

May 28, 2008

**EFBA GENERAL ASSEMBLY
APRIL 7 & 8, 2008
IN VENEZIA**

MINUTES

Participants :

Germany : Joster vor SCHULTE (chairman)
France : Pierre-François DUMAS (Secretary General)
Dominique AUBRUN (Secretary General)
NL : Marteen J. BRAND
UK : Eileen PULLINGER
Italy : Pier Luigi GRAZIANO

Interpreter :

Marie Pozzo di Borgo

1st DAY / APRIL 7th

J. vor Schulte notes that Philibert de Moustier is missing because was too busy on his farm.

He also thanks Pier Luigi Graziano for having organized the general meeting in such a nice place close to Venezia.

Thanks also to Dominique Aubrun for preparing the Agenda and bringing the members together.

**1st POINT : ADOPTION OF THE MINUTES OF THE LAST MEETING
(April 2nd & 3rd, 2007)**

Remark from Marteen J. Brand that did not go to Poland with J. vor Schulte.

2nd POINT: ADOPTION OF THE DRAFT AGENDA

It is adopted.

Remarks that some points from the last agenda need to be discussed further.
Need also to talk about what intend to do in the future.

Eileen Pullinger transmit David Heather's greetings to all the members.

The members ask Eileen Pullinger to also thank Graham Lance for his work on the quality handbook especially the translation.

Nb : a German version of the Handbook is to be available mid May. The cover will be the same. Yet some will include advertising. The blank version is only for the Government.

The question is asked on how to give it to the European commission. Dominique Aubrun says that he gave 2 copies to the CEN and a .pdf version. Will have to ask the commission to put the latest version on line. Must precise that a German version exists and is at their disposal if necessary.

Will have to check the updated of the EFBA web site too.

Pier Luigi Graziano thinks that it is best to consider the English version as official and precise that a French and German version is available to be downloaded from a site to be precised. He adds that an Italian version is only a matter of cost.

A discussion is engaged also on the selling price of the handbook.

Pier Luigi Graziano thinks that 59€ is too expensive. Arvan decided to give the handbook free to the Associates and fixed the price of 49€ for all other people (the printing cost is (5-6€)). Must keep in mind that the fertilizer professionals are not prone to buy books.

Pierre-François Dumas adds that it is sold 29€ in France.

Joster vor Schulte mentions that there should be a single price for all the countries.

Dominique Aubrun says that the previous version did not sell very well ; during the Afcome meeting it was given for free to all the participants (included in the registration fees).

Pierre-François Dumas adds that should not be sold at 59€ if given for free at the meeting.

Marteen J. Brand notes that each Holland member got one free copy, copies were given to the Government. Actually it was said that its cost was 30€ - but got it free.

The price of 29€ per handbook is established for each member country postage cost excluded.

Eileen Pullinger will not send the invoice to the Afcome for the handbooks since a new financial year has started.

3nd POINT : ARVAN AND THE ITALIAN FERTIIIZER BLENDING MARKET BY Pier Luigi GRAZIANO

Pier Luigi Graziano, one year ago, committed to put together Italian blenders so as to form a coherent organisation.

He starts by reminding about the story of the presence of Italy in EFBA.

He got in touch with EFBA several years ago, found the task of the Association very interesting.

Yet immediately realised the very strong limiting factor in the articles of Association which requested a National Association of blenders that did not exist in Italy.

The creation of this Association was not easy at all.

Pier Luigi Graziano tried without success than, during the Paris General Meeting, where he asked if could be accepted as a company (Arvan) which would represent Italy. As a leading consulting cie, Arvan has all the blenders as clients.

It was asked during the General Meeting in London to present the list of the cies which have accepted to be represented by Arvan.

Pier Luigi succeeded even more than expected. Distribution of the list of cies with the Fertilizzanti magazine and leaflet.

10 cies have accepted to be represented by Arvan.

The statistics of production are of 2006.

200.000 T correspond to 60% of the Fertilizers blended on the Italian market.

Questions of where the cies are based. Sometimes the official addresses are where the offices are with the production on a different spot.

Can note a concentration in Ravenna, gate of the valley.

Cie 2) not specialized in fertilizers but important. Did not ask this cie to join. They asked Arvan to join. They prepare soluble fertilizers labelled with NPKF like granular fertilizers. All the legislation on those products is of some interest. This could be another track for new members in the organisation.

LNT 7) is not a blender in the sense that it is selling in its own warehouse in Ravenna, blends fertilizers on behalf of other people.

Dominique Aubrun notes that the responsibility is under the name of the cie which blends. To enrol small members in E.F.B.A. is a way to avoid subcontractors from doing bad blending.

Pier Luigi Graziano precises that Compo is a manufacturer of complex fertilizer and could not join as manufacturer.

