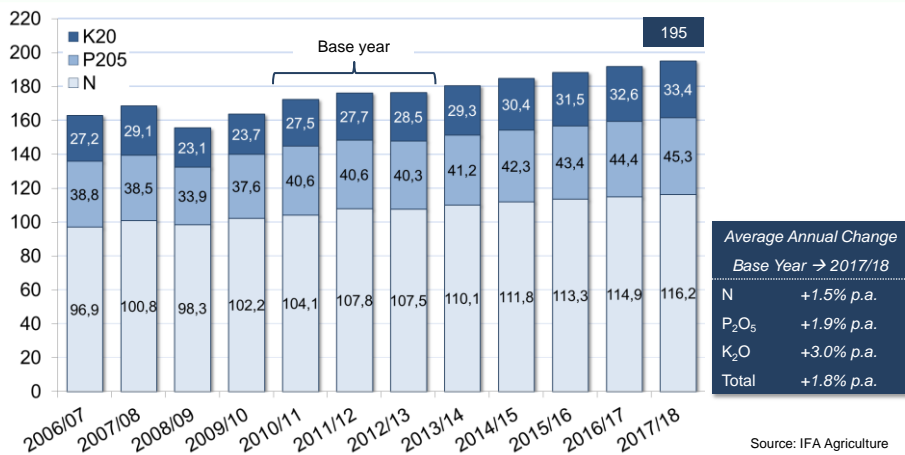
## Economic Outlook

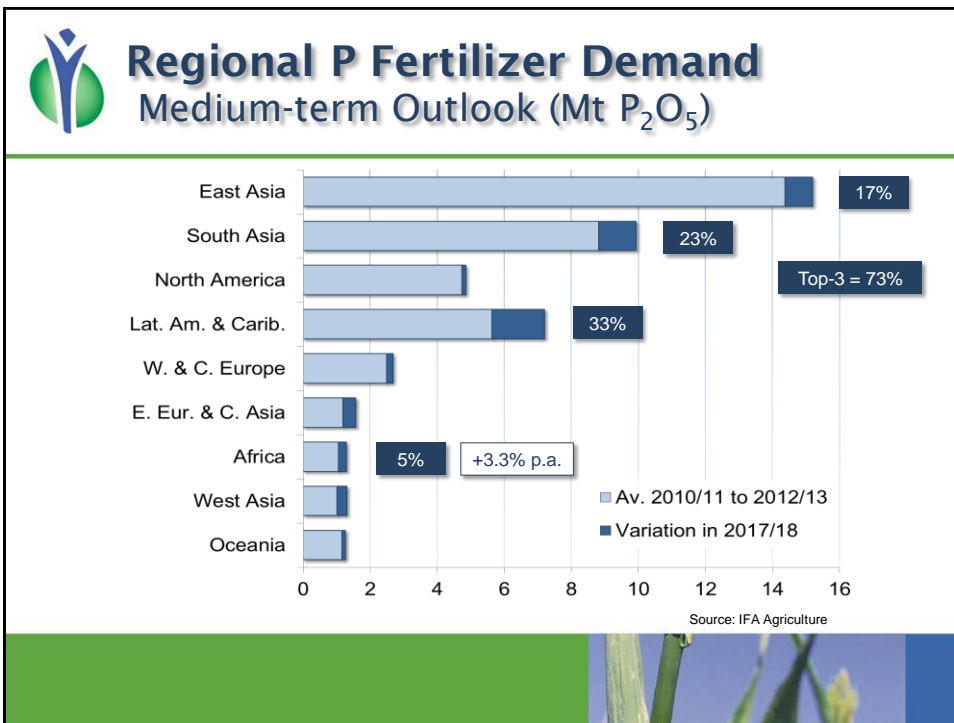
