

May 30 , 2012

## **EFBA GENERAL ASSEMBLY MARCH 21 & 22, 2012 IN PORTUGAL**

### **MINUTES**

#### *Participants :*

**GERMANY** - BVDM: Jan BRÖRING, Heinrich JANINHOFF

**FRANCE** - AFCOME: Philibert de MOUSTIER

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

**UK** - AIC : Eileen PULLINGER

**ITALY** – AIF: Pier Luigi GRAZIANO

**PORTUGAL** – INTERADUBO : Ana FRANCO, Fernando FRANCO

**EFBA secretary general:** Pierre-François DUMAS

*Interpreter* : Marie Pozzo di Borgo

#### **1<sup>st</sup> DAY / MARCH 21**

8 a.m Opening of the meeting by Maarten BRAND. Few words to welcome Portugal as a new member country of EFBA and thanks for the organisation of the meeting.

#### **1st POINT: ADOPTION OF THE DRAFT AGENDA**

The agenda is adopted.

#### **2nd POINT : ADOPTION OF THE DRAFT MINUTES OF THE LAST MEETING (March22 & 23 in Granada (Spain))**

The minutes is adopted.

#### **3<sup>nd</sup> POINT : ACTIVITY REPORTS FROM EACH ASSOCIATION**

→ **Heinrich JANINHOFF and Jan BRÖRING : BVDM and the German market** (ref PowerPoint overview of blending market and research program)

Figures of the production and not the consumption. P and K increased more than nitrogen in 2011.

	2008-2009	2009-2010	2010-2011
in tons of product			
total	8100000	83000000	9718000
N	6000000	59000000	6600000
uan	2000000	2000000	2300000
P	150000	300000	340000
K	300000	370000	560000
PK	520000	410000	646000
NP NK NPK OM	1110000	1330000	1581000
global Afcome	3543000	4877000	5700000
% Afcome	43,7	58,6	58,7
Blend Afcome	364000	401000	500000
% blend Afcome	50,2	53,4	67

### **Overview of the European fertiliser blending market : input from Germany**

Consumption in tonnes of products (excl. fluid fert.)

	July 2008- June 2009		July 2009- June 2010		July 2010- June 2011
N	1.285.399	N	1.268.585	N	1.431.094
P	9.199	P	27.901	P	28.661
K	108.407	K	261.376	K	291.579
NP/NK/PK/NPK	348.198	NP/NK/PK/NPK	421.621	NP/NK/PK/NPK	555.512
Total	1.751.203	Total	1.979.483	Total	2.306.846

Country	EFBA member	Estimated global fertilizers <b>consumption</b> of the country (in tonnes of product)	Estimated global <b>blended</b> fertilisers production of the country (in tonnes of product)	Representative <b>market share</b> (%) of the national association in the national blending business
2008-2009	BVDM	4.250.000	350.000	50%
2009-2010	BVDM	4.750.000	420.000	55%
2010-2011	BVDM	5.600.000	460.000	60%

Map of Bulk blending stations in Germany ; 270 blending stations ; 55% are members of BVDM assembly. Over 100 stations are concentrated in the North West.

Last year, BVDM developed a new website more colourful, with pictures.

M. Brand, as president of EFBA, attended the annual general assembly in February. Wholesalers, importers, fertiliser industry were represented. Marteen Brand compliments this meeting which gives podium not only to blenders but also to all the fertilizer sector.

Like the Afcome international meeting adds Pierre-François Dumas.

Jan Bröring says that the winter conditions were very bad in Germany (-18°C) affecting the winter wheat.

Pierre-François Dumas adds that the same happened in France (100.000 Ha destroyed).

→ **Eileen PULLINGER – A.I.C. and the British market**

(ref. AIC fertiliser statistics 2011 report and "MEP calls for action on UK fertiliser monopoly")

Eileen Pullinger clarifies that AIC does not collect statistics.

