

THE FERTILIZER INDUSTRY FEDERATION OF AUSTRALIA, INC. STRATEGIC PLAN - AN OVERVIEW

Peter McEwen

*Vice Chairman Fertilizer Industry Federation of Australia, Inc. and Managing Director
Summit Fertilizers (WA) Pty Ltd*

Abstract

The Fertilizer Industry Federation of Australia, Inc.(FIFA) is the industry association representing all the manufacturers of mineral fertilizers in Australia and the great majority of importers. These products are the principal sources of plant nutrients that are essential for healthy plant growth and productive crops and pastures. In 1999-2000 FIFA developed a 5 year strategic plan to address important issues facing the industry as a whole and this conference is an opportunity to provide a report on progress toward the objectives set in that plan. The major issues have been grouped under the headings: food safety, fertilizer quality, nutrient management and continuity of supply. To ensure that these issues are dealt with on a consistent and on-going basis it is important that appropriate industry standards are established and one of the most effective ways of implementing these are through codes of practice supported by appropriate training and information. FIFA's initiatives are aimed achieving permanent improvements and changes to help ensure that the manufacture, distribution and use of fertilizers are managed in a way to protect the environment and these vital agricultural inputs are used for the long term benefit our agricultural production systems.

Introduction

In early 1999 FIFA undertook a comprehensive review of the issues facing the industry over the ensuing five years and established a list of priority issues that needed to be dealt with by the industry as a whole.

As a consequence of this review, FIFA has developed a 5-Year Strategic Plan, made a number of changes to its organizational structure and established several working parties to address specific issues raised in the strategic plan.

FIFA also undertook a campaign to expand its membership base to ensure that it was truly representative of manufacturers, importers, blenders and distributors of fertilizers. At present FIFA has 22 members with one application under consideration, this compares with a membership of 9 as at 30 June 1996.

FIFA's mission is:

"To maintain public consent for the responsible contribution of our industry to the growth of Australian agriculture for the benefit of the Australian fertilizer industry and its customers".

One of the key objectives of this conference is to provide a report card to our various stakeholders and our membership on the industry's achievements to date in implementing the strategic plan.

FIFA has sought to progress its action plan within very tight budget constraints and this has meant that we have relied heavily on the time and intellectual inputs from a very wide range of individuals from the ranks of our member companies. This process has been necessary to ensure that we arrive at "industry solutions" that are acceptable to all our members.

At the same time we have recognized the necessity for employing outside expertise for the development of Codes of Practice and Guidelines for their use.

In two key areas, the issue of cadmium in agriculture and quarantine, FIFA has established constructive and cooperative relationships with Government agencies.

Key elements of the Strategic Plan

Details of the Plan have been posted on the FIFA website <http://www.fifa.asn.au/> and are outlined in our Annual Report for 1999-2000, a copy of which has been supplied in your conference satchel.

However, to set the context for the remainder of this Conference I will summarize the key issues that we have sought to address and the key elements of strategy. I will also mention the papers to be presented over the course of the Conference that will provide a report on our progress to date. We have also invited a number of speakers from outside the industry to provide us with their views on issues that FIFA are addressing and to give us feedback on a number of our proposals for action.

These issues have been grouped under four general headings:

- Food Safety
- Fertilizer Quality
- Nutrient Management, and
- Continuity of Supply

In addition, it is recognized that, to be effective, and have credibility in the discharge of its role FIFA itself must address the issues of the industry's profile and the consistency of its behavior.

Food Safety

There is a trend toward the development of consumer/retailer driven quality standards on food production and processing. As suppliers to the food production/processing chain, the industry may be impacted by these standards, directly or indirectly. So far, the industry has concentrated solely on individual product quality assurance programs without understanding, or participating in the broader food chain management issue at an industry level.

To address this issue FIFA established a Food Chain Quality Working Party to develop an overview of food chain issues and identify potential threats to the fertilizer industry and where there were weaknesses in the current industry approach. We established an industry position and communicated this to key stakeholders, seeking their feedback. This afternoon, we will hear the views of Ms Margie Milgate, the National Coordinator of Freshcare and Dr Andrew Monk, the Executive Auditor of the Biological Farmers Association, on what they believe is needed from the fertilizer industry in the way of standards and information for fertilizer users.

Nutrient Management

There is a growing awareness of off-farm impacts of fertilizer use, particularly as this relates to catchment management procedures and an emerging awareness of the lack of informed nutrient use efficiency as it impacts upon Australian agriculture.

Previous market research by FIFA showed that all stakeholder groups identified the need for more available information on the proper use of fertilizers.

FIFA established a Nutrient Management Planning Working Party to investigate how best the industry could improve the knowledge and management practices relating to nutrient management and environmental impact.

Ms Jonnie White who is Chairperson of the Working Party will be outlining this afternoon proposals for publication of a set of Guidelines for the Development of User Codes of Practice for Nutrient Management. These are designed to assist individual food production sectors to develop Codes of Nutrient Management Practices that are specific and relevant to their sector.

As a starting point for improving the availability of information on proper fertilizer use FIFA has published, in conjunction with the Potash and Phosphate Institute and CSIRO Publishing the "Australian Soil Fertility Manual". First released in 1999 and expanded in a revised edition in 2000, the Manual is now in its third reprint with over 4,000 copies sold.

FIFA made submissions on nutrient management training needs to the Rural Training Council of Australia (RTCA) review of its agricultural and horticultural training package. FIFA representatives will now participate in workshops and the consultation process being organized by RTCA for the development of competency standards and assessment guidelines on nutrient management for inclusion in the revised agricultural training package.