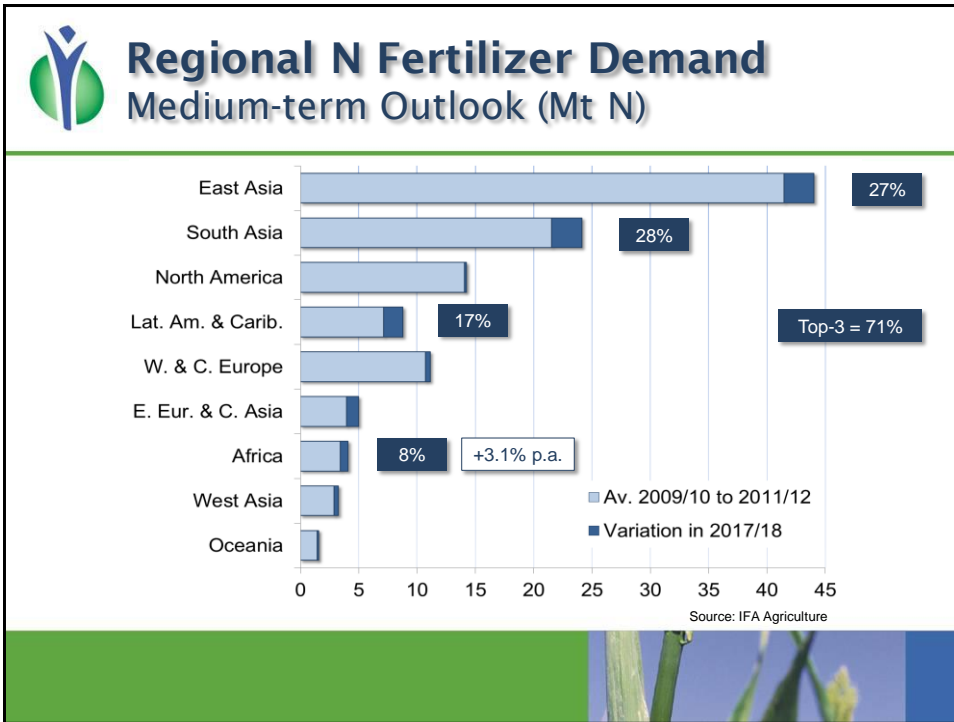
Annual GDP Growth (%)

