

April 18, 2006

**EBA GENERAL ASSEMBLY
MARCH 15 & 16, 2006
IN PARIS**

MINUTES

Chairman :
Hermann HEEGE

Participants :

Germany : Joster vor SCHULTE, H. REICH
France : Bruno CHABBERT, Philibert DE MOUSTIER, Dominique AUBRUN
NL : Marteen J. BRAND
UK : David HEATHER
Italy : Pier Luigi GRAZIANO

Interpreter :
Marie Pozzo di Borgo

1st DAY

Meeting in the morning to look through the EBA by-laws.

D. Heather suggests to review the basic structure of the Association before modifying the status.

Once agree on the basic format of the Association proposes to redraft the by-laws to make it simpler.

Suggestion to transform "European Blenders Association" (EBA) into "European Fertilizers of Blenders Association" (EFBA).

Need to reflect on what EBA is now.

a) 1st POINT : MINUTES OF THE PREVIOUS GENERAL ASSEMBLY

One suggestion from Mr. BRAND is to erase on page 2 the mention (35% farmers in the Dutch Association N.V.B.) and put instead customers are farmers, wholesalers and retailers.

b) 2nd POINT : SUGGESTIONS ON THE AGENDA

No suggestion.

c) 3rd POINT : ACTIVITY REPORTS OF 2005

● EBA quality committee:

The recommendations for granulation are well known. One concern is that it should be carried out to the public and the fertilizer industry.

It was suggested last year to publish the recommendations in "Fertilizer International". Mr. EVANS was contacted and the main points of the recommendation were published.

Did not hear much comment from the industrials about the quality committee decisions though it was mostly aimed at the industry (producers of components).

N.V.B. is waiting for the second version of the Handbook of EBA. They prefer to use it to communicate.

D. HEATHER did not receive any response concerning the article. It is up to the purchasers to set the quality specifications.

H. HEEGE remarks that the nitrogen industry has no problem to stick to the proposals. The phosphate industry can do it and try to do it. The potash industry finds it more difficult. Though no protest at all.

J. V. SHULTE notices that sticking to the granulometric level cost a lot of money but no complaint heard.

P.L. GRAZIANO says that the Italian goal is to match the size. Should have the help of blenders to know the precise size they want. The blenders take advantage of the situation. Yet their clients are not asking for that.

Help blenders ask their suppliers standardize size of granules. To disseminate such information it is important to publish articles in magazines.

"Fertilizer International" is read by few public. Need to publish in more popular magazines like the Arvan publication "Fertilizanti" or "la France Agricole". This way blenders are more aware of the problem.

B. CHABBERT reports that the AFCOME put at disposal a granulometric software to control the level. One will be sent to Mr. GRAZIANO. A contact was taken with AMAZONE (*was clear enough for me*)

H. HEEGE says that an inquiry was sent to the blenders to know the granulation they expected.

The result was that some wanted 3.5, 2.6, 2.8. At the end it did not help.

Last year, Polish member got in touch with I.F.D.C. The Americans don't know EBA. They do granulation on level of local blenders D50 2.8, others D.50 2.6. They advice that components should not deviate more than 10%.

Yet when it comes from a same shipload how to manage?

A report on this question has to be circulated to the participants.

- **European commission**

For 5 years a lot of topics have been dealt with.

According to D. HEATHER a lot of products are not classified as EU fertilizers, not affected by changes from Brussels. Just national reglementation.

P.L. GRAZIANO affirms that many blenders are selling national fertilizers, no change according to EU thus there is no need to mention blended fertilisers.

H. BORIES notes that the NFV42001 norms do not comply to mention blended fertilisers.

M. J. BRAND says that the German fertilisers do not have to be EC but only meet national requirements.

The Germans have suggested that the nutrient should content 5% nitrogen, 5% P, 5% K as an absolute minimum. Call fertiliser NPK if K in it. They also affirm that the EC regulation should be amended and reduce each component to 3%.

D. AUBRUN remarks that the Germans need to train their managers since they don't have much knowledge of the composition of their fertilisers.

According to D. HEATHER the 3% minimum level is acceptable to the blended industry but triggers agronomic problems anyway.

H. HEEGE adds that there has always been discussion on this and it started from farmers need. Farmers 30 years ago used to buy components, they got receipt of raw material then ordered the dealers to blend it for them. This way they got rid of all administrative legislation. They only declared straight material.

D. HEATHER thinks this was in negation of all environmental legislation since no control over that mixing was done.

- **Ammonium nitrate situation**

It is important that EBA be present in Brussels.

The Germans don't have ammonium nitrate just calcium ammonium nitrate.

D. HEATHER inform that ammonium nitrate is frequently used by bombers, easy to be used as an explosive as consequence it affects anybody who use fertilisers with ammonium nitrate.

