

High fertiliser prices to persist amid supply chain disruptions

By [Nelson Banya](#)

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Crop nutrients manufacturer Omnia believes fertiliser prices will remain high as supply chain disruptions persist, CEO Seelan Gobalsamy said on Tuesday, raising food security concerns for Africa's smallholder farmers.



Source: ©Ozgur Guvenc via [123RF](#)

Omnia supplies fertilizer to commercial and smallholder farmers in several sub-Saharan African countries including South Africa, Zimbabwe, Zambia, Mozambique, Kenya and Tanzania.

The conflict between Russia and Ukraine, both major fertiliser exporters, drove up prices already elevated due to Covid-19-related supply chain disruptions.



Omnia sees Africa increasing farm input support amid food security fears

Nelson Banya 21 Jun 2022



According to Omnia, prices of fertiliser input materials have risen by between 200% and 400% since January 2021.

Omnia reported lower fertiliser sales volumes during its half year to 30 September as individual farmers deferred purchases in the hope that prices would fall, Gobalsamy told Reuters in an interview.

There was, however, strong demand from governments looking to purchase inputs under smallholder farmer support programmes, he said.

"We've seen a number of governments and other service providers looking for fertiliser. My concern is that we'll still have shortages because of supply chain disruptions," Gobalsamy said, adding that China's Covid-19 curbs continue to impact shipping of raw materials and inputs.

"We thought prices would come down in the second half of this year, but they haven't. It's the high demand and low supply that will keep prices high in the medium term," he said.

Aid agencies have warned that African smallholder farmers could be forced to reduce plantings of staple grains such as maize due to high fertiliser prices, worsening a food crisis in a region where millions have already been plunged into extreme poverty by Covid-19, armed conflicts and climate shocks.

On Tuesday, Omnia said its adjusted headline earnings per share - the main profit measure in South Africa - rose 32% to 4.01 rand (\$0.2323) driven by higher commodity prices.

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