	2013	2014	2015	2018
World	+2.9	+3.6	+4.0	+4.1
SSA	+5.0	+6.0	+5.7	+5.7

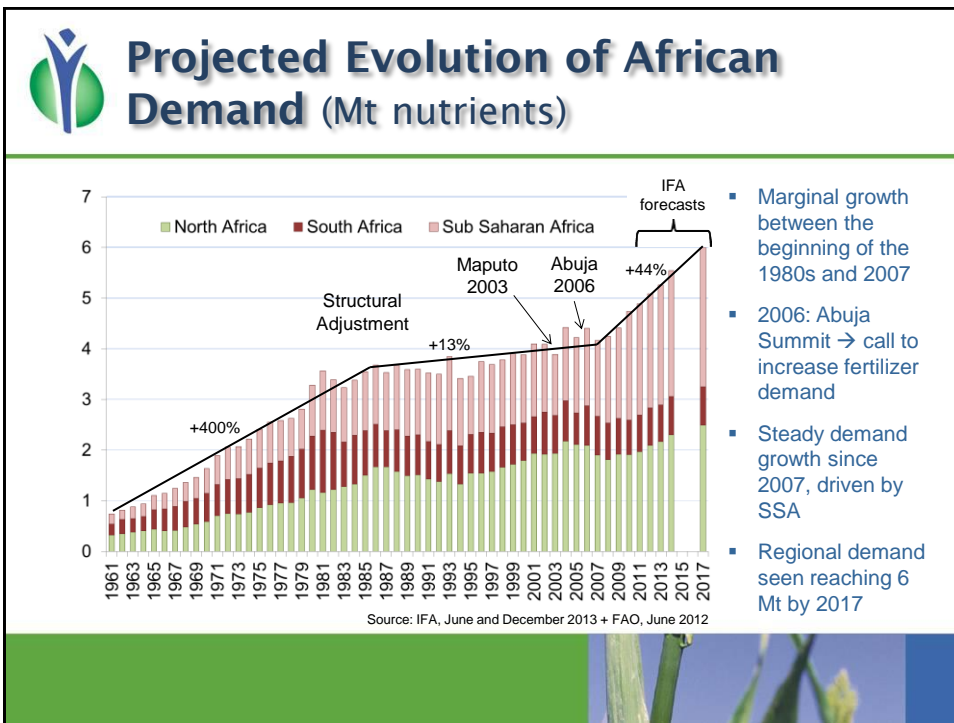
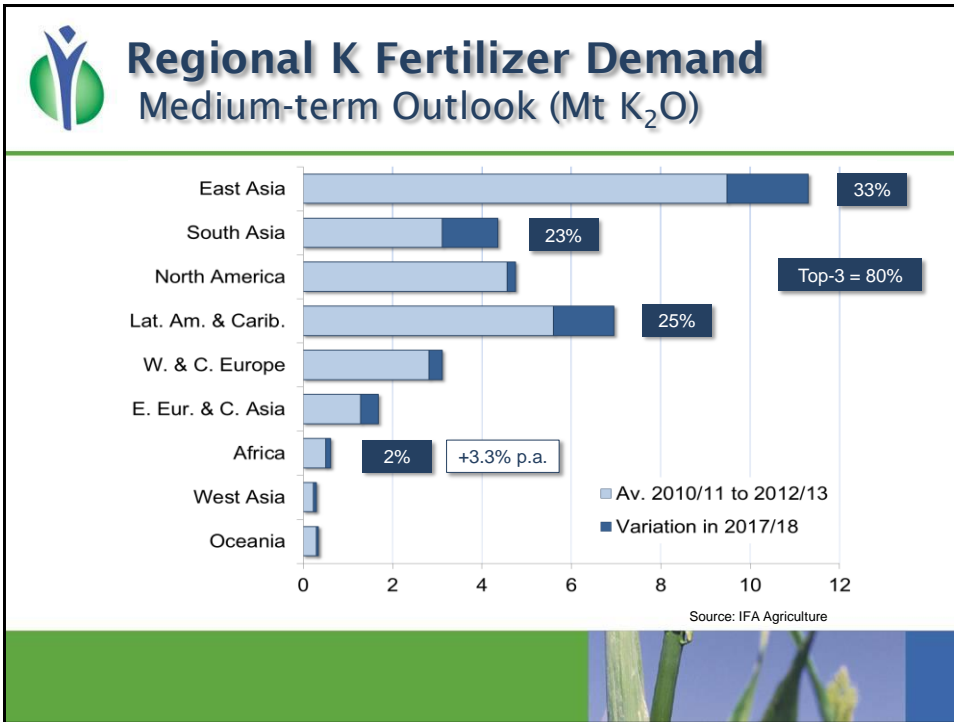


## Global Fertilizer Demand Medium-term Outlook (Mt nutrients)





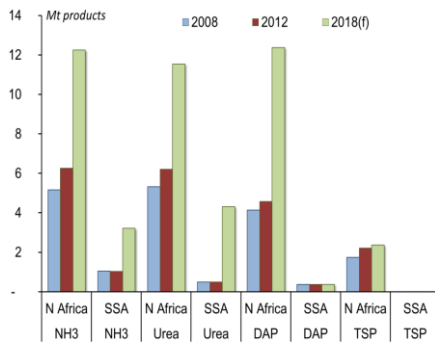




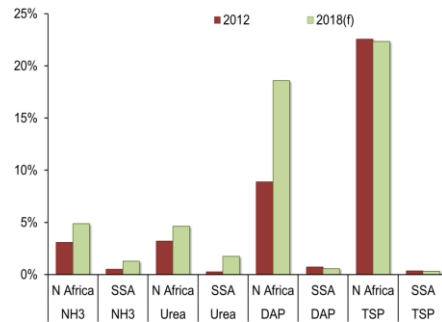


## Anticipated Capacity Developments in Africa

Capacity Developments 2008-2018(f)



Capacity / World Share 2012-2018(f)