Joster vor Schulte adds that Compo is a sponsoring member of German organisation. Fertilizer industries are welcome to EFBA as long as can convince do not work against each other.

The largest cies are n° 1- 3- 8- 9 and 10, the rest are small cies which sell products made by subcontractor scattered all over Italy. There are big blenders in Sicily too.

This list of cie corresponds to 60% of the blenders. The remaining 40% spread all over Italy.

2006-07 is the first year when the trend was good.

400.000 T in 2007

400.000 T to 500.000 T in 2008

Yet it is difficult to predict.

With the increasing cost of PNK, the lack of availability 2 months ago in Ravenna, all the blenders were blocked with no more Potash at all.

Now little Potash has arrived but do not know the availability for the rest of the year.

The demand is there despite the increase of the price.

In theory the trend is positive but not reliable.

For example, here are the figures of a cie :

2004 : 35.800 T

2005 : 32.000 T

2006 : 36.500 T

2007 : 56.000 T

2008 : what will be? Unpredictable.

Pier Luigi remarks that has doubt about the level of price farmers can offer to pay for fertilizers.

Pierre-François DUMAS thinks that have not reached the highest price yet.

Also Pier Luigi Graziano adds that must give the highest quality of blends because of the increase in the price.

Everybody agrees that the major point in the future is to avoid the increase of the price of raw material and insure its availability.

If China and Indian are demanding, will have no way to supply with PNK. That's what happened on the Brazilian market.

A discussion is engaged on the reliability of figures on the fertilizers market of each country.

Italy total amount of blend is 400.000 T from the 1M200 T produced.

The consumption in France is around 10 MT (1/3 of compound – 3MT in bulk). It is difficult to identify the blend, only have the total amount of the market.

Pierre-François adds that the Afcome articles have changed. Its aim is to represent 80% of the French market.

Eileen Pullinger says that it also difficult in UK to get figures since companies are not willing to give information. 40.000 farmers are interviewed every year. It appears that 70% of members won't give figures.

Dominique Aubrun says that in France the Unifa organisation is in charge of giving figures.

Pier Luigi Graziano suggests that under the name of EFBA should require statistics.

BREAK

Joster vor Schulte thanks Pier Luigi Graziano for all the work that has been done in bringing together 10 cies.

4th POINT : ACTIVITY REPORTS OF 2007

A discussion is engaged

Joster vor Schulte says that has been quite busy in translating the handbook and explaining to the farmers.

Thinks that if of all the rules are well followed will undoubtedly have good quality of blends.

The main problem appears to be the question of how to sample correctly. Pier Luigi Graziano precises that 70% of the blended fertilizers are sold in big bags. The officials take sample from the bags.

Here is an example :

Prepare NPK 10 10 10

Control lab : 3 possible results :

1. 10 10 10 = ok
2. 8 8 8 = not the right material, pay the fine
3. 12 8 15 = most common case, the amount was right but problem of segregation. More nutrients inside the bag than supposed to be. Get the same fine as in cas 2). When this case turns out the fault is on the sampling system.

Should find a way to stress the difference between case 2. and 3.

In case 2. the manufacturer did not have the right quantity of raw material.

In case 3. due to segregation, the analysis does not correspond.

Dominique Aubrun adds that it is a problem of sampling not of production. If the right method is applied would have instead :

1. 11 11 11
2. 8 8 8
3. 12 8 15

In Italy the sampling controllers write the minutes, sign it and send it to the dealer. Yet the fine though is paid by the manufacturer who is not implied in the signature.

Joster vor Schulte adds that if all the rules are applied, nothing wrong will happen which means that have to apply the EN1482/2007 recommandation.

In France, Pierre-François Dumas precises that retailers and producers keep a sample with a lot number.

In retail shops, instructions are given to write that the sampling was not done by the law. There is no other way.

Joster Vor Shulte :

A very big organisation of farmers are going after the government while the government ask many questions from them.

For the first time, the farmers are optimistic for the future since the business is good. This is due to the good prices of the cereals and meat but also to the situation in Russia.

The farmers are using fertilizers since they know it is an investment to get a good crop.

At the end of January, there was one of the two annual meetings concerning the activities of the members (160 installations).

The organisations are getting bigger because of the concentrations, that implies that Bundesverband is losing members. Must have then the highest quality of members. Have solved the problem that some were producing against the rule.

Joster vor Schulte went to Poland for 4 days and visited 4 blenders. They were very interested by EFBA. Nobody speaks English. They are eager to find a way.

EFBA must go and meet them. Not possible by phone or mail. Should give them technical information that they do not know much about.

Should find a reliable man like Pier Luigi Graziano, able to speak several languages, who would be the leader of the blenders in Poland.

The blenders are in fierce competition in Poland, do not trust each other.

