

May 22, 2009

## **EFBA GENERAL ASSEMBLY MARCH 25-27, 2009 IN HANNOVER**

### **MINUTES**

*Participants :*

**Germany** - BDVM: Joster vor SCHULTE (Chairman), Helmut REICH, Heinrich JANINHOFF

**France** - AFCOME: Philibert de MOUSTIER, Pierre-François DUMAS

**NL** - NVB : Maarten J. BRAND

**UK** - AIC : Eileen PULLINGER

**Italy** - ARVAN: Pier Luigi GRAZIANO

EFBA secretary general: Dominique AUBRUN

*Interpreter* : Marie Pozzo di Borgo

#### **1<sup>st</sup> DAY / MARCH 25**

Welcoming words from Joster vor SCHULTE and introduction of Heinrich JANINHOFF.

Helmut REICH is to retire at the end of the year (January, 23, 2010). Heinrich JANINHOFF will be his successor. The latter knows very well the German market and the agriculture business, was responsible for K+S/Kali GmbH in the Northern part of Germany (Oldenburg). [heinrich.janinhoff@kali-gmbh.com](mailto:heinrich.janinhoff@kali-gmbh.com)

Joster vor SCHULTE proposes to do the rounds so as to introduce each EFBA members to Mr JANINHOFF.

#### **1<sup>st</sup> POINT: ADOPTION OF THE DRAFT AGENDA**

The agenda is adopted.

#### **2<sup>nd</sup> POINT : ADOPTION OF THE MINUTES OF THE LAST MEETING (April 7 & 8, 2008, in Dolo/Venice)**

The minutes are adopted. Answers were expected on page 11/12 of the minutes. Each member will **send the figures** to Dominique AUBRUN.

### 3<sup>rd</sup> POINT : ACTIVITY REPORT FOR THE LAST YEAR

#### **Joster vor SCHULTE - BVDM and the German Market :**

- Joster vor SCHULTE tried to bring Spanish organisation to EFBA through a contact responsible for potash that had obtained from a K+S man. Should try to meet him at the occasion of a travel to Spain since there is no more news so far. Dominique AUBRUN will talk to Antonio GAMBOA (a native, also from the Potash Industry) so as to give him some elements concerning that contact. Joster vor SCHULTE heard from bulk blenders that it exists 60 big installations in Spain that should have interest to join.
- Joster vor SCHULTE tried also to develop link with Poland. Herman HEEGE went to Varsovia and had good contacts there. Joster vor SCHULTE remembers of the Polish speaker during the Bordeaux international meeting of Afcome emphasizing that should concentrate on this. *His name is: Wojciech LUBIEWA-WIELEZYNSKI, President of PIPC (Polish Chamber of Chemical Industry - Poland). His presentation theme was: "consequences on the fertiliser industry of the entrance of 10 Eastern countries in the European Union".*

Concerning the German market (2007-2008), an increase on the nitrogen consumption (+ 12,5%):

- 2006-2007: 1 600 000 t N
- 2007-2008: 1 800 000 t N

Also an increase of the phosphate consumption (+ 20,1%) :

- 2006-2007: 264 000 t P2O5
- 2007-2008: 317 000 t P2O5

Increase of the potash consumption (+ 15,3%):

- 2006-2007 : 443 000 t K2O
- 2007-2008 : 511 000 t K2O

Prices are high, especially of Potash, that's why, **now, farmers do not buy**. Big question of income of the farmers considering the price of the products. Above all, cereal prices are now very low again.

- Joster vor SCHULTE learnt that farmers are paid 20-25cts per litre of milk, even below 20. They wait for a return at 40 cts. The situation is very bad. Farmers save their money; face a **very slow year** with regards to investment and income situation. Tough situation for lots of installations of ethanol in Brazil and the US. Big concurrence between grain for oil and grain for food. If oil price increases up to 60 \$, will have a return of the opening of ethanol installations.
- In June 2009, a German group of 20-30 people will go to France meeting K+S (Hermann Weinbuch), champagne region, Versailles, Rouen (Bruno Chabbert), St Malo (Groupe Roullier) , Mont St Michel, Bayeux.

- Last summer had a meeting with all members and decided should do something for bulk blenders. Initiated a project for a research program on bulk blending. This was entrusted to Prof. HARTUNG, from the University of KIEL (C.A.U. / faculty of agriculture technical process) and Prof. HEEGE. The theme is: "**the points for Fertilizer Blending Plants in the contest of Fertilizing Systems**".