**Overview of the European fertiliser blending market : input from United Kingdom**

Consumption in tonnes of nutrients

	July 2008- June 2009		July 2009- June 2010		July 2010- June 2011
N	913.000	N	1.016.000	N	1.029.000
P2O5	129.000	P2O5	184.000	P2O5	192.000
K2O	208.000	K2O	251.000	K2O	283.000

On table 3 of AIC Statistics, UK consumption of fertiliser nutrients can see a slight upturn in 2009/2010 after a long decline.

Profit was good in 2011. Though the farmers have been concerned about the prices and asked for an investigation from the European commission so as to counteract the monopoly in the UK fertiliser market (ref flyer MEP call)

The UK market is dominated by 3 main companies:

- 1/ YARA
- 2/ KOCH (largest family owned company)
- 3/ ORIGINE

The big issue is security with the prospect of the Olympics games in July 2012. A terrorist attack is a possibility. All the efforts are done toward the prevention of terrorism.

A discussion is engaged about the position of YARA as the largest blender in the UK. Even in Italy and France, YARA is a competitor of the blenders.

Eileen Pullinger will ask a specialist to disclose the percentage of blending in the UK so as to answer Ana Franco.

→ **Maarten J. Brand : NVB and the Dutch market**

**Overview of the European fertiliser blending market : Input from the Netherlands :**

Consumption in tonnes of products ( excl. fluid fert.)

	July 2008- June 2009		July 2009- June 2010		July 2010- June 2011
N	666.000	N	656.000	N	741.000
P	3.000	P	9.000	P	9.000
K	49.000	K	117.000	K	130.000
NP/NK/PK/NPK	133.000	NP/NK/PK/NPK	159.000	NP/NK/PK/NPK	207.000
Total	851.000	Total	941000	Total	1087000

Country	EFBA member	Estimated global fertilizers <b>consumption</b> of the country (in tonnes of product)	Estimated global <b>blended</b> fertilisers production of the country (in tonnes of product)	Representative <b>market share</b> (%) of the national association in the national blending business
2008-2009	NVB	851.000	85000	85%
2009-2010	NVB	941.000	104.000	85%
2010-2011	NVB	1.087.000	115.000	85%

Quite the same situation as in Germany.

No new blender, still 20 in Netherland.

Marteen Brand informs that the unit visited 2 years ago has closed which is a bad thing for the Dutch association. Fertiliser lost the battle against containers.

In 2004, a quality system was initiated in order to respond to the market demand. The aim for the members was for the association to have its own system. It also becomes an umbrella when pressure comes from the government.

In 2009, started with 3 pilot companies :

- 1/ TRIFERTO
- 2/ BUITER
- 3/ DEKKER

In 2012, BUITER stopped the program and was replaced by a new company : PARS AGRIFIUM.

A discussion is engaged on how to prove the quality of the product and the question of sampling. Details are on the NVB website; Marteen Brand will get an English version.

J. Bröring remarks that there are two types of blenders : those who join the quality system and the others. Yet this is not a problem for Marteen Brand considering that only those applying the quality system will survive.

The cost to join is 300€ for implementation, then 700€ as a contribution and a rate per day or half day from an external group that advices.

→ **Pier Luigi GRAZIANO –AIF and the Italian market  
(ref. Power point blended fertilisers in Italy)**

Figures of blended fertilisers in Italy are official data, calendar year.

**Overview of the European fertiliser blending market : input from Italy**

Consumption in tonnes of products ( excl. fluid fert.)

	July 2008- June 2009		July 2009- June 2010		July 2010- June 2011
N	1.474.700	N	1.243.200	N	1.021.500
P	141.500	P	123.200	P	124.000
K	83.900	K	64.500	K	110.100
NP/NK/PK/NPK	1.076.200	NP/NK/PK/NPK	842.100	NP/NK/PK/NPK	887.000
Total	2.776.300	Total	2.373.000	Total	2.142.600

Country	EFBA member	Estimated global fertilizers <b>consumption</b> of the country (in tonnes of product)	Estimated global <b>blended</b> fertilisers production of the country (in tonnes of product)	Representative <b>market share</b> (%) of the national association in the national blending business
2008	AIF	2.776.300	300.000	60%
2009	AIF	2.773.000	180.000	60%
2010	AIF	2.142.600	140.000	60%
2011	AIF	-----	190.000	50%

Pier Luigi Graziano says a few words about the birth of the AIF association gathering all manufacturers interests.

