

# Omnia sees Africa increasing farm input support amid food security fears

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Fertiliser manufacturer Omnia Holdings says African governments are increasing support for smallholder farmers amid fears that input costs, driven higher after Russia's invasion of Ukraine, could cut crop production and worsen food insecurity.



A farmer is seen in a paddy field, following renewed interest in organic fertilizer as global prices for chemical inputs skyrocket due to the war in Ukraine, in Mwaa, Kenya April 6, 2022. REUTERS/Thomas Mukoya

Omnia supplies fertiliser to both 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, major fertiliser exporters, has accelerated price increases first triggered by Covid-19-induced supply chain disruptions. According to Omnia, prices of fertilizer input materials have gone up by between 200% and 400% since January 2021.

Aid agencies have warned that rising input prices could force Africa's smallholder farmers to reduce plantings of staple grains such as maize, worsening a food crisis in a region where millions have already been plunged into extreme poverty by Covid-19, armed conflicts and climate shocks.

Omnia Holdings chief executive officer Seelan Gobalsamy told Reuters in an interview that fears of fertilizer shortages as a result of the conflict were driving demand ahead of the planting season.

"We see governments, countries across the world being concerned about food security. Everybody wants security of supply of fertiliser and that drives up prices, it also raises concerns about food security in the coming period," Gobalsamy said.

"What we're seeing is a lot more support from governments for the smaller farmers, to aid those farmers because they have two roles - a subsistence role and a commercial role," he added, referring to African governments.

On Monday, Omnia reported R21.437bn (\$1.34bn) revenues in the full year to March 31, a 30% increase compared to the same period last year, driven by higher commodity prices and sales. Headline earnings per share - the main profit measure in South Africa - were 86% up at 6.72 rand compared to last year.

## ABOUT THE AUTHOR

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