To achieve this project must find **84 000 € in 3 years**.

The paper will be written in English, German and French.

Sponsors have to be found for this program. Already got 59 000€, have to find the rest. Question is asked to each member country if would allow some money to this project.

All the technical study has been done. Lack of information concerning the economic and logistic situation . Want to see what can do for bulk blenders in different countries/regions

The sponsors are:

- BVDM : 10 000 €
- K+S : 30 000 €
- DSM : 5 000 €
- ICL : 11 000 €
- + 2 wholesalers (METRAC and BEISELEN): 3 000 €

That makes **59 000 €**.

Pierre-François DUMAS emphasizes that this study should include analyse of CO2 consumption and cost, so as to be of very much interest to the Afcome members. Will make a decision concerning the investment in this study after the next meeting of Afcome in June 09.

Eileen PULLINGER needs to read the document before taking a position.

Pier Luigi GRAZIANO adds that such a study should deal with a comparison of the cost for the mean and the structure in order to give to the associated a clear vision of the best logistic approach.

🗨️ *Joster vor SCHULTE will let Professor HARTUNG know the different remarks.*

### 🚩 **Eileen Pullinger : AIC and the British market**

- Still do not have figures on tonnages (asked again members to get right figures). The consumption is going down (N= + 0,5%; P2O5= - 4,7%; K2O= - 2,5%).

Very negative press concerning the very high prices of the market.

Laboratories agree to collaborate so as to draw an accurate picture of what is going on in the soil (Jane SALTER). Data will be published next year.

- **Fertiliser security** is still a big issue. AIC is also involved in "precursors" working group (at the European DG Justice, Freedom and Security).

- A lot is going on about **climate change** issue. AIC is binding together with farming Union to give joint responses.
- Eileen PULLINGER visited Northern Ireland; working relations are getting better especially on security issues.
- Joster vor SCHULTE asks if could rely on an Irish membership to EFBA. Eileen PULLINGER answers that will not send their own representative, **Eileen will do the job.**  
Joster vor SCHULTE says that can bring Irish market in the EFBA and **add Ireland on the membership map of EFBA** with AIC address.

✚ **Marteen J. Brand : NVB and the Dutch market(and the IFS activity)**  
(ref. document entitled activities in the Netherlands).

- NVB is 100% a blending organisation, don't speak about figures.
- Do have contacts with blenders in Belgium. Suggests that they become guest members since they do not want to create any organisation.
- Last year NVB has changed its logo. Will have to change it on the EFBA website too. A **quality system** work was done last year which started during the annual meeting. 3 members of the Association were certified. Around 10 members are expected to get the certification ("**BlendPlus**").
- Marteen BRAND reports on the last October IFS meeting where thinks could find names to open EFBA to new member countries.
- On May 16, 2009 will go to Prague and visit a producer of compound fertilisers.

✚ **Pier Luigi GRAZIANO - ARVAN and the Italian market:**

- Pier Luigi affirms that can find reliable statistics on fertilisers in Italy.

The evolution in 2008 was:

- 4 to 5% of increase for nitrogen (mainly urea)
- 10 to 11% in P2O5
- very little change for K2O.
- The forecast for blended fertilizers in 2009 is about 100.000T (in comparison to 350.000T in 2008) mostly because part of the spring sells were done in autumn. 600€/t is the lowest cost.
- Blenders buy and sell **nitrogen without blending**. Russia, Israel and Jordan are also concerned. Now potash is available but prices are high. It's difficult to forecast what will happen.

- In addition, the prices of cereals are down due to the strategy of E.U. with subvention. Farmers do not want now to spend money and **are waiting for next year.**
- Pier Luigi GRAZIANO says that use the newsletter to transmit the Brussels main issues minutes to its members and they seem satisfied with this.

#### ✚ **Pierre-François DUMAS – AFCOME and the French market:**

- The consumption 2007-2008 is **10 494 200** t of products (+ 8,8%):  
     2 402 700 t N (+ 9%)  
     631 500 t P2O5 (+ 13%)  
     794 300 t K2O (+ 8 %).
- Now, for the blenders and producers of NPK and PK, the production is **divided by two**. It appears that the market will not recover at least until next autumn. The main issue for blenders is the inventories. Farmers are upset by the prices. The Yara policy costs Afcome members million of Euros. Roullier's factories are closed for the moment.
- The Ministry of environment wishes to put a new **storage regulation** applying to storage of ammonium nitrate specifically on asphalt. Eileen PULLINGER adds that the same problem occurs in United Kingdom. Pierre-François DUMAS says that a study is to be presented to the Ministry in June. Otherwise will have to modify all **the storage floors** (inside and outside the warehouses) and cannot afford this.
- A work is done in collaboration with UNIFA (the association of producers) on the contracts. It has to be global for **fertiliser trading** in order to have one contract and to refer to one person. Will communicate on this next year.
- The next **Afcome meeting** will be in SAINT MALO on **October 14-16, 2009**. A presentation of the Chinese, Northern America and Indian markets will be done. Will see how the farmers work and the market evolves. The program will be ready in May. The question is asked if there will be German translation...

