

May 28, 2010

EFBA GENERAL ASSEMBLY APRIL 28-29, 2010 IN HOLLAND

MINUTES

Participants :

GERMANY - BVDM: Jan BRÖRING, Heinrich JANINHOFF,
FRANCE - AFCOME: Philibert de MOUSTIER, Pierre-François DUMAS
NL - NVB : Maarten J. BRAND, Gustaaf ZEEMAN
UK - AIC : Eileen PULLINGER, David HEATHER
ITALY – ARVAN-AIF: Pier Luigi GRAZIANO
SPAIN – ACEFER : Juan PARDO
EFBA secretary general: Dominique AUBRUN

Interpreter : Marie Pozzo di Borgo

1st DAY / APRIL 28

2 P.M Opening of the meeting by Maarten BRAND. Joster vor Schulte sent his regret by mail not to be able to preside the meeting for health reason.

A brief presentation of each member country is done especially for Germany and Spain new representatives.

NETHERLAND

- Maarten J. Brand is the Secretary General of the NVB Dutch association of blenders. It includes 30 members with none commercial aspect. Focus on the quality of blended fertilisers.

FRANCE

- Philibert de MOUSTIER (farmer in Northern France - Chantilly) is the President of the French fertiliser association AFCOME and Pierre-François DUMAS the General secretary.
- Dominique AUBRUN used to be manager of a company of blended fertilisers until March 2008 and has been General Secretary of E.F.B.A. for 4 years (2006-2010). He is since March 2008 consultant-expert on fertilisers.

SPAIN

- Juan PARDO (engineer, 40 years in fertiliser business, trader) is the President of ACEFER, an association of the Spanish professionals of the fertiliser sector (www.acefer.com). Created in 1984 by wholesalers, the association was dormant till 2004 when a group of wholesalers took over and changed the status. The association is related to fertiliser business (traders, wholesalers, retailers, blenders, producers).

4 month ago, the status of the association was changed again. In addition to private companies, associated cooperatives are now able to join (12 up today). Around 80% of the Spanish blenders are represented in the association: 60% private and 40% cooperatives. Acefer depends on the Spanish regulation and is allowed to carry on commercial activities. Acefer has been looking for ways to be related to other European countries and decided to become member of E.F.B.A.

UK

- Eileen PULLINGER, Fertiliser sector Head of A.I.C (Agricultural Industries Confederation). Took over after David Heather retired 4 years ago.
- David Heather is invited to this EFBA meeting because of his implication in the European commission (CEN/TC260/WG1) on the issue of the sampling standardization, as the official convenor of the WG1 "sampling" (in replacement of Graham who is now retired).

ITALY

- Pier Luigi GRAZIANO (chemist) is the founder with his agronomic engineer associate of a leading company of consulting (agriculture, industry and environment) for all professionals implied in fertilisers. Thanks most probably to a right strategy, Pier Luigi GRAZIANO was successful in creating a new association A.I.F. ("*Associazione Italiana Fertilizzanti*") including over 100 associates, 78 are placing on the market the fertilisers (manufacturers-blenders). Pier Luigi is now the representative of A.I.F. at E.F.B.A.

GERMANY

- Jan BRÖRING is Vice President of the German Association BVDM which includes 105 members mainly in the Northern part of the country including 1 Danish, 2 Swiss and 3 Austrian members. Heinrich JANINHOFF (ex K+S) is the Secretary of the association since February as the successor of Helmut REICH.

1st POINT: ADOPTION OF THE DRAFT AGENDA

The agenda is adopted.

2nd POINT : ADOPTION OF THE MINUTES OF THE LAST MEETING (March 25 & 26, 2009, in Hanover)

- Maarten Brand remarks that on page 4 should be said that the Tour in Prague lasted 4 days.
- Eileen Pullinger informs that the Irish are no longer member of AIC though, last year, their AIC membership could have been an opportunity to make Ireland join EFBA. David Heather remarks that Ireland was member at the beginning of E.F.B.A. All members agree to contact Ireland (see Irish contacts made by Maarten Brand during the IFS Study tour in 2009). The minutes is adopted.