A 4 year secret work has been done on ammonium nitrate following the September 11 event in Toulouse. Politicians became concerned about many chemicals on a safety and security point of view. They financed a work looking at what is the best fertiliser. What are the valuable alternatives including the environmental and commercial impacts.

The government developed a set of options UK could follow :

- do nothing
- ban totally this kind of fertiliser

The recommendations were based on a technical work which concluded that there was no technical justification for banning the use of ammonium nitrate. Better to rely on a tightening up of the existing legislation.

The scheme in January was to set separate code of practice in accordance to the areas :

- importers
- storage
- manufacturer
- merchandisers
- transporters

The companies agreed to become members complying with the rules.

At the same time, a new security organisation was set up, NAXO, specialised in terrorism. They established a list of secure parts of fertiliser when get to the farm. It was a great deal of concern.

The UK use only big bags which were left on the side of the road of the fields. Anybody could see it. This was a vulnerable area.

In conjunction, a leaflet of 10 basic recommendations was produced for the farmers to protect their products.

The UK industry agreed to stop producing big bags and to rather supply farmers with ½ T bags.

Please see the A.I.C. web site and here enclosed the leaflet.

The fertiliser group proposed eventually two options :

- a licencing scheme
- a complete ban to certain levels explaining the ammonium nitrate could be converted into a bomb. It was objected strongly and they moved backward.

EFMA is also taking part to the next meeting which will be next Friday.

H. HEEGE remarks that can get kilos of ammonium nitrate in other countries and that a ban will not solve the problem.

D. HEATHER answers can only do things in your own country and that terrorist prefer to take easy option. Even urea is used for bombs stolen from hardware store, chemist stores.

● Activity of national Associations

GERMANY/ BUNDESVERBAND :

In January, meeting with 80 members and sponsors with 3 speakers :

- Prof KIELCH about the agricultural situation in Europe which is getting worse especially sugar, milk and beef.
- BASF talked about entec to give more knowledge for bulk blenders.
- European farmer association talked about raw material coming from farms to produce fuel.

In May 2005, inauguration of a new bulk blending installation.

New members in the Board, 3 people going out.

FRANCE /AFCOME :

- The main activity for 2005 was the International meeting of AFCOME in Nantes.

The main conclusions were : a constant number of participants (290/300),
a reduction in the number of foreign participants from 30% to 22%,
the participation of retailer remains low.

Yet we should notice the quality of the speakers and the organisation. No problem in the city of Nantes.

On a financial point of view, AFCOME had a good result.

The next International meeting is on November 14/15, 2007. The city is not yet decided. Two possibilities : La Rochelle or Poitiers.

- The result of the study on the blending costs in the workshops was presented at the last meeting. Please see enclosed the presentation.
- The publication of the second edition of the code of good practice following the study in Gembloux. It was given to the participants during the International meeting.
- The last point is the arrival of 2 new members in the Association. The number of member is stable considering the cooperatives, the distribution is concentrating which increases the weight of each cooperative.

NETHERLAND/N.V.B.:

The quality presentation figures are the same as last year. The total amount blended is the same. The Dutch government is close to UK since it is very easy to buy ammonium nitrate in shops. It is a question of quantity. The references are available on the web site.

UNITED KINGDOM/A.I.C.

The main news is that A.I.C. found somebody to replace Mr HEATHER on April 1st, Mrs PULLINGER, a UK expert at the commission working group. She worked currently in agriculture department, involved in security. Please see on Web site. Mr. HEATHER will be retained as a consultant.

The next time EBA meets, Mr HEATHER will introduce his successor.

The fertiliser usage in UK slightly declined, the application rate is constant, the area of land is declining.

Please see the annual A.I.C. booklet enclosed.

One factor affecting the pursage of fertilisers is the slowest in government payment of subsidies. Until they get the money the farmers are reluctant to buy fertilisers. Another factor is the energy prices.

ITALY/ARVAN

P. L. GRAZIANO is an applicant to E.B.A.

The company is called ARVAN srl, Mr GRAZIANO is a consultant in Venezia and Bologna.

Two activities :

- 1/ technical
- 2/ publishing

1/ Plan design, legal problems related with fertilisers

2/ Books related to fertilisers (ex. Fertilizanti) ; arranges courses, marketing studies. 90% of fertiliser companies are client so know well the sector.

P.L. GRAZIANO met H. HEEGE in Cambridge during a meeting. The main problem in joining EBA is the rule of the Association. He tried in the past to put together blenders but did not succeed. He attended Afcome meetings.