AIF is composed of 260 fertiliser manufacturers, 8 blending companies that represents 50% of total blended fertilisers in Italy.

For the last two years things have changed significantly. Blended fertilisers have declined a lot so as the use of fertiliser because of high prices, economic crisis and environmental issues. In order to increase the added value of their products people developed the number of formulations. This led to the opening of small manufacturers wide spread in the country. Large blenders lost share of the market in favour of smaller ones. A very different situation from Germany.

Marteen Brand remarks that the research project should include the influence of the transport on this new scenario.

Pier Luigi adds that 90% is transported by truck or trail. Fertilisers are put on the market in big bags or pallets.

Ana Fernando is interested to know the percentage of bulk and bag in each country.

- Germany : 90% in bulk ; small amount of bag and big bag ; bulk is the cheapest way to bring to the farmers yet have no time to supply them all at the same time.
- NL : 80% in bulk
- UK : almost all in big bags, near no bulk movement
- Italy : 60% big bag ; 40% bag , 25% KJ organo mineral, none specialised product ; no bulk
- France : north, 50% of bulk / 50% big bag ; south, 90% in big bag, small bag tend to disappear because of the too high cost. Legislation says big bags 35 kg for a man and 25kg for a woman.
- Portugal :100% bags ; no bulk

**→ Pierre-François DUMAS – AFCOME and the French market (ref figures of global market, sales not consumption)**

Consumption in tons of product :

	2008-2009	2009-2010	2010-2011
total	8100000	83000000	9718000
N	6000000	59000000	6600000
uan	2000000	2000000	2300000
P	150000	300000	340000
K	300000	370000	560000
PK	520000	410000	646000
NP NK NPK OM	1110000	1330000	1581000
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% blend Afcome	50,2	53,4	67

The consumption in tons increased mainly on nitrogen. The 10% increase on nitrogen are still stocked in farms. The same situation for uan. Storage though concerns only very big farms in North of France.

The new season started very early, farmers bought much earlier than usually.

Blend has decreased for Afcome on the global market. Yet market share on PK and NPK increased because producers of NK were less numerous. Still 80.000 T of blend consumption.

Only big producers of NPK suffered from the crisis. This year 3 big factories producing NPK will close. 139 blending facilities remain.

### **Organisation of AFCOME**

Afcome has a stable number of 21 members which represents a production of 5 Million Tons.

For 2 months a new organisation has been applied aimed at employing a full time general secretary. Because of his current job and the distance from Paris, Pierre-François Dumas is not to remain the general secretary of Afcome anymore.

A part time job is created for a specialist on legislation, labelling and marketing with a part time assistant. All those jobs will be based in Paris.

This a big change since Afcome has always dealt with part time jobs so far. Pierre-François Dumas will remain general secretary of EFBA for one more year.

Pierre-François says that Afcome must also represent Blenders and distributors at the European level.

Philibert de Moustier adds that new members joined AFCOME and the association needs to have a full time general secretary, independent from the manufacturers, so as to influence especially on the legislation aspect.

The idea of a quality contract common to all European countries is good since the quality of the product has constantly declined for 4 years. We should start from the contract existing in the UK and have the same in France. Today fertilisers are bought without quality contract. For Philibert de Moustier, EFBA would play a useful role if all countries could have the same contract. This remains to be discussed.

*Arrival of Fernando FRANCO, production manager of Interadubo*

→ **Ana FRANCO and Fernando FRANCO – INTERADUBO**  
(ref Power Point Interadubo)

The situation in Portugal is very different from other countries of the EFBA association. Interadubo is a family owned company which works with 350 retailers (each are very small).