3rd POINT : ACTIVITY REPORTS OF THE LAST YEAR

Heinrich JANINHOFF - BVDM and the German Market : (ref. 2 documents entitled *KS nitrogen and Ausgaben für Handerdünger*)

- Joster vor SCHULTE tried to develop link with Poland. Maarten Brand will ask what was done.
- The German association counts 105 members (wholesalers, industrials, producers, and importers). The main problem is that salers merge especially small ones.
- 25 members went to France (invited by Bruno Chabbert from Afcome) and visited some installations in the Champagne region.
- The research program on bulk blending ("*The points for fertiliser blending plants in the contest of fertiliser system*") could not be carried on as expected by Joster vor Schulte. Professor HARTUNG has been searching all over Germany to find students. One has to be selected among two that could be able to manage this project. Do not demand anymore contribution till the recruitment is achieved. The budget is 84.000€ (excluding travelling costs) over 3 years, the 10.000€ missing last year came from Germany. Pierre-François DUMAS repeats that this study must be at a European level with a focus on CO₂ and asks to receive a description of the study before it starts.
- Heinrich Janinhoff gives 2 documents with the figures of the German market. Potassium and phosphate declines are related to cereal prices. The year 2007/2008 is not to be taken into account, better see 2006/07 as a reference. Jan Bröring remarks that the market is down at the moment. Face a lack of railway facilities.
- Maarten Brand remarks that the market share of the BVDM association in the blending market in Germany is of 50%, the lowest % among the member countries (Ref. see below an overview sent on April 2010 by Dominique Aubrun). It appears quite difficult to improve the situation with lots of small private companies among which some have gone bankrupt.

<u>OVERVIEW on the European Fertilizer Blending Market in 2008-2009:</u>				
Country	EFBA member	(estimated) global fertilizers consumption of the COUNTRY (in tonnes of products)	estimated global BLENDED FERTILIZERS PRODUCTION of the country (in tonnes of products)	representative MARKET SHARE (%) of the national association in the national blending business
United Kingdom	AIC	3 460 000	450 000	95%
Ireland	AIC	1 172 000	450 000	0%
Netherlands	NVB	851 000	85 000	85%
Germany	BVDM	4 250 000	350 000	50%
France	AFCOME	8 091 000	500 000	55%
Italy	ARVAN - AIF	3 466 000	250 000	60%
Spain	ACEFER	3 327 000	210 000	62%
TOTAL:		24 617 000	2 295 000	EFBA = 54%

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

- UK market continues to decline. Last year, because of a budget restriction had no money for research and had to increase subscriptions. The base of tonnage declined by one third. It is the first year AIC manages to provide figures of the UK market thanks to Chris Dawson (IFS) who agreed to make an estimate. 95% of the blenders are members (1 or 2 out).
- The main issues concern :
 - * The heavy metal with a risk of non conformity,
 - * A decrease of the potash use. The country ran out of salt and some producers switch their production from potash to salt.
 - * The storage of fertilisers based on ammonium nitrate on asphalt. The British authorities have accepted a 6% content of asphalt in the floor covering (tarmac), with a tolerance of up to 9% for the existing storage grounds.

Maarten J. Brand : NVB and the Dutch market

(ref. 3 documents entitled IFS Study Tour, open meeting in London, New member of council)

- Marteen BRAND emphasizes that it is not easy to get figures of the Dutch market. The association has a market share of 85%. Same development as in Germany. Only 6 Dutch companies left to have a 100% share of the market.

✚ **Pier Luigi GRAZIANO – ARVAN-AIF and the Italian market**
(ref. A.I.F. letter dated April 1, 2010)

- The situation is the same as in other countries. The use of fertiliser and blended fertilisers is declining. One explanation is the cost of 2 of the nutrients (P and K) especially the extremely high price of the Potash. As we need basic material to make a compound blend, if one among the 3 nutrient costs more than expected the farmers turn to urea in simple nitrogen fertiliser form. This is the trend for 3 years.
- 150.000T blended this year compared to 250.000T in 2006. Yet the situation is not the same all over the country: good situation in North-West with the rice crop, not too bad in Center-South, the worst is in North-East (cereals, maize area) where apply urea.
- The A.I.F. association was created officially in February 2010. It includes 60% of the Italian blenders and producers with 3-4 of the major largest companies. Pier Luigi Graziano trusts that with this association will be more attractive even to small companies that are interested in practical assistance on a wide range of issues. It is important to give to blenders the feeling that the association is close to their every day business even if own a small company..