In Italy, 2 associations of Industry of fertilisers :

- FERTILIZANTI
- UNION CHIMICA which represents them in commission. P.L. GRAZIANO asked if would agree to join EBA. Union Chimica is a group of fertiliser manufacturers and blenders.

In Italy 60% of NPK are blended and the percentage is supposed to increase. The fertiliser are based in Ravenna port.

There are around :

- 20 real blending companies (big importers with their own blending equipment)
- 3-4 big companies which do not have their own facilities, just commercial offices. They sell products blended on the port.

Ammonium nitrate technically is not a fertiliser in Italy. After the fall of the iron curtain, very low prices compared to urea. In 2004, NPK represented 1MT, 600.000T of blending.

● Changes in regulation by the European union

No important changes in Germany. Still discussion on cadmium problem (60 mg/kg).

In France, many changes. Need an authorization to store ammonium nitrate from 1.250 T. Below that quantity no regulation.

More regulation for 1.250 T level :

- 250 T of ammonium nitrate in bulk (superior to 28%)
- **or** 500 T of any blend of fertiliser based on ammonium nitrate (superior to 24,5%)
- **or** 1250T of NPK type C;

3 entrances which need a notification to the authorities.

+ the code of goof practice which is going to be published.

In Netherland, will send the regulations in English.

In Italy, radical changes in national regulation to meet the requirements 2002/2003;

One meeting a week ago in Rome. Everything was postpone after the election of a new ministry.

In United Kingdom, changes to take out. National fertiliser and EC fertiliser. The regulation is unforced by itself. It is a separation of the two regulations.

● Changes in standard

European Union standard are CEN.

Different working groups. The main subject is in WG1. The Chairman is G. LANCE.

Another subject is the sampling of fertilisers. EN 1482 paper was published 1 year ago, it is reviewing this with a mandate from the European commission.

A new version was presented in Berlin. EN 1482 is now in 2 parts

The last copy of this revision will be ready in a few days, circulate for final vote.

O. MISERQUE anticipated on page 36 of the handbook figures that will be in that note.

Common sampling was proposed to the EU commission yet does not mean will adopt it.

There is a debate in Spain between the authorities and blender;

It is important that national organisations participate on that subject.

H. BORIES suggest to see the report written by J. SAGARNA . He committed to translate the Handbook in Spanish by the end of 2006 with the Ministry of Agriculture and ANFFE (National Fertilisers Manufactures Association of Spain).

J. SAGARNA also refers to the difficult Portuguese situation.

BREAK

● **EBA Handbook**

The English version is expected.

Considering the different discussion in UK and what is happening in Brussels it was not sensible printing it before.

G. LANCE will read the final version and D. HEATHER check it will not be too expensive.

Must remember that the European commission is waiting for it.

J. SAGARNA will prepare a Spanish version from the English version.

Small differences between the languages.

(Ex. CEN is important in the English version).

What about a German version?

Have to decide how many copies will need.

D. HEATHER shows the French version to the printer in UK.

In Italy, better to give the English version.

Must have the same version in Brussels, Eastern part of Europe will be given the English version.

M. BRAND needs French version for Belgium.

● **EBA BY-LAWS**

D. HEATHER says that before seeing the EBA by-laws must have a clear understanding of what is the structure. Once agree on that, redraft in a format more appropriate for 2006 to comply with the European rules.

The word "fertiliser" is not in the name of EBA. Always a mistake on the translation of this word. Ref article 4, mistake in the translation in English no mention of "fertiliser".

The decision is taken to put the name "fertiliser" in the main name which implies to change the logo and the communication support.

EBA (E.B.A.) becomes EUROPEAN FERTILISERS OF BLENDERS ASSOCIATION (E.F.B.A.).

In the status the references to Board, Committee and member is confusing.

Normally, the board should not run day to day activity.

The executive or committee runs the actual business and report back to the Board. AT the moment do all. We ought to define Board and Committee.

EBA has to comply to French law, need a good translation.

The address has to be change.

Try to produce a draft to be checked by a lawyer (Mme LABORDE - Paris).

2nd DAY

● EBA MEMBERSHIP

H. HEEGE emphasizes that EBA is very happy to welcome P.L. GRAZIANO.

H. BORIES gives precision on how is calculated the fees and more especially the variable contribution.

Fix 1525€

Variation according to blending quantity in tonnes.

0,0029 X T

In Italy, 600.000 T

That means $1374 \times 1525 =$ global fees 2899€

P.L. GRAZIANO reports to Italy on what is the procedure to follow.

M. J. BRAND has contact with Belgium blenders. Could become member with an association or as guest of N.V.B. The Belgium don't really want to be organised as an association.

J. SAGARNA sent a report précising that Poland will not join.

There is still a lot to do in respect to the map of member countries.