## 2nd DAY / MARCH 26

### Morning

#### **K+S KALI GmbH visit at SEHNDE**

Welcoming words by the Production Manager, Dirk UTHOFF ([dirk.uthoff@kali-gmbh.com](mailto:dirk.uthoff@kali-gmbh.com)), and the Quality Manager.

Presentation of the plant.

Business model is :

- Fertiliser and plant care (Compo, Fertiva)
- Salt (Esco)
- Complementary business (trading, logistics, quality...)

A world wide presence: Germany 19,6%, Rest of Europe 47,1% and overseas 33,3%.

Underground extraction of magnesium and potash, crude salt for the production of fertilisers as well as intermediate production for technical, commercial and chemical industry.

Asia is a target market for this plant with a continued long term growth of 3-5% per year.

The plant produces straight fertilisers and NPK fertilisers (granulated, compacted or blended) : 55 types of products and 77 raw materials.

Key figures: 145 employees, production 50 000 t, 5 Millions € of cost of maintenance and 2 Millions € of investment.

180 000 t is the global storage capacity at SEHNDE.

Visit of the quality laboratory and the production line.

### Afternoon

#### ***The members talk again about the 2009 budget:***

- Pierre-François DUMAS announces that Dominique AUBRUN will be hired by Afcome as an **expert** to the French ANPEA/BNAME/"commission générale" so as to be able to attend the CEN/TC260 meetings (**European Fertilizers Standardization**) and avoid EFBA to have to pay extra fees already paid by Afcome.

The travel expenses will still be paid by EFBA and the membership by Afcome.

*It will be made official by sending to ANPEA an Afcome letter confirming the nomination (ANPEA is located at the UNIFA office).*

- The question of the **C.A.U. research program** is dealt again by the members. Pierre-François DUMAS repeats that Afcome will contribute to the financing as long as the CO2 issue is included in the study. The amount will be discussed during the next meeting of Afcome.

**All the members agree** that EFBA commits to give money to the C.A.U. research program: **3 400 € per year** during 3 years (total: **10 200 €**). The first payment will be in 2009.

The project will start at the end of August.

BVDM will make the invoice to EFBA each year; an account deposit is especially dedicated in BVDM accountancy to the sponsoring of the study.

*Joster vor SCHULTE thanks everybody and says that an annual report will be sent to each member so as to be able to add some suggestion on the content of the research program.*

Joster vor SCHULTE will give Professor HARTUNG the different addresses of the members asking him to contact them.

- A new draft of the **budget** is to be sent consequently to each member (see attached).

✚ **Dominique AUBRUN – European commission DG Justice and the Fertilisers as precursors :**

- New items of worries about several precursors for explosive. A decision is taken on the content of nitrogen (N) coming from ammonium nitrate (AN) in fertilizers for public, that is to set **a limit of 16% N**. 18 months are granted to apply the rule. CAN (27% N) is impacted. Not allowed to sell CAN to public.
- Eileen PULLINGER adds that allow some countries to go up to 20% N from AN, but have to write to the commission to get an authorisation. It's not automatic.
- Pier Luigi GRAZIANO says that the decision of 16% is not clear at all. He went to the meeting of EFMA when the subject was discussed, argued against that figure, the British security asked to go even lower.
- EFMA made a proposal to reinforce the security along the **supply chain**. Farmer is supposed to be the weakest link.
- The European Commission asks the professionals (producers, blenders, retailers, farmers) to speak together to improve the security of the supply chain.
- For the moment no news from EFMA, nobody has taken the lead yet.
- *Eileen Pullinger and Pier Luigi Graziano add that **need to be present** so as to prevent EFMA and the Commission from going too far. Maarten Brand and Dominique Aubrun will be present with Eileen.*

✚ **Dominique AUBRUN – European commission DG Enterprise and the fertilisers WG:**

- For some National Authorities, **sampling** from static heaps becomes a big subject. The German proposal will be transferred to CEN/TC 260 to improve the standard EN 1482-1 and the debate is going on.
- A **European Workshop** will take place in Paris next September to find a solution **to harmonize fertilisers** that are not. Will have, eventually, to accept mutual recognition.