Source: IFA PIT

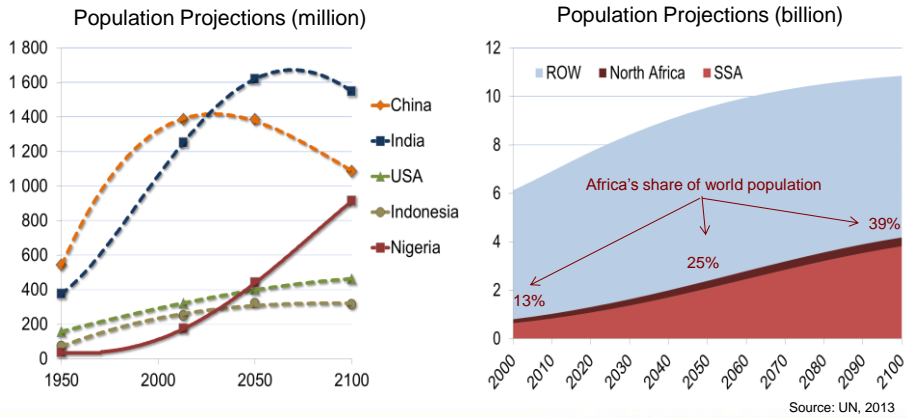


## LONG-TERM PROSPECTS

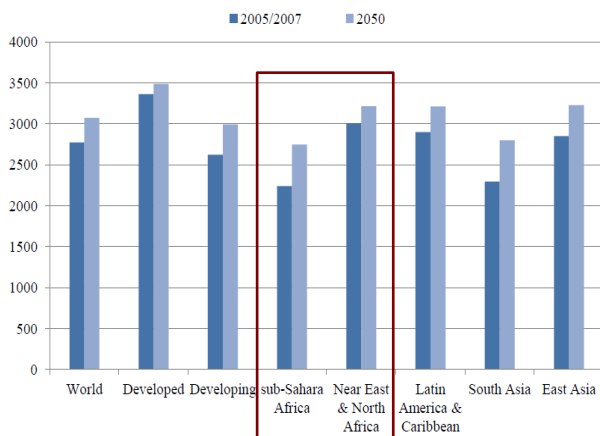


## Demographic Projections

Based on the medium scenario of the UN World Population Prospects



## Projected Per Capita Food Consumption (kcal/person/day)



Incidence of undernourishment seen sharply declining in SSA:  
 from **28%** in 2005/07 to **7%** in 2050

Source: FAO, June 2012



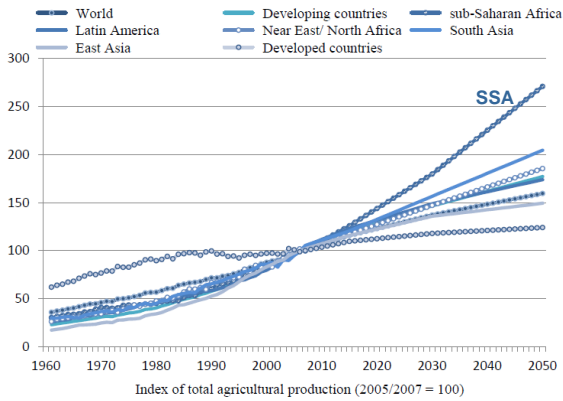
## Projected Evolution of World Agricultural Production by 2050

Projected increase of the world agricultural production between 2005/2007 and 2050:

