

MDF: Overcoming soil acidity in Fiji

Better known for tourism, Fiji also has a sizeable agricultural industry growing everything from sugarcane, coconuts and cassava, to sweet potatoes and bananas. Yet this success has come at a price as the country's 65,000 farming households have gradually seen increasing soil acidity contributing to lowering yields and threatening the future of farming itself. The common solution to acidic soils, agricultural lime, is expensive to import and not well known among farmers. MDF Fiji has partnered with Standard Concrete, a leading concrete block manufacturer, to invest in national agricultural lime production, promotion and distribution.

Overcoming the hurdles

In Fiji, farmers lack access to the information, skills and resources to meet export standards or demands. While the government provides some support and information it is under-resourced and only provides limited inputs in times of emergency or to specific sub-groups. Private sector input suppliers are few and far between, with two large input providers and fewer than five specialist retailers. Soil acidity is gradually worsening, adversely affecting yields. Agricultural lime, the most common solution to acidity problems, is expensive to import, and the existing input suppliers did not see a viable market for it. Economists would describe this as failure to both access information and a failure of market power.

Local production and know how

MDF believed that if it could support a local provider of agricultural lime and make farmers aware of it and how to use it, soil acidity would fall and yields improve. It also thought that getting input suppliers to reach out further to rural areas to provide farmers with better information would also improve productivity.

Responding to blocks in distribution

While at first glance, a company producing concrete blocks might seem like an unlikely ally, Standard Concrete Industries was actually the obvious choice for a partner due to its access to a lime quarry, used for building materials. Yet just as important was Standard Concrete Industries' willingness to diversify into agriculture, and test the market for the product.

In July 2012, MDF and Standard Concrete Industries' jointly commissioned a major feasibility study to understand the state of soil acidity across the country. This led to a stronger business case for the company to invest in developing the business model required to produce Aglime and sell to farmers – a very different model to its concrete business. MDF also agreed to co-finance some of the early marketing efforts so farmers were aware of the benefits of using Aglime and how to use it.

Aglime was launched in August 2013 at a third of the price of imported agricultural lime. Several hundred farmers purchased it in the first season, but sales were not as high as projected in the business case. MDF and Standard Concrete Industries investigated the underlying cause and found that promotion and distribution efforts would need to be significantly boosted to reach more farmers. Together, the two parties decided to double down on the distribution network, and improve the front-line marketing and information services to farmers.

MDF's second phase of support began in March 2014. Standard Concrete hired a team of Aglime Field Promoters to provide on farm support, including soil-testing services to advise farmers on the proper amount of lime to apply to their fields. Through advertising, signboards and numerous demonstration plots, the company aggressively promoted the new product alongside better knowledge about soil acidity.

Standard Concrete also started to succeed in finding institutional partnerships with key institutions, such as the Fiji Sugar Corporation, to offer Aglime on credit to their farmers. This leveraged the incentive of the purchasing arm of the Fiji Sugar Corporation, who would benefit from increased sugar volumes, and therefore were willing to take on the risk of getting farmers to test out Aglime initially.

Farmers reap the rewards

As of August 2015, over 1,100 farmers have benefited from access to Aglime. Standard Concrete Industries has recorded total sales of nearly 40,000 bags. Early results from farmers show that in the areas of highest soil acidity, farmer yields have more than doubled as a result of the lime.

In terms of the systemic change observed, Standard Concrete's increasing commitment to this new line of business is very promising. Fiji is a small country,

and the small and nascent input sector means it is unlikely any other businesses will enter into the agriculture lime market any time soon. That being said, the buy-in from numerous government ministries and key partners like the Fiji Sugar Corporation are spreading the word and encouraging farmers to adopt the practice.

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