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

- The Afcome international meeting in SAINT MALO on October 14-16, 2009 was a success : over 350 participants. Pierre-François Dumas speaks about a study presented during the meeting showing a direct connection in between the cost of grain and the cost of fertilisers. The delay in between the trend of the two is shortening. *The PowerPoint will be sent to each EFBA members.*
- Afcome has to deal with budget difficulty since the contribution is lowering. The main figures will be available in June 2010. Its 22 members represent 55% of the French market (www.afcome.org). Cannot get more members even if modify the status. Blenders are merging taking new company names (5 per year on average).
- Concerning the market, the nitrogen has recovered, the phosphate and the compound fertilisers are half a regular year, and the potash only 1/3. The main worries come from PK and NPK.
- The storage of the fertilisers based on ammonium nitrate on asphalt flooring (tarmac) is now totally forbidden in France now. The law (April 13, 2010) is yet not clear enough to know if it also concerns open air storage. Trade Unions are involved in this issue to go against the government. An exchange of experience between France and UK remains needed.

Juan PARDO – ACEFER and the Spanish market

- Juan Pardo says some words on how they establish the statistics. The producers give every month their product deliveries, export and sales. Yet it's not the real consumption. Problem of the date of the inventory and the level of the stock.
- The blended facilities are used 20% of their capacities. And the consumption of compound fertilisers keeps on going down.
- Juan Pardo says that he is very surprised by the issue of storing fertilisers on asphalt. In Spain, the Guardia Civil itself is in charge of the safety and security aspects of the fertilisers. They are much less worried about an industrial accident (storage limit at 350T) than a robbery (explosive precursors / terrorism).

BREAK

The CEN/TC260 European standardization working program (WG1 / SAMPLING) – David HEATHER

A great pleasure for David Heather to be back to the EFBA meeting.

Why this program? In 2000, a commission of fertiliser experts was mandated to produce a new standard for sampling.

A new standard was adopted in 2007 by the CEN "Fertilizers and liming materials: sampling" (EN 1482-1). One main requisite, was that the fertilizer had to be in motion. The working group concluded that it was not possible to obtain a reliable sample from a large static heap.

The CEN method was to be published in EC regulation 2003-2003.

At that time, some fertiliser experts of the European commission (German and Danish) got concerned since the sampling standard did not cover all products.

In March 2009, the German government made another proposal to the members of the fertiliser working group of the DG Enterprise demonstrating that it should be possible to sample from a static heap and persuaded the commission to order to the CEN/TC260.

In Berlin, in 2009, it was thus decided to reactivate the CEN working group (WG1: "sampling") and Graham Lance convinced David Heather to lead the group at his place. The last meeting, on April 30, 2010, was in Berlin that Dominique Aubrun attended as the French expert defending the interest of the European blenders in the name of EFBA.

The issues are :

- practicality of sampling from conical heap,
- which techniques to obtain a sample ?
- Limit of variations with 3 main aspects: sampling variability, raw material variability (risk of segregation) and analytical view.

This has a lot of political implication with all sorts of issues being raised.

One of the requisite was that sampling includes all forms of fertilisers (blended or not) so as not to have a distorted vision of the situation.

John CHEETHAM is one of the senior official sampling officers. EFBA must contact him so as to influence the working group vision. **David Heather will send a list of the working group members so that each EFBA could contact the experts of his own country.**

David Heather also speaks about Mr Karl Severin, the German expert, who produced a paper with a quite unusual method of sampling (sample from the top of the heap).

A discussion started on what is the position of EFBA on sampling. Everybody agrees that it is important to give good advices to the members of each association. Everybody is sure that it is necessary to contact the working group and give a feedback quickly to what was said during the last Berlin meeting.

Nb: since this meeting of the WG1 on April 30, 2010, Dominique Aubrun has written, as a member of the WG1, a report that Pierre-François has sent to all the EFBA members.

4th POINT : EFBA ACCOUNTANCY

(ref. Balance sheet dec.2009, profit and loss 2009, draft budget 2010)

Philibert de Moustier starts by saying that the Afcome is being reorganised.

He affirms that it is also necessary that the Secretary General function of EFBA be attributed to the **Secretary General of Afcome** like it used to be at the beginning of EFBA.

The participants all agree that we should come back to the traditional way EFBA was organised : Secretary to France and Presidency to Germany. Pierre-François Dumas emphasizes that it is more convenient also since the EFBA status is under the French law.

Many thanks to Dominique Aubrun for the good job he has been doing with a lot of seriousness for 4 years. The members are very grateful especially at the speed the information were diffused which gives a real advantage.

Dominique Aubrun up today has assumed 2 functions within EFBA: representative at the European commission (WG Fertiliser/DG Enterprise and SCP/DG Justice) and active member for the standardization of fertilizers (CEN/TC260).