CAN and NPK are the main market products with standard recipe yet try to change the mentality in order to evolve the formula.

No bulk, all is sold in bags.

Started with organic and organo mineral production in 1976.

In 2000, Ana's father acquired a blend unit which was a niche market at that time, in 2005 it became an added value market.

The distributors are very concentrated and powerful.

The North is reluctant to try new grades of Fertilisers. The properties are very small (mainly maize) and difficult to get profitable.

The south is opposite with extensive agriculture (200 ha). Farmers are asking help from the European community because of a terrible drought, the non irrigated lands suffered most.

Not allowed to give the figures of consumption from Portugal, just certain level. In 2011, less than 420.000T of product. 51% is NPK that everybody uses the same way. For nitrogen, the main consumption is CAN.

Marteen Brand emphasises that it is a good thing that Interadubo joined EFBA. Must create a Portuguese association active on blending.

## **AFTERNOON**

→ **Juan PARDO – ACEFER and the Spanish market**  
(ref. Figures of the market sent by Juan Pardo)

On March 5, Juan Pardo sent an E-mail to Marteen Brand and Pierre-François Dumas to inform of his decision to withdraw from EFBA.

Marteen Brand adds that this is not a personal decision from Juan Pardo but the Board of Directors. It rather appears like "a time out".



It's important to see EFBA not only as a data base but also a place to defend the interest of blenders.

Pierre-François Dumas informs that Afcome has developed a data base on raw material that is very useful. Could also make one on a European level which is agreed by all members.

The base would include: product / origine / date of analysis – where.  
All members agree to put in place this data base.

Pierre-François Dumas notes

- that Afcome has been working on the subject of the contract for 3 years and needs the support of European countries now. Pierre-François Dumas sends to all members the English and French version of the contract. Each country will develop it at home.
- Should think about what be done on granulometric test and build a data base.

This base would be on the EFBA web site with limited access.

Those 2 items should be carried out till December 2012.

To have Spain back and get new members, EFBA must be more attractive and bring services.

EFBA will keep in contact with Spain. Marteen will answer officially and Pierre-François Dumas makes a call to Juan Pardo.

Spain figures presented by Pierre-François Dumas

### SPAIN

FERTILIZERS CONSUMPTION OF SPAIN/TONNES OF PRODUCTS			
	2008/2009	2009/2010	2010/2011
<b>N</b>	1.810.800	1.858.100	2.245.200
<b>P</b>	69.600	101.100	164.000
<b>K</b>	90.100	149.300	211.800
<b>NP/NK/PK/NPK</b>	999.400	1.458.100	1.866.500
<b>TOTAL</b>	<b>2.969.900</b>	<b>3.566.600</b>	<b>4.487.500</b>
<b>NOTE: fluid fertilizers</b>	207.933	201.954	211.310

<b>BLENDING</b>			
<b>Estimated global blended fertilizers production (TM)</b>	120.000	200.000	260.000
<b>Representative market share (%)</b>	4,04	5,6	5,79

4 487.500 T represent 6% of market share of blending.

Spain will not receive the minutes this year. The 2011 contribution has not been paid yet. Till this has not been paid will not receive the 2011 figures.

#### **4<sup>th</sup> POINT : EFBA ACCOUNTANCY**

(ref. Balance sheet dec. 2011, profit and loss 2011, draft budget 2012)

<b>BALANCE SHEET ON 2011/12/31</b>			
<b>ITEM</b>	<b>ASSETS</b>	<b>ITEM</b>	<b>LIABILITIES</b>
OWING TO EFBA		FREE CAPITAL ON 2011/01/01	18 391,42
<b>DEBTORS MEMBERS</b>			
AFCOME	5 035,00		
ACEFER	2 800,00		
<b>OTHER DEBTORS</b>			
PAGES JAUNES	129,17	<b>OTHER CREDITORS</b>	
BRAND	620,81	DONATION FOR RESEARCH	3 500,00
<b>BANK ON 2011/12/31</b>	21 178,45		
BANQUE POPULAIRE OCCITANE ALBI		FREE CAPITAL ON 2011/12/31	17 678,45
BALANCE		BALANCE	12 084,98
TOTAL	29 763,43	TOTAL	29 763,43

#### Comments :

- Afcome paid on February 1<sup>st</sup>, 2012 its contribution.
- On January 31, 2012 donation to the research program of 3500€
- 129.17€ to be refunded by Pages Jaunes for the Web Site.
- 21178.45€ on the bank account.