- Only 2 people (Delvaux and Pickering) in the Commission work on the subject: that's one of the reasons why proposals are more than welcome.
- The other items in the Fertilisers WG are: improve market monitoring, harmonisation of laboratories methods, heavy elements, undeclared nutrients.

*The official minutes of the next DG enterprise (October 2009 and March 2010) will be sent to each member, as usual.*

**Pier-Luigi GRAZIANO will participate** with Dominique AUBRUN to the European Workshop in Paris the 9th September. He is in favour of the harmonization.

### **Dominique AUBRUN: Other activities of EFBA**

#### **4<sup>th</sup> POINT : REVISED DRAFT OF THE EFBA CONSTITUTION**

*A draft revised by David Heather is given to each participant.*

David Heather, in collaboration with Eileen PULLINGER and Maarten BRAND, did a polishing and updating of the status. The main point is the member question (new members ?).

It must be checked there is nothing against the French law.

Must also ask to have the Headquarter at Secretary General address (art.3).

The address of Afcome has to be modified in art.1:  
AFCOME c/o EURASUD – Place de l'Hôtel de Ville – 47320 CLAIRAC - France.

Within 4 months all the remarks (see updated draft attached) have to be sent to Dominique AUBRUN.

Joster vor SCHULTE notes the potential lack of control as the Secretary General is in fact also the Treasurer. There must be a control on financial points.

*Pierre-François DUMAS/Afcome will make **the internal control** before the General Assembly.*

A discussion started concerning the function of **Secretary General** and the request on his profile.

*Eileen PULLINGER will explain the discussion to David HEATHER.*

The payment to the Secretary General should be discussed each year with the draft budget during the Annual General Meeting (art. 6-last sentence and art.13.1).



## 5<sup>th</sup> POINT : EFBA ACCOUNTANCY (1<sup>st</sup> and 2<sup>nd</sup> day)

### 1<sup>st</sup> Day

More handbooks were sold this year. Have to check the stocks in the different member countries (100 left in UK, France must check).

The balance is ok for all the members.

A discussion is engaged on the 1500€ proposal corresponding to the CEN/TC260/ANPEA subscription. Dominique AUBRUN remarks that he is facing a difficulty to attend the European standardisation working program (especially CEN/TC260) since he is no more an Afcome member. Two people from AIC attend. Graham LANCE retired and will not be able to go any more.

*Yet everybody agrees that **EFBA do need to attend those meetings** so as to be in the European debate (see above).*

### 2<sup>nd</sup> day

Will keep the same figures (members subscriptions) as last year.

Pierre-François DUMAS asks for a presentation of the Secretary General expenses, wants to know how much time it represents, how many meetings attended, etc.

A fixed amount (11 000 €) remains set for the year. No matter if it's a full or part time job.

NB: It's agreed that the reimbursement for kilometric fees is 0,30 € per kilometre.

**Next General Assembly is to be in Holland, 2 nights, 3 days, on April the 21st-23rd, 2010, with a visit to a certified blender ("BlendPlus").**

*End of the 2009 EFBA MEETING*

### BUDGET 2009 (according to Annual General Meeting 26th March 2009)

ITEM	BUDGET 2009	ITEM	DRA
SECRETARY GENERAL	11 000,00	A.I.C. SUBSCRIPTION	
TRAVEL EXPENSES	5 500,00	BVDM SUBSCRIPTION	
ADMINISTRATIVE AND FINANCIAL COSTS	200,00	N.V.B. SUBSCRIPTION	
COMMUNICATION + PUBLISHING + POSTAGE	300,00	AFCOME SUBSCRIPTION	
WEB SITE	1 000,00	ARVAN SUBSCRIPTION	
INTERPRETING	1 400,00	Other Incomes	
I.F.S. SUBSCRIPTION	100,00		
C.A.U. Kiel Research Project (1/3)	3 400,00		
SUBTOTAL	22 900,00	SUBTOTAL	
		BALANCE DUE	
<b>TOTAL</b>	<b>22 900,00</b>	<b>TOTAL</b>	

### SUBSCRIPTIONS 2009 = 2008

Projected situation of the FREE CAPITAL a  
(29 346,69 - 1 690,02 - 5 740,00) = **21 916**  
information)