We are pleased to be able to welcome Mr Wayne Cornish, Vice President of the NFF and a Member of the Rural Training Council to discuss the future of rural training programs.

Fertilizer Quality

As mentioned earlier, there are increasing levels of community and customer awareness of food-chain safety and quality issues. The industry recognizes that its products have the potential to adversely impact upon the food chain and that it has a responsibility to ensure that its products are designed in a way to support the production of food that meets established safety and quality standards.

FIFA is seeking the establishment of soundly based and consistent minimum standards for the maximum permitted concentration (MPC) of impurities (including cadmium, other heavy metals, and microbial organisms) in fertilizers. We are also seeking the national application of such standards across all States and Territories, and the application of these standards to all participants in the industry.

We are pleased to be able to welcome the Dr Michael McLaughlin, Coordinator for implementation of the National Cadmium Strategy for Agriculture to outline this important initiative. We are also very grateful for the visit to Australia by Prof. Keith Syers who is Chairman of the IMPHOS Technical Committee to bring us up-to-date on progress in developing de-cadmiation processes for phosphorus fertilizers. We are also appreciative of the assistance from the International Fertilizer Industry Association (IFA) in helping make his visit possible.

Our Regulatory Affairs Committee has undertaken a comprehensive review of fertilizer legislation enacted by the States and Territories. The findings of the Committee and an outline of FIFA's preferred position to address the inconsistencies between the various State regulations will be presented by a member of the Committee, Mr Garry Kuhn.

Continuity of Supply

The industry recognizes that Australian agriculture must be protected against the possibility of exotic diseases or pests gaining entry to Australia by the presence of agricultural and other contaminants in imported fertilizer products and raw materials.

The recent devastating outbreak of Foot & Mouth Disease in the United Kingdom and its subsequent spread to the European mainland serves as a stark reminder of the importance of a vigilant quarantine regime to maintain the disease free status of a country

There are significant costs associated with compliance to existing quarantine regulations, and even greater potential costs dealing with the management of cargoes where contaminants are detected through the quarantine inspection and if a pest or disease became established after entry to Australia via a fertilizer import.

In 1996, FIFA instigated a major program of quality assurance in its supply chain for imported fertilizers. The Quarantine and Export Council, 1999 Award to FIFA for plant quarantine recognized these efforts.

FIFA is now investigating how the existing system can be improved and has invited the Chairman of the AQIS Industry Cargo Consultative Committee, Mr Hart Kritschil to outline the procedures and benefits involved in establishing an Industry Compliance Agreement at this conference tomorrow. Mr Mark Thompson, immediate past Chairman of the Import Logistics Committee will discuss training and accreditation issues for loadport surveyors who are involved in ship inspection and selection procedures on behalf of FIFA members.

Our industry is reliant on efficient and effective maritime and stevedoring operations in Australia and needs to ensure that its interests are protected, including particular reference to coastal shipping and maritime regulation. Fertilizers constitute the vast majority of bulk dry cargo imports to Australia whereas current industry groups representing the interests of bulk cargo handlers are dominated by exporting companies. FIFA maintains membership of the National Bulk Commodity Group as a peak body to represent the interests of the industry in these issues.

Standards

The attitude of the community (and therefore government) to the industry is influenced by industry behavior as a whole and by individual companies manufacturing or trading fertilizer.

FIFA established a Standards Working Party which developed an industry supply chain model and identified the key risk factors that require the application of common standards from mining and manufacturing through to application on the farm. The Working Party was also asked to identify where there were gaps in current standards and guidelines.

The original Working Party recommended the establishment of three Codes of Practice; for Purchasing and Manufacturing, Storage and Distribution and Blending and three new Working parties were established to develop these Codes. Tomorrow we will hear from Mr John Warnock a Member of two of those Working Parties outline these Codes and their application.

FIFA recognizes and supports the on-going work and achievements of the Australian Fertilizer Services Association (AFSA) who have developed Codes of Practice, training and accreditation programs for their members who are involved in the storage, distribution and application of fertilizers and soil amendments such as lime and gypsum. Mr Donald Carter, President of AFSA will outline AFSA's program and progress to date.

We have also invited Mr Warren Muller from the Queensland Environment Protection Agency to provide us with a regulators view on the effectiveness of industry Codes of Practice.

Profile

The industry was not considered to be well recognized by Government and all of the regulatory agencies relevant to the industry, and other key influence groups. It did not have a clearly developed mechanism to overcome this deficiency.

FIFA is positioning itself to effectively influence the outcomes of various policy initiatives that may impact upon the industry and its customers. To do this FIFA has developed a communications strategy to provide information to specific stakeholder groups to publicize the implementation of FIFA's strategies developed to address concerns about the industry and its products and to report progress in implementing the strategies.

Our major initiatives to date have been to publish an Annual Report which is distribute to a wide range of stakeholders and to hold industry conferences, such as this one and a specific conference last year on quarantine to develop solutions for industry issues. As part of our communications strategy we have revised our web site to provide a reference point for information about fertilizers and the industry.

We will continue our efforts to develop our relationships with key individuals in their centres of influence.

Summary

We have taken the view that when it comes to public perceptions, actions speak louder than words. FIFA's approach has been to put in place programs that will result in permanent improvements and changes to help ensure that the manufacture, distribution and use of fertilizers are managed in a way to protect the environment and that these vital agricultural inputs are used for the long term benefit of our agricultural production systems.