PROFIT AND LOSS 2011 FROM JANUARY 1ST TO DECEMBER 31ST					
ITEM	COST 2011	BUDGET 2011	ITEM	INCOMES 2011	BUDGET 2011
SECRETARY GENERAL (VAT INCLUDED)	3827,2	4 784,00	MEMBERS SUBSCRIPTIONS		18 960,00
PRESIDENT TRAVEL EXPENSES	3004,44	3 000,00	A.IC	4 260,00	4 260,00
SG TRAVEL	353,12		BVDM	2 880,00	2 880,00
AMINISTRATIVE AND FINANCIAL COSTS	245,00	420,00	NVB	1 730,00	1 730,00
COMMUNICATION+ PUBLISHING			AFCOME	4 490,00	4 490,00
WEB SITE	1727,02	2 037,98	AIF	2 800,00	2 800,00
INTERPRETING	1347,66	1 000,00	ACEFER	0,00	2 800,00
ANNUAL MEETING ACCOMMODATIONS IN GRANADA	5 575,00	5 500,00	INTERABUDO	1 000,00	
I.F.S BUDGET	1 124,75	2 000,00	OTHER INCOMES		
DONATION FOR RESEARCH PROJECT	3 500,00		ACCOMODATIONS REFUND	3 315,00	
			FINANCIAL INCOMES		
SUBTOTAL	20704,19	18 741,98	SUBTOTAL	20 475,00	18 960,00
BALANCE	-229,19		BALANCE		
TOTAL	20 475,00		TOTAL	20 475,00	

Comments :

- Balance at -229.19€ without Acefer subscription.
- Pierre Luigi Graziano should have the signature on the bank account. Pierre-François Dumas will care for that.

BUDGET 2012			
ITEM	INCOMES 2011	BUDGET 2011	BUDGET 2012
MEMBERS SUBSCRIPTIONS		18 960,00	16 160,00
A.IC	4 260,00	4 260,00	4 260,00
BVDM	2 880,00	2 880,00	2 880,00
NVB	1 730,00	1 730,00	1 730,00
AFCOME	4 490,00	4 490,00	4 490,00
AIF	2 800,00	2 800,00	2 800,00
ACEFER	2 800,00	2 800,00	0,00
INTERABUDO	1 000,00		1 000,00
OTHER INCOMES			
ACCOMMODATIONS REFUND	3 315,00		
FINANCIAL INCOMES			
SUBTOTAL	23 275,00	18 960,00	17 160,00
BALANCE			
TOTAL	23 275,00		

Comments :

- Total of 17160€
- The decision for Portugal was to pay the first year 1000€ than the year after the same amount as the smallest country (NL) that is 1730€. Portugal agrees to pay 1000€ till find new partners. All members agree.

Pierre-François Dumas adds that one Irish company asked to become member of EFBA, will send the name to Marteen Brand.

Marteen Brand tried to give a start to a Belgium association. List of 20 blenders there. Will visit 3 of them in April.

Try also to work on Denmark though there is not much blending.

Ana Franco adds that there are 14 blending stations in Austria should look in that direction too.

**5<sup>th</sup> POINT : Maarten J. Brand - IFS activity**  
(ref. Note The International Fertiliser Society)

Interadubo has been member of IFS for 5 years.

Marteen Brand was present at the Society meeting as a delegate of EFBA. Most of the visitors are from UK since this meeting is considered as a continuous professional development. A good opportunity for networking.