Pierre-François Dumas is thus nominated Secretary General of the EFBA and carries on the presentation of the EFBA accounts.

One target is to see how to spend efficiently the budget. Should give details of what the travel expenses correspond to (IFS, EC Commission, and Interpreter).

A control over the 2009 accounts was done by Philibert de Moustier which confirms at the assembly the accounts were presented correctly. Full discharge is given to the leaving Secretary General for the 2009 accounts.

Juan Pardo will be from now in charge of controlling the accounts.

Two people should have the signature on the bank account too (the President and the General Secretary like it is up today).

Concerning the presidency and Vice presidency of EFBA, an election should be carried out every 3 years. Since it was not done last year, **Joster vor Schulte remains president for 2 more years, substituted by Maarten Brand until he recovers and Maarten Brand is maintained as Vice President for 2 more years.**

Pierre-François Dumas suggests to reduce the annual amount attributed to the Secretary General (11.000€ now) and to put in place a fixed payment per day on a limited number of days. For example, 10 days/year on a basis of 400€/day (that is 4.000€/year). The remaining money could be used for members to attend more meetings and go and visit potential member countries.

Maarten Brand remarks that we can fix the amount of IFS to 2000€ (instead of the 3070€ budgeted)

Since the research program in Kiel Germany is delayed, have the 3.500€ budgeted available.

Should also assess the costs of the attendancy to the European commission and standardization meetings (Dominique Aubrun will submit, as soon as possible, to the new Secretary General the conditions of his service as an expert to the WG1 of the CEN/TC260 after April 30, 2010).

Nb : this was done by e-mail on May 4, with a copy to Joster vor Schulte and Maarten Brand.

Pierre-François Dumas will have to check how many meetings will be attending next year, in addition to the every day regulation monitoring.

Juan Pardo asks to be notified what "the free capital" means : it is the resources/wealth (net situation) of the association.

The EFBA credit agricole account shows 23 276.65€ on December 31, 2009, before the payment of the debts at that date (5 083€); that is a net situation of 18 193.65€.

Concerning this EFBA meeting, Maarten Brand has hired a travel agency to obtain the best accommodation prices and EFBA has paid in advance the fees (5.000€). Maarten Brand will inform Dominique Aubrun of the amount to be invoiced to each member country.

Dominique Aubrun sends an invoice to David Heather who will then send an invoice to Eileen Pullinger for reimbursement.

Dominique Aubrun will then make an intermediate situation of the accounts of the association before transferring the bank account to the new Secretary General.

2nd DAY / APRIL 29, 2010

Morning

CKB MIDWEST BV visit at UTRECHT

Welcoming words by the Director, Théo van Oijen (t.van.oyen@ckb-midwest.nl) and the Bureau manager, A. Bos (a.bos@ckb-midwest.nl)

Presentation of the plant specialized in fertilisers, founded in 1993, ISO 9001-9002 certified. It is located near a central inland port near Amsterdam, with railway facilities, highway to centre Europe. Year round ice free.

Sales fertilisers to European market and South America.

Key figures: 300.000T per year, 26 full time employees, 10 extra employees during the high season (September to May). Bagging 25/50 kg. 3 big bags installations (looking for an extra one).

In 2002, CKB was hold 100% by Agrifirm

In 2006, investment in 3 automatic weighbridges scanning trucks

In 2009, the port was developed (4 meter depth).

Questions are asked concerning the quality system "blend plus". In fact the quality system is adapted to the client/buyers. It is always the name of the customer (putting the fertilizer on the market) that appears on the bags. CKB does only granulometric analysis. Use the raw material of the client who gets a receipt. CKB store only straight ammonium nitrate on a special asphalt with a high level of concrete in it. The director will send the specification to Maarten Brand.

Guided tour of the CBK Installation.

Especially well organised for the sampling of the product in motion.

Afternoon

1st POINT : IFS ACTIVITIES

Maarten BRAND – IFS activities

(ref. 3 documents entitled IFS Study Tour, open meeting in London, New member of council)

- Open meeting of the IFS London April 15, 2010

Maarten Brand presents a summary of the meeting pointing out few proceeding methods about phosphate in the future. Phosphate based on urine (coming from hospitals).

- IFS study tour 2009

This tour was also meant to get new contacts from European countries. The Irish participants should be contacted by EFBA. Eileen Pullinger does not know them. Mrs Cleeman from Denmark is an interesting contact. Yet need to know the name of the Danish member of the German association. Maarten Brand will though not attend a second tour: not useful.

