Context

Sierra Leone's Ag-Inputs & Services Market

Agriculture is a critical economic driver for Sierra Leone, contributing to more than 50% of GDP and two-thirds of the country's labour force. Most farmers operate on 0.5 - 2 hectares, earning less than USD 1.25 per day. Agricultural productivity across Sierra Leone is significantly limited by poor availability, access, and usage of inputs – shortages of good quality fertiliser, absence of good quality, locally appropriate seeds and crop protection inputs, as well as very limited availability of information and advice for farmers tailored to their particular local conditions and crops, all limit production.

At the start of SOBA's work in the ag-inputs and services sector, performance was largely characterised by the four main limitations listed below. As a result, farmers had extremely limited and ad hoc access to ag-inputs and services as well as agronomic advisory required to grow production. Those inputs that were available were often excessively priced. Most farmers relied on saved seeds and with limited fertiliser and chemical application that resulted in poor yields – and limited income.

Poor distribution, largely limited to Freetown

There was a salient disconnect between farmers and inputs distributors. Sierra Leone's ag-inputs and services sector was almost entirely positioned to service large aid and GoSL contracts. Major distributors had little information about upcountry farmers or agro-dealers and did not value their business.

- Limited appreciation for the "farmer opportunity"
- Agricultural distribution is largely limited to Freetown, with some ad hoc provincial trading. As a result of their limited engagement, distributors have limited exposure to and understanding of farmer customers and an appreciation for the market potential. Consequently, inputs are often inaccessible or too expensive for farmers in rural areas.
- Agro-dealers were limited in capacity and skill, often without a basic understanding of the product that they sold.

Distributors were not set-up to service farmers and agro-dealers as customers

Distributors lacked product and price lists, inventory control systems, basic financial management, and agronomic advisory, that together underpin sustained and growing inputs sales to small farmers.

- Limited business, operational and financial management skills

Discouraging enabling environment that limits inputs sector investment and growth.

Sierra Leone's agricultural enabling environment is weak. GoSL and other aid agencies assumed a major role in the inputs market by distributing and subsidising fertiliser annually – dissuading investment and distorting market prices. Further, research, lab and extension services were sub-standard at best.

- Inconsistent and incoherent governance policy that disincentivises commercial investment and activity within the sector.
- Aid-focussed economy inhibits emergence of commercial activity.

Poor farming practices limited overall production and discouraged investment in inputs.

Large skill gaps regarding modern production methods. Farmers, especially in rural areas, use traditional methods of farming and had limited exposure or access to agricultural improvements like hybrid seeds or mechanised farming

- Limited access to agricultural advisory