Pier Luigi Graziano exposes his concern about the interest of the papers presented which tend to lose connection with the reality, do not integrate that he small manufacturers have turned into big chemistry. A lack of updating of the paper presented.

Marteen Brand notes that a new council member has been hired.

**6<sup>th</sup> POINT : Heinrich JANINHOFF - Presentation of the research program**  
(ref Power Point)

Mrs BOHLENDORF from the University of OSNABRUECK works on the research program.

5 typical regions in Germany with large and small scale farms.

Can visit the member countries as to check the typical regions and make a comparison.

The program is to finish end of next year.

**7<sup>th</sup> POINT : Marie Pozzo di Borgo – EFBA website**  
(ref notes)

Work on the logo to renew it, the preference goes the vertical version.

Fertiliser has to be written with a "s" not à "z".

Ok with the color of the text in black and grey.

Marie is expecting from each member answers on the several question written at the end of the notes.

**8<sup>th</sup> POINT : Pierre-François Dumas – European Commission DG  
entreprise and the Fertiliser WG, reports and proposals**

Pierre-François Dumas was not able to attend the WG1 meeting. Received the documents to prepare the meeting. Will mail it to each member with the minutes. Eileen Pullinger attended though.

Pierre-françois Dumas went to CEN 1 a month ago, the theme was sampling on static heap. Dominique Aubrun is part of this WG.

3 stages for the experience :

- Straight product
- Compound product
- Blend product

They are defining new norms for sampling.

German and Danish officials are asking for that method. CEN and sampling remain isolated items.

In Brussels, there are 4 new groups on legislation with a person related to blending in each group. Nobody from Portugal except in the authority. The documents are available on the website.

Pierre-François Dumas adds that a selection is to be made of the documents which are sent to the members since not all have interest.

Eileen Pullinger is still worried if happen to miss an important information.

Pier Luigi Graziano is in WG 4 and knows that someone is missing in WG3. Not possible to get in. A friend of Pier Luigi Graziano, Claudio Ciavatta will report to him.

Pierre-François Dumas will share a list with the composition of the WG.

**9<sup>th</sup> POINT : Marteen Brand –cooperation with Fertilizers Europe ( ex. Unifa) (ref.letter dated March 18,2012)**

Marteen Brand received a letter from Jacob B. Hansen, General Director Antoine HOXHA, Technical Director asked Marteen Brand to work together regarding Europe. Dutch members gave a positive answer.

Marteen Brand said to Fertilizers Europe that the idea of a cooperation would be put on the agenda of the next EFBA general assembly.

Eileen Pullinger will try to know how much AIC pays to Fertilizers Europe.

One criticism on this organization is that it is not very reactive (example of Oslo incident that took 3 weeks before the distribution of the statement).

France and Italy are against a cooperation.

Portugal is not in favor either unless get an access to production statistics.

Germany doesn't see any interest.

The conclusion is that there is no interest in joining. Marteen Brand will give a polite answer.

**10<sup>th</sup> POINT : Marteen Brand – Election of the Vice President and president of EFBA**

*Decision was taken last year to leave this election to the 2012 general assembly. Historically, the President is from Germany and the Vice President from France. All members agree not to change things. Will have to see next year since Marteen Brand is involved in politics and will deal with election in 2014.*

So Marteen Brand remains President and Heinrich Janinhoff vice President

**11 th POINT : any other business**

None

**12 th POINT : next meeting**

**The next general Assembly is to take place on  
March 20 and 21, 2013 in France.**

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**2nd DAY / MARCH 22, 2012**

**Morning**

Visit of Interadubo in SANTAREM (65 km from Lisbonne) founded in 1976.  
Mr FRANCO manages 35 people among whom 14 people in offices, 3 in logistic, 6 agronomists (1 for each part of the country).

10% of sales are blends excluding nitrogen.

The technicians are farmers themselves. This way they are closely linked to farms.

**END OF THE MEETING**