Pier Luigi Graziano remarks that the representative of a group of blenders cannot be one of them. In Italy, his consulting company is accepted because does not come in competition. He thinks that a scientific institution well known by the blenders would be the right representative in Poland. Knows somebody in Poland, will check.

Somebody who would act as a point of reference would be perfect.

Marteen J. Brand :

(ref. document entitled activities in the Netherlands).

There are several meetings each year and David Heather will attend one to present a new procedure. Proceeding can be ordered to Marteen J. Brand at cheaper price.

20 member companies totalling 95 people. Very few producers that are not members. A new Chairman and Board members were nominated.

10 people are active on the quality system. 2009 is to be the year of the first certification. First time an independent Association has its own quality system. Hope to confirm this information next year.

The government is asking for results. The Association is now in position to say that it's coming soon.

Pierre-François DUMAS :

➤ The Afcome International meeting in La Rochelle was a success with regard to the number of participants.

The next meeting will be in October 21, 22 & 23, 2009.

➤ Afcome has modified its status. The Association, from now on, will be composed of retailers who do not blend. It is not yet known. A campaign of recruitment is to start in order to get new members.

Afcome includes 50% of all the retailers of fertilizers, the next step is to reach 80%. There is a lot to do to convince people.

➤ A new organisation is established :

The vice general Secretary general is Maryse CASSOT

The Secretary General is Pierre-François DUMAS.

Hugues BORIES used to give half of his time to Afcome. Now it is split between Dominique Aubrun (20%), Pierre-François Dumas (20%) and Maryse Cassot (10%).

3-4 members have specific tasks (agronomical, technical, logistics).

The Afcome is willing to be more active in regulation area like Dominique Aubrun represents the Afcome in working group (safety).

➤ The Gefcome is not active anymore. Difficulty to manage because of the competition inside.

➤ Regarding the business, note an increase in the consumption of Fertilizers (over 10MT + 3-4%) with as a consequence difficulty to find the product. Already have the same quantity as last year ordered for next spring. The farmers want good prices and quantity (worried about that).

Thus next year will focus on the price and the availability of the product. It is no more a problem of selling.

Dominique AUBRUN :

A big evolution of blending on the French market. The Afcome is well known and considered as a partner of the industry. The Unifa paper refers to Afcome, can work together now.

Eileen Pullinger :

Two aspects :

- Fertilizer security : everybody is required to join a scheme. By June 1st, everybody must have joined to be accredited. The government is pushing hard on that.
- Climate change and environment : huge amount of work done or specifically on carbon emission.

The government wants to cover all quality issues, one concern is the availability of phosphate. Potential animal welfare in cause.

The cadmium limit (60mg) is also a big problem. Have to support EFMA position. This a tradition for AIC.

Security is by far the big issue. Estonian government came to see the security system.

In a time when shortage is a major issue, if the European Union commission is keeping on limiting factor will block the agriculture.

Do not have the exact perception of the situation in Brussels.

Eileen Pullinger referring to a question from Joster vor Schulte precises that has not been to Ireland yet but will bring the subject soon. The Irish will have to meet with the legislation.

2nd DAY / APRIL 8th

Dominique AUBRUN :

A good job on standardization has been done by the working group thanks to Graham Lance. The sampling chapter (8) in the Handbook is entirely updated. The new standard EN 1482 is added to annex 4.

Pier Luigi Graziano is interested in making clear what is in the mind of the commission to go that way.

Dominique Aubrun proposes to circulate all the documents related to the Commission.

Joster vor Schulte asks what is the situation on ammonium nitrate. Have Irish and Danish position, 16% of nitrogen for public use.

Eileen Pullinger notes that UK contacted Ireland. Said that better not to talk about explosive in a sensitive time of peace progress.

Joster vor Schulte adds that concentrate on CEN is 27/28 in Dutch.

Understand that 27% of nitrogen in CEN should be reduced to 16% according to Danish perception. People talk about 24.5%. No decision made.

Pier Liugi Graziano mentions that if reduce nitrogen content even to 16% it means that it will be banned.

Joster vor Schulte asks if no CEN anymore which nitrogen will they be searching. Talk a lot about ammonium nitrate why not about Potash, all nitrates are explosive. It is again a discussion for nothing.

Eileen Pullinger precises that if switch to urea, will put an environmental tax on CEN.

Dominique Aubrun precises that in France use ammonium nitrate in bulk, the debate is only on how to store it.

In Netherlands the position of EFMA is 24.5% of nitrogen. Joster vor Schulte will ask EFMA to the commission of the blenders, during the next meeting, why should reduce to 20%.

Other activities of EFBA

On May 19-22, 2008 27 people went to Holland (visit of YARA, sightseeing of blending installation).

Thinking next year to go to Ireland or North of France (maybe in Normandie, have to get in touch with Bruno Chabbert to visit Groupe Roullier installations).

