



PrOpCom

Making Nigerian Agricultural Markets Work for the Poor

Fertiliser Market Innovation

PrOpCom (Promoting Pro-Poor Opportunities through Commodity and Service Markets) is an innovative market-driven programme that aims to reduce poverty in Nigeria. Funded by the United Kingdom's Department for International Development (DFID), the programme works with government institutions, businesses and individuals to enable agricultural markets to work better for the poor. PrOpCom started full implementation in 2008 and will be operational until April 2011.

The overall intention of the programme is to facilitate basic changes to market systems, to improve how markets operate, and to increase profits and revenue whilst providing benefits to the poor from these market interventions. PrOpCom facilitates and catalyses these changes – making them possible or making them happen faster – through active engagement with businesses, civil society and government, in order to address problems in selected commodity sectors. The programme works along the entire value chain, including production, processing and marketing of agricultural products.

Using this market-led, pro-poor development approach, PrOpCom works through market forces to support the poor to:

- enhance their incomes
- increase their job opportunities
- broaden their access to markets
- create more choices for them
- reduce the economic risks they face.

PrOpCom is currently facilitating activities in five markets within a framework of 12 interventions, in order to promote market development that is beneficial to poor people in Nigeria. PrOpCom anticipates that these interventions will positively impact some 412,000 poor households, generate ₦8.6 billion (£34.4 million) in additional income and create about 70,000 new jobs as they mature.

Fertiliser + training for Nigeria's farmers

Sidi Bweta is a 32-year-old farmer living in Guyuk, a rural town in Nigeria's Adamawa state. For as long as he can remember, Sidi's mother has bought fertiliser for their small family farm from one of the local households that have access to fertiliser subsidised and distributed by the government.



Sidi and his mother, Diyalamna Janda, which means "that which will surprise you" in the local Lunguda language

But when Sidi started up his own small maize and sorghum farm of 1.5 hectares, he was unsure how he would buy fertiliser for his own crops, if not through his mother's connections. "The government controls the fertiliser in our state," he explains. "If you are not connected to one of the households, then you cannot get access."

He describes the situation as follows: the government provides subsidised fertiliser to the ward councillor of the town, who redistributes it to the town elders. These elders then resell fertiliser to those households that have provided political patronage over the past year. These households either use the fertiliser on their own farms or resell it to relatives and close friends, such as Sidi's family. The rural retail market is also an unreliable source of fertiliser, explains Sidi, as local traders often buy up all the fertiliser supplies available in the area to aggregate and sell at large markets in distant urban centres.

A new retail sales channel

But Sidi discovered an alternative to these prevailing market systems. Across the street from his local bank, Ayuba Bwangale, a rural sales agent, was selling fertiliser in 1-kg packs produced by Notore, Nigeria's leading fertiliser company, which was recently privatised. When Sidi bought fertiliser from Ayuba, the seller taught him how to space and bury the seeds and use the fertiliser properly, a better alternative to the broadcast technique Sidi had previously used.



Sidi buying fertiliser from Ayuba Bwangale, his local VP

Ayuba was one of 10 'Village Promoters' (VPs) trained by Notore to act as independent rural sellers in Adamawa state from July to November 2010. The VPs' sales training is unique in that they also provide educational services to farmers who buy their products.

Furthermore, Notore trained the VPs to set up demonstration plots in their local villages. These showcase the benefits of applying Notore fertilisers

correctly on maize and sorghum crops, in combination with best-practice farming techniques. The yields from these plots are a strong promotional tool for the benefits of Notore fertiliser.

A trial run

Seeing this fertiliser for sale on the private retail market, Sidi jumped at the opportunity to buy 40 of the 1-kg bags and test out the new application methods he had learned.

“Agricultural studies was always my favourite subject at school,” says Sidi. “I like being up to date with the latest farming techniques; I like learning how to do new things.”



Sidi comparing his maize grown without fertiliser (on the right) to maize grown with fertiliser (on the left)

Sidi called Giyama Philipson, his closest friend from school, to tell him about the new fertiliser application methods. The two of them frequently met to discuss their ideas on how to manage their new farms. Using Sidi's newfound knowledge, he and Giyama tested the Notore fertiliser and the new techniques on a portion of their own crops.

“Last season, I harvested 13 bags of sorghum. From what I can see based on the quality of my current crop using the Notore fertiliser and the burial technique, I think I'll get a bumper crop this season,” beams Sidi. “Maybe even 30 bags.”

A virtuous cycle

Sidi wishes he could have bought more fertiliser, but 40 kg was all he could afford. But even though the 40 kg of Notore fertiliser were roughly ₦1,000 (£4) more expensive than the government-subsidised 50-kg bags his mother buys, he still feels it was good value for money. “You can tell the quality of the Notore fertiliser just by looking at it. It melts quickly on the earth.”

Given his success with the Notore fertiliser, Sidi was happy when the VP promised that he would have even more supplies next season. He plans to return at the end of the season and buy even more fertiliser – up to 200 kg if possible – with the money he earns from this year's bumper sorghum harvest. “It's good to know that I can get it, where to get it, and that I can be sure of the quality.”

Impact

Sidi is one of more than 60,000 farmers that Notore's rural VPs reached. From July–December 2010, they sold over 217,000 kg of fertiliser through local sales channels. A 2010 study conducted by PrOpCom showed that by correctly applying fertiliser, crop yields can increase by an average of 38–53%. Such productivity increases can boost farmers' profits by 28–38%.

In 2011, Notore aims to expand its sales outreach programme to 900 VPs, who will sell 5 million kg of fertiliser to 800,000 farmers. Notore also hopes to partner with a seed importer to distribute improved seed varieties along with its fertiliser packs. PrOpCom is supporting Notore to achieve its ambitious targets by providing grant incentives based on results.



Sidi with the maize growing in his field

PrOpCom and fertiliser

Since early 2009 PrOpCom has been working to change Nigeria's fertiliser market. It has partnered with two of Nigeria's largest fertiliser producers, Notore Chemical Industries Ltd. and TAK Agro Ltd., to give poor farmers a reliable, affordable, market-based alternative to fertiliser acquired through public subsidy channels.

PrOpCom advises these companies on how to better meet the needs of Nigeria's poor farmers through improved fertiliser blends, smaller pack sizes and embedding farmer education in rural sales. PrOpCom engaged Farm Input Promotions Africa (FIPS-Africa), a Kenyan-based non-profit organisation, to provide training to Notore and TAK Agro rural sales promoters on how to sell fertiliser in small packs and demonstrate appropriate application techniques to farmers.

PrOpCom is working with two of Nigeria's largest fertiliser producers to give poor farmers a reliable source of affordable, quality fertiliser

PrOpCom

Making Nigerian Agricultural Markets Work for the Poor

For more information, please contact

PrOpCom

Plot 40, Mississippi Street

Maitama-Abuja

Nigeria

Email: info@propcom.org

www.propcom.org

Visit 'PrOpCom' on Facebook

DFID Department for International Development

PrOpCom is funded by the UK's Department for International Development.