**+60%**

*Conservative scenario*

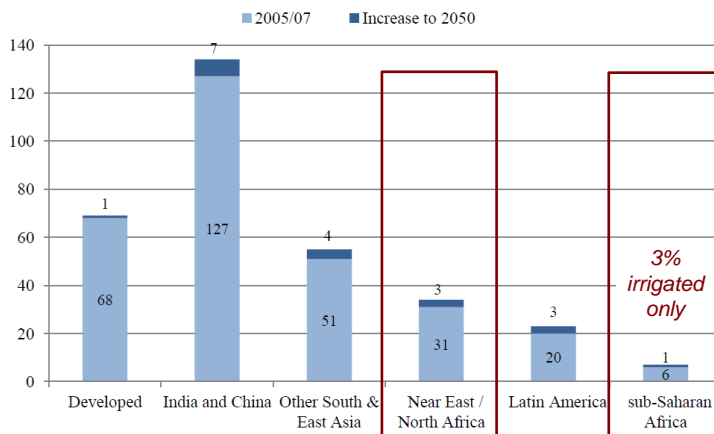
**+170% in SSA**



Source: FAO, June 2012



## Projected Increase in Irrigated Area (Mha)



Source: FAO, June 2012

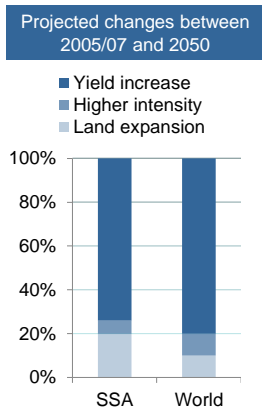


## Sources of Growth in Crop Production (%)

	Arable land expansion		Increases in cropping intensity		Yield increases	
	1961-2007	2005/07-2050	1961-2007	2005/07-2050	1961-2007	2005/07-2050
SSA	31	20	31	6	38	74
World	14	10	9	10	77	80

Source: FAO, June 2012

Will require higher application rates



## Projected Evolution of Regional Fertilizer Demand

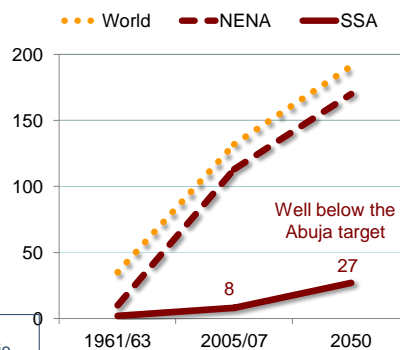
Total Fertilizer Consumption (Mt nutrients)

	1961/63	2005/07	2050	2050 vs. 2005/07
World	34.3	166	263	+58%
OECD	30.0	51	62	+22%
East Asia	1.9	62	79	+27%
South Asia	0.6	27	59	+119%
LatAm	1.1	17	45	+165%
NENA	0.5	8	12	+50%
SSA	0.2	1	6	+500%

IFADATA:  
 ▪ NENA ~6.5 Mt  
 1/3 N. Africa + 2/3 W. Asia  
 ▪ SSA ~2.5 Mt

▪ Africa ~10 Mt  
 ▪ Conservative scenario (population, biomass, application rates)

Fertilizer Application Rates (kg/ha)



Source: FAO, June 2012



## In Summary

### Fertilizer consumption

- Today: Very low fertilizer consumption → soil mining, large yield gap, high prevalence of hunger
- Outlook
  - Driven by population and economic growth
  - Sharp increase in regional food demand and production
  - Dynamic fertilizer demand growth: +3% per year for the medium-term; SSA could be a driver of world fertilizer demand growth beyond 2030

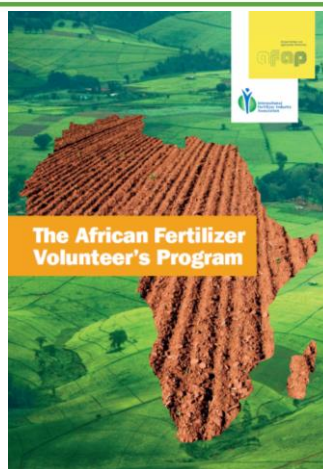
### Fertilizer supply

- Today: Strong position on the P market; Net exporting region
- Medium-term outlook
  - P market: Sharp anticipated capacity increase in Morocco
  - N market: Algeria and Nigeria seen driving the regional outlook



## IFA Initiatives

- **Improving fertilizer consumption data quality in SSA**
  - Sponsor  AfricaFertilizer.org
  - IFA Task Force on SSA Fertilizer Consumption Statistics
- **Facilitating market development**
  - Partnership with AFAP, IFDC...
  - Launch of the African Fertilizer Volunteers Program





*for questions/comments:  
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