Remarks from Pier Luigi Graziano :

Regarding the IFS, Chris Dawson, was the reference as secretary. The council is now interviewing 4 candidates to replace him. Somebody from UK shall be hired. Maareen Brand will inform who is nominated. Yet Chris Dawson will still be around to assist his future successor.

2nd POINT : EFBA NEW MEMBERS

EFBA should concentrate on Belgium, Switzerland and West of Europe.

- Maarten Brand will try to find a way to obtain Denmark and Ireland membership,
- Germany will try with Switzerland and Austria,
- Juan Pardo with Portugal.

Those countries could become EFBA guests, and then shall put those countries on the map of the web site.

A report will be done next year on the result of those contacts.

3rd POINT : THE EUROPEAN MEETING IN PARIS – September 9, 2009

Pier Luigi GRAZIANO – New rules in Europe for the fertilisers and growing media

The Paris meeting was very well organised. The worst is coming. Free market is the basic point of the treaty of Rome. The new regulation is stressing the same concept. Yet it shows how difficult are the new concepts to be accepted.

All the officials who spoke said they did not accept that. They try to protect their own country.

It is allowed to export and put on the market but the officials are free to block the product. The feeling is that there is a lot to do to open the market.

It appears the industrials support the free market and the administration is strongly against for various reasons and ways of justifying. It is now not easy at all to prepare a strategy for the industrials. If export, do not have the slightest idea what the officials will do. Eileen Pullinger adds that do not have actually to tell the authorities.

Juan Pardo emphasizes that each country has a different VAT, this is a reality, cannot do anything against that. Also the regulation of heavy metals and organics is different in each country.

Need a unique regulation imposed from outside otherwise there will be a chaos.

Concerning the growing media, it is necessary to check what has been done in the different countries before starting a new regulation.

For Eileen Pullinger, there is a need for an agreement with a definition. 2 people in Brussels are in charge of fertilisers including a new French man, very determined. The basic problem is the time since the commission gathers only twice a year. Eileen Pullinger adds that a lot of work is done behind the commission. The revising of RCE 2003 is to be issued as a separate regulation.

Juan Pardo emphasises that blending of fertilisers, in Spain and in Italy, concerns, in 30% of the cases, organic fertilisers (compost).

✚ Dominique AUBRUN – European commission DG Justice and the Fertilisers as precursors (*ref overview of concentration limits*)

- The European Commission asks the professionals to work together so as to improve the security all along the supply chain. It mandated EFMA to organise the meeting (Eileen Pullinger and Dominique Aubrun attended on July 10 to a preparation meeting with EFMA) but then after EFMA did not take forward. The European commission expressed concerns that EFMA was not carried out the mission properly. If EFMA does not do who will?
- The next meeting of the “Standing Committee on precursors” of the DG justice concerns the fertilisers as possible precursors of explosives and will takes place on May 17, 2010. The problem with that commission is that it deals with any kind of chemical and fertilisers are a tiny part of it. DG justice asked a consultant GHK to make an inquiry (spoke about urea that was not in the scope).

✚ **Dominique AUBRUN – European commission DG Enterprise and the fertilisers working group (WG)** (ref the German fertiliser law PowerPoint)

- 2 meetings per year (March and October). The vision of the new regulation is given by the German. On the German presentation, nobody understands what is the exact meaning of the word "freight" on the slides 9 and 13. Pier Luigi Graziano does not agree at all on the new approach. It is a step back on his point of view.
- Maarten Brand will ask Joster vor Schulte to know from who the German proposal came from. Cannot understand how a regulation can put such limits on the flexibility of the industries. Once again should check what is done in the European countries before putting a new regulation.

Maarten BRAND : Other activities of EFBA

- Philibert de Moustier quotes an interesting web site showing a new process on fertilisers and seeds www.pacma.org.
- Everybody agrees, as suggested, that EFBA writes an article so as to give a positive image of the fertilisers. Can ask a scientific to speak.
- The use of **the EFBA web site** should be enhanced. Marie Pozzo di Borgo will make a study of the actual site and propose a new version more interactive.

As a conclusion, Maarten Brand reaffirms that Joster vor Schulte is reelected for 2 more years and he will replace him as President as long as necessary.

Maarten Brand will also contact Pierre-François Dumas to see what are the specific missions that will be entrusted to Dominique Aubrun (ref. above: CEN/TC260/WG1 Sampling).

Next General Assembly is to be in SPAIN, on March 23-24, 2011. Juan PARDO will see what would be a suitable place to organise a visit.