Suggestions for Developing Efficient Fertilizer Supply Chains in COMESA

Presentation by
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Integrated supply chain management concept accepts the distribution chain as a single entity and attempts to synchronize all business processes across the chain.

Integrated supply chain management implies total transparency of demand and inventory information across all business partners.

Supply chain management requires three critical elements:

- Supply chain infrastructure or hardware. The location as well as the technology, people, and other dimensions of supply chain infrastructure affect operating costs over the entire economic life.

- Supply chain management competence or software. ITC assisted real time decision making is essential to competitive chain operations.
Fertilizer Supply Chain Metrics

- Efficiency
- Adaptability
- Agility
- Value Addition

**Process Synchronization**

**Market Interface:**
Right product/Right entity/Right packaging/Right timing

**Production Coordination:**
Production/Shipment/Storage/Blending/Transportation

**Financial Management:**
Securitization of inventories/Floor Planning/Trade Credits
Supply Chain Efficiency Metrics

Supply Chain Processes

Ex-plant
Port Warehouse
CIF Port
Farm Gate

Cost

Production Bulk shipment Store Blend and bag Fill orders Wholesale storage Retail Farmer

Supply Chain Value Addition Metrics

Value delivered to farmer

Production Bulk shipment Store Blend and bag Fill orders Wholesale storage Retail Farmer

Value delivered to farmer: More precise blending, closer to the end product value delivered to farmer: More precise blending, closer to the end

Des trade credits: Provide risk management for stand by financing from com
Supply Chain Agility Metrics

- Production
- Bulk shipment
- Store
- Blend and bag
- Fill orders
- Wholesale storage
- Retail
- Farmer

Lead Time (days)
- 90
- 120
- 150
- 180
- 210

Supply Chain Processes

Supply Chain Adaptability Metrics

Cycle Time (days)
- 60
- 120
- 180
- 240

Value Delivered To Farmer

- Enable farmers to adopt new plant science more quickly
Transaction Oriented: Incentive Media:

- Matching Grants
- Franchises
- Joint Ventures
- Public Procurement
- Public Private Partnerships
Very Broadly Speaking, Public Private Partnerships are:

- A contractual framework, or structure, in which the public and private sector come together to deliver a project/service which either has not been provided before or which the public sector has traditionally provided, by means of risk transference.

- Various structures exist. However, the key principle is that better value can be achieved through leverage of private sector competencies and the allocation of risks to those parties best-suited to manage them.

Guiding Principles

PPP’s should ideally achieve the following objectives:

- Improve service levels above those which are currently achieved
- Expand the regional market, year over year, as supply chain arrangements are serially implemented and the chain extends
- Leverage private sector supply chain management, through superior controls and forecasting systems, superior management systems, improved service training for stockists, trade credits management
- Superior agronomic technologies and innovation
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specializes in engineering solutions, equipment and after-sales services for a broad range of dry bulk material handling and processing applications
project corporation which owns or leases a deep water ocean terminal, contains railway trackage rights and inland fertilizer storage facilities and outsources critical logistics services.

regulated at the regional level under the terms of a multinational concession agreement, which conforms to the business environment conditions, which in stipulate in their business plan, and, also to incentives specified in the contract.

Business Charter specifies objectives including: i) capture of economies of scale and economies of vertical integration, ii) increased value addition, iii) reduced transaction costs and iv) local prices linked to global fertilizer prices.

Corporate Structure would involve a Project Corporation holding a 10 year concession right which a renewal option. Project corporation would have integrate provisions and would anticipate a reorganization and possible spinoff.

articulate a time phased regional fertilizer market development strategy designed to improve efficiency, adaptability, value addition and adaptability. Determine the set of services required to integrate the East African Fertilizer Market. Develop business plans for each component of this service ensemble. Integrate these several components into an integration. Define the terms of “Building Block Transactions” necessary to affect regional market development and the agenda of “Supporting Reforms” which would likely become an investor pre-conditions for the