● ELECTIONS

- GENERAL SECRETARY

H. BORIES prefers to retire from his function as General Secretary since L. IBANEZ (Administrative secretary) announced that she will stop her professional activities in December.

H. BORIES proposes to nominate a new General secretary to transfer the information and the files.

Moreover B. CHABBERT is to take new function in his company and because of personal reason rather resign from the function of General Secretary that he assumed temporarily for one year.

D. HEATHER says that it is good to have a General secretary from the Afcome Association.

The next general Secretary is D. AUBRUN with the collaboration of Marie Pozzo di Borgo.

H. HEEGE thanks H.BORIES and B. CHABBERT for all the work and the numerous items they handled. He proposed to appoint H. BORIES as honorary member of EBA.

H. HEEGE adds that it is time for him to resign. His successor is J.V. SHULTE, a good expert in fertilisers which candidature was suggested at the Afcome meeting in Bordeaux.

The Vice chairman could be M. J. BRAND. M. J. BRAND accepts for a certain period of time since he considers :

- his countries is small compared to other countries
- he is used to work alone
- a powered vice president from a bigger blending country is better.

Secretary general is to be called "Secretary".

The modifications have to be notified into Fertiliser newspaper., A press release has to be written and circulated.

● **EBA ACCOUNTANCY**

Presented by H. BORIES who gives some comments on the figures below.

The liabilities amount to 2350€.

Next expenses are the updating of the web site.

27.119,62€ in the bank account on 31/12/05.

The General secretary is 5000€ that is 600€ per day.

The Italy membership will ad to the incomes.

EBA

64231 LESCAR CEDEX

ACCOUNTS BALANCE SHEET 2005		
OWING TO EBA		
	DEBTORS MEMBERS	
		0,00
	DEBTORS OTHERS	
OWING BY EBA		
	CREDITORS OTHERS	
	ADMINISTRATIF SECRETARY	1 750,00
	RENT	600,00
		2 350,00

EBA**64231 LESCAR****CEDEX****BALANCE SHEET AT 31/12/2005**

ITEM	ASSETS	ITEM	LIABILITIES
OWING TO EBA			
DEBTORS MEMBERS	0,00	FREE CAPITAL	12 939,78
DEBTORS OTHERS	0,00	BALANCE	8 323,31
		OWED BY EBA	
BANKS AU 31/12/04	27 119,62	CREDITORS OTHERS	2 350,00
			23 613,09
		<i>BALANCE</i>	<i>3 506,53</i>
TOTAL	27 119,62		27 119,62

PROFITS AND LOSS FROM JANUARY 1th to DECEMBER 31th 2005

ITEM	COSTS 2005	BUDGET 2005	ITEM	INCOME 2005	BUDGET 2005
ADMINISTRATIVE COSTS	225,80	500,00	SUBSCRIPTION MEMBERS	17 755,82	15 780,00
TRAVEL EXPENSES	5 425,78	5 000,00			
ADMINISTRATIVE SECRETARY	3 732,57	2 000,00			
COMMUNICATION	0,00	1 000,00			
RENT	600,00	600,00			
SECRETARY GENERAL	2 491,86	5 000,00			
INTERPRETING	0,00	1 500,00			
OTHERS	826,00	100,00			
WEB SITE	947,28	1 300,00			
	14 249,29	17 000,00		17 755,82	15 780,00
<i>BALANCE</i>	<i>3 506,53</i>		<i>BALANCE</i>		<i>1 220,00</i>
TOTAUX	17 755,82	17 000,00		17 755,82	17 000,00

EBA
64231 LESCAR

DRAFT BUDGET 2006

ITEM	DRAFT COSTS	BUDGET 2006	ITEM	DRAFT INCOM
ADMINISTRATIVE COSTS	500		BUNDESVERBAND SUBSCRIPTION	2880
TRAVEL EXPENSES	6000		NVB SUBSCRIPTION	1730
ADMINISTRATIVE SECRETARY	4000		CCAE SUBSCRIPTION	2420
COMMUNICATION	1000		AIC SUBSCRIPTION	4260
RENT	600		AFCOME SUBSCRIPTION	4490
SECRETARY GENERAL	3000		AUREPIO SUBSCRIPTION	1960
INTERPRETING	0			
OTHERS	0			
WEB SITE	1300			
	16400			
RESULTAT	1340			
	17740			17740

- **PROPOSAL FOR ACTIVITY**

- **FERTILIZING SITUATION IN DIFFERENT COUNTRIES**

- **VARIOUS SUBJECT**

Annexes :

- *AIC security of fertiliser storage on farms leaflet.*
- *Fertiliser international articl on blending*
- *A. I.C. Fertiliser statistics 2005 report*
- *A.I.C. web site page*
- *J. SAGARNA report*