

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES

PRESS STATEMENT

MITIGATING HIGH FERTILIZER PRICES FOR THE 2022 LONG AND SHORT RAINS

One of the key drivers to achieving 100% food and nutrition security as enshrined in the Big Four Agenda, is high agricultural productivity. Agricultural inputs including fertilizers are major requirements to boost crop productivity. It is estimated that if used well, fertilizers increase food and cash crop yields by 30% thus enhancing food and income security for the country. Fertilizers replace the nutrients that crops remove from the soil and therefore without the addition of fertilizers, crop yields and agricultural productivity would be significantly reduced.

However, the use of fertilizers in agricultural productivity is threatened following recent **spikes in fertilizer prices**. In the last 12 months, fertilizer prices have risen to levels that has affected both large and small-scale farmers who are contributors to the 100% food and nutrition security.

The Global market situation on high fertilizer prices started at the beginning of 2021 due to the impact of Covid-19 pandemic. The sharp increase in fertilizer prices can be attributed to the following factors linked to Covid-19: The rise in fertilizer prices is due to producer countries such as China, Russia and Turkey **restricting exports** to protect their farmers compounded by heavy consumption demand from India, Brazil and USA buying up large quantities, hence reducing available global supplies. This increased buying of fertilizer has also led to competition for shipping thus increasing the rates for bulk and container cargo to high levels.

Further, due to extreme winter conditions, gas prices drastically increased in Europe causing many urea and nitrate production factories to close due to competition between heating homes and producing fertilizers thus causing shortage of these critical fertilizers.

The Russia-Ukraine crisis caused further disruptions and concerns in the global fertilizer industry.

Following the above events, world fertilizer market prices have surged and this has affected domestic fertilizer prices. For example, this time last year, a 50kg bag of DAP fertilizer was retailing at Kshs. 3,200; that same bag now costs **KES.6,000** and based on the current trends, a further price increase is projected.

It is with this background that the Government, through the Ministry of Agriculture, Livestock, Fisheries and Cooperatives, sees the need to expand our fertilizer subsidies to farmers for their food crops production towards assured food security in the country. The Government has set aside **KES 5.734 Billion to subsidize 114,000MT (2,280,000 x 50kg bags)** for farmers growing food crops. These quantities will support the cultivation of 1.13 million acres.

To ensure efficient delivery and control mechanisms are in place, the fertilizers will be available at NCPB and KNTC stores countrywide effective tomorrow. These government agencies will sell the fertilizers at agreed subsidized prices to stabilize the prices of critical fertilizers to the Kenyan farmer.

The proposed prices are as follows:

Fertilizer Type	Subsidized price per 50Kg Bag (KES)
DAP	2,800.00
CAN	1,950.00
UREA	2,700.00
NPK	3,000.00

MOP	2,500.00
Sulphate of Ammonia	2,500.00

Thank You.

Hon. Peter Munya, EGH
Cabinet Secretary