Pierre François Dumas says that the Afcome general assembly is in June close to Arles (South of France).

5th POINT : REVISED DRAFT OF THE EFBA STATUTES

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

Have to ask Antoine Seguin about the mention of a "memorandum".

Marteen J. Brand asks what has been decided concerning the Committee and Board of Directors.

Pier Luigi Graziano mentions that the membership structure is not very clear. What is the difference between full members and Associate members? For Eileen Pullinger, an associate member is not eligible to be full member. Act as an associate. Don't give the full service to them like to members.

Joster vor Schulte adds that each country used to be full members. Need to go back to David Heather on that aspect. Eileen Pullinger will talk to him about that and sort it out by the end of the year 2008.

Pier Luigi Graziano precises that it is important to be as flexible as possible in accepting organisation. It took Italy a long time to join because of this point. To create an association should be only the second step.

The term "body" is very wide.

In chapter 13.1, what is meant by "civil life"?

Dominique Aubrun precises that if the articles are deposited in France will need to have a French version. If the Headquarter remains in France, will be under the French regulation.

Thus it implies that should be edited first in French then translated into English says Pierre-François Dumas.

Must ask Afcome lawyer concerning the regulation that applies to European associations.

6th POINT : EFBA ACCOUNTANCY

Spanish member paid for the last time last year.

The line "Secretary general" corresponds to the time spent on working.

The travel expenses are only the purchase of transport.

Pierre-François Dumas asks Dominique Aubrun how much time intend to devote to EFBA in 2009.

In 2007, 10133€ instead of 7.200€. What happens if extra work needs to be done?

Dominique explains to all the participants the evolution of his personal situation. His company Aubrun Tartarin had financial difficulties and was sold 2 weeks before to its own customers. Dominique Aubrun is no longer the Director and is looking for a new job. Can still assume EFBA but has no idea for how long. Maybe will have to resign in 2 or 3 months.

Nb : new e.mail address aubrun.afcome@gmail.com

7th POINT : NEW MEMBERS

Will need to have new contacts in Spain. The contact of Juan Sagarna came from Hugues Bories mainly. It appears that the Spanish organisation CCAE was no longer involved in fertilizers.

Pierre-François Dumas will talk to Hugues Bories about Spain.

Joster vor Schulte will also see for his part. Compo has offices there, knows a man in Germany, born in Argentina, that has been working for them for 2 or 3 years. Can contact him to know what's going on there. With Compo by KNS would be a good way to get information on bulk blenders.

Can also have contact with Austria though will never have a real organisation. Better have an organisation of Denmark and Austria.

Helmut Reich is to retire and be replaced by a new man in 1 or 2 years. This man should be invites to the next meeting.

Joster vor Schulte thinks that EFBA have to go to overseas markets and to get back Poland and Spain.

Fees of the members:

Must have a clear cut on how to calculate it. Herman Heege took the tonnages as a reference of calculation.

For new members the problem is to know how many tons are blended in their own countries.

Pier Luigi Graziano thinks that the system is unreliable and difficult to keep under control. Must find a new system. The amount of the fees has never been a limited factor (quite reasonable) the problem is the way of calculation and how to explain the figures to the people.

Cannot reduce fees if want to remain active and continue the work towards the commission.

Dominique Aubrun says that in Afcome there is a fixd fee and an extra fee related to tonnage.

Pierre-François Dumas thinks that should decide first what want to do and then ask for the fees in correspondence.

For Pier Luigi Graziano a fixed amount plus 2-3 classes of tonnage would be much easier.

The decision is taken to circulate a questionnaire on the fertilizer market and extract bulk blend.

Marteen J. Branc precises that there is no problem of calculation of fees in Holland 20 members each pays 400€ (NL 6000€ + Europe 2000€).

Eileen Pullinger adds that the tonnage has been adopted in UK. It is difficult to get the right statistics, have to trust. Some under record their tonnage though.

In Italy, the same amount of fees is asked to each member company. Yet if members ask for details on the system of calculation of EFBA they will realize that it does not actually correspond to the real tonnage.

Will circulate a table for each member to give its figures so as to have a picture of the global situation.

	FIXED	VARIABLE	Market share% + variable
Member organisations - -	FM (Fertilizers consumption of the country)	BB (bulk blend % of blend)	Of the association in bulk blend

Pierre-François advises to have a permanent employee for EFBA. Before must know what want to do and evaluate how much it costs. Can ask for variable fees in case of special action.

Pier Luigi Graziani agrees on that. It is important to get information.

Joster vor Schulte resumes that there are 2 lines:

- to get new members by visiting countries,
- to find a program especially actions toward EC.

The 2009 General Assembly is to be in Germany (Berlin or Hannovre), 2 nights, 3 days on the spot on April 1-3, 2009.

End of the 2008 EFBA MEETING