Potential for small scale marketing of pesticidal plant products in Africa

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OPTIONS Training Workshop: 30th October 2014,
ICRAF, Nairobi
Global challenge to produce more food to feed a growing population

Pest management is crucial for food security

Biopesticides are an ecologically friendly technology which could increase food production and food safety

Trade is one way of increasing access to these friendly technologies and raise profile of pesticidal plants
Demand for pesticides

- Value of world pesticide market was about USD 32.8 billion in 2010

- Africa only 3% of the pesticides market share
  - Largely targeted at high-value cash crops predestined for export

- Pesticide use

<table>
<thead>
<tr>
<th>Location</th>
<th>kg/ha</th>
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<tbody>
<tr>
<td>World average</td>
<td>3</td>
</tr>
<tr>
<td>China</td>
<td>13</td>
</tr>
<tr>
<td>USA</td>
<td>7</td>
</tr>
<tr>
<td>India</td>
<td>0.6</td>
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<td>(insecticides 65% &gt;50% for cotton production)</td>
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<tr>
<td>Africa</td>
<td>??</td>
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Demand for biopesticides

- Biopesticides sub-sector remain small and fragmented
- Sub-sector estimated at
  - 0.2% in 2000,
  - 2.5% in 2005
  - 4.2 % in 2010

- Biopesticides valued at US $1.3 billion in 2010

- Expected to reach US $3.2 billion by 2018

- North America accounted for about 40% of the global biopesticides demand in 2012
Demand for biopesticides

- Africa markets remain small and undeveloped with limited production for local use
- Initiatives remain pilots and demonstration with exception of pyrethrum in East Africa
Production of biopesticides

- Large companies are still very sceptical
  - return on investment
  - unreliable raw material supply
  - often less than absolute efficacy
Production

- Ecological distribution restricted
  - Disadvantage: Limited raw material
  - Advantage: Unique, novel products
Production

- Production, processing, preparation and standardisation pose major problems

- Traditional methods of preparation are often variable and lead to inconsistent efficacy

- Existence of inherent differences in plant chemistries
Local and international markets
- Processed products

Farmer marketing Association

Small local companies

International companies

Secondary processing

Local markets
- Crude products

Farmer producing households
Or groups

Farmer producing households
Or groups

Farmer producing households
Or groups

Research Service providers
Gvt, NGOs, financiers

Primary processing

Harvesting, grading

Emerging plant pesticides industry
Legal framework

- Pesticide legislation in most countries states that:
  - no pesticides may be imported, exported, manufactured, distributed, advertised, sold or used unless they are registered according to the national pesticide regulations

- All pesticides to be registered should have documented data and information on:
  - Efficacy
  - Toxicity
  - Persistence
  - Shelf life: preferably two (2) years.
  - Safety Data:

- Successes registered in countries with specific and dedicated procedures and guidelines for registration and trade in biopesticides
Lessons from India

- India is currently one of the top three manufacturers of pesticides in Asia and ranks fourth globally after the US, Japan and China.

- Indian industry in 2012 was estimated to be USD 3.8 billion with exports accounting for 50% of the market.

- Biopesticides represented only 4.2%.

- India, 25 biopesticides registered more than 227 synthetics were registered as of 2008.

- Neem products 85% of the biopesticides in the market at USD 5.73 million in 2012.

*Source: Bikramjit and Indranil, 2008*
Azadirachta indica

Neem products
One of the most successful pesticidal plants currently used in the world
- Traded in Kenya and Tanzania

Form
- Extract of Azadirachtin
- Bark Powder
- Seed cake
- Emulsion of bark powder
Lessons from India

- Strong presence of multinational companies

- 2013 estimated that there were more than 150,000 players in the industry,
  - distributors (approximately 145,000)
  - formulators (approximately 800)
  - technical grade manufacturers (approximately 125)

- Each large manufacturer maintain an elaborate distribution network of 400 to 1000 distributors who supply 25,000 to 30,000 wholesalers and retailers

- Only about 10% of the enterprises operate on a commercial basis providing quality products for export
Africa small scale business potential

- Investing in rigorous research that will assure policy makers and the public about human and environmental safety and efficacy

- Already there are a number of pesticidal plant species that have been partly or adequately researched
  - Novel products such as *Tephrosia*, using models similar to those of pyrethrum and neem
Africa small scale business potential

- Investing in local production and distribution
- Investing in development of low cost technologies
- Investment in value chain development to spread the costs of research and increase the value of botanicals (production distribution network)
Africa small scale business potential

- Business/Farmer organisation model selection crucial

- A function of
  - Geographical distribution concentration of raw materials
  - Nature of raw materials
  - Nature of final product
  - Levels of value addition
  - Complexity of processing technology
  - Infrastructure requirements
  - Sophistication of markets
Primary processors

- Gathering and selling
  - Low capital
  - Low skills levels
  - Products very simple
  - Low returns
  - Sell direct to consumers or to processor

- May form associations to
  - bulk produce
  - improve negotiation
  - Adopt agree quality standards
Secondary processor

- Entrepreneur serving as market for producer groups/primary producers
- Economies of scale
- Processing technology relatively simple
- Relatively high level of processing and product transformation
- Intermediate capital investment
- Semi-skilled staff
- Good to high returns
Tertiary processing

- Entrepreneur sells to private sector company for secondary or tertiary processing and marketing
  - Complex and sophisticated markets
  - High capital investment
  - Exports

Private sector partner

Marketing Association

Secondary processing

Primary processor

Market

Primary processor

Primary Processor

Marketing Association

Primary processor

Primary Processor

Marketing Association

Primary processor

Primary Processor
Pyrethrum value chain

Primary processing
Labour intensive Manual

Secondary processing
Machinery

Tertiary processing
Biochemistry and standards

Flower harvesting

Flower powder (pyrethrum) processing

Isolation of pyrethrin

Production of pesticides

Markets

Tanacetum cinerariaefolium
Plantations
Neem Value chain

- Neem tree plantations
  - Seed collection
  - Harvesting of leaves
- Neem oil processing
- Neem leaf powder processing
- Secondary processing
  - Neem oil processing
- Isolation of azadirachtin
- Tertiary processing Biochemistry and standards
- Production of pesticides
- Markets
  - Primary processing Labour intensive Manual
  - Secondary processing Machinery
Challenge of bringing pesticidal plant products from the forest/farm to the shelves at a reasonably low cost that is affordable to smallholder farmers who produce the bulk of the food in Africa.
Further reading


http://blog.cifor.org/24631/in-fight-against-african-pests-researchers-point-to-natural-born-killers
Thank you

Egerton University