

The Fertilizer

News and information from the Fertilizer Industry Federation of Australia



F I F A

Fertilizer Industry Conference August 2010

Arrangements for the 2010 FIFA/AFSA industry conference on 23-26 August 2010 are progressing well, with most speakers confirming their availability for an impressive program of presentations. Registration will open in the next couple of weeks and notification will be sent to all those who receive this newsletter. The AFSA will again subsidize its members' registration fees, so AFSA members are particularly encouraged to attend this great value conference. [More...](#)

Fertilizer Sales Statistics 2009

The 2009 FIFA member sales statistics have been compiled and show that sales of all major products were down on 2008 figures, except urea and liquid products. In fact, liquid products now represent 16% of all fertilizers sold – up by 70% on the 2008 figure. Single superphosphate (SSP) experienced the biggest drop off in consumption at around half the tonnage of 2008 sales. The 2009 figure for SSP is also just more than half of the 8 year sales average. Nevertheless, the improved farming conditions experienced in many parts of Australia during the start of the year suggest better prospects for 2010 sales. [More...](#)

Fertcare; No Compulsory Measures Yet

The Dec 2009-March 2010 period experienced one of the strongest increases in Fertcare training figures for some time now. However, while some members have already met the industry target of 100% trained, a figure of around 85% is expected to be reached across the industry by the end of 2010. At its March 2010 meeting, the FIFA Board discussed compulsory options for Fertcare adoption but agreed not to pursue a 'no comply no supply' option at this time. [More...](#)

Fertilizer Industry Information and Education Material

Following unprecedented price movements in food commodities and farm input costs there has never been so much interest in the fertilizer industry. Some of this is positive as the public become more aware of food security issues and the role of productive agriculture, but some is negative as farmers and suppliers confront volatile trading conditions. FIFA has prepared a broad range of background material to explain the industry and some of the key drivers of price and supply. [More...](#)

In Brief: Food Safety; Labelling; Pack Size; Barrier Reef; Product Security.

Slow progress on the labelling code of practice, agreement by FIFA members to move to a maximum pack size of 25kg or 20L, CSIRO report into contaminants completed, reef protection regulation in place and product security progressing slowly. [More...](#)

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Australian Fertilizer Industry Conference - August 2010



Arrangements are progressing well for the triennial Australian Fertilizer Industry Conference being held on the Queensland Gold Coast from 23 to 26 August 2010.

The Australian Fertilizer Industry Conference is convened by the Fertilizer Industry Federation of Australia and the Australian Fertiliser Services Association. It is held every 3 years and attracts around 300 delegates from Australia and overseas.

The conference program will include a number of association meetings, followed by an impressive array of invited speakers. Topics include the new Great Barrier Reef regulations relating to fertilizer use, and the WA Fertiliser Action Plan. The role that the industry and Fertcare plays in these regulations will also be presented and discussed.

Experts will also present the latest on precision farming, food safety, climate change and the genetic engineering of crops – particularly in terms of nutrient use efficiency. Improved efficiency in fertilizer products will also be discussed, from both a global and local perspective. The main global research issues on fertilizer use will be presented, along with the latest developments in world fertilizer markets.

One of the highlights of the conference will be the presentation of an analysis that's currently underway, looking at the value of the Australian Fertilizer Industry and its products to the Australian economy. A similar investigation was undertaken about 10 years ago and its timely that the data is being revisited.

Of course, there will be some light entertainment along the way, including a gala conference dinner with awards, laughs and music. The conference will conclude with a choice of excellent recreational pursuits – including golf at Robina Woods, a boat cruise and a ramble through the beautiful SE Queensland rainforest.

As for previous years, all of Australia's major fertilizer companies will be at the conference, along with a number of overseas suppliers and shipping companies. Government officers will also attend, providing a wealth of opportunities to interact with partners and other important stakeholders.

Australian and overseas companies have been very generous with their sponsorship support for the conference, but there is still a few opportunities to showcase your business. Please get in touch with the FIFA office if you'd like to take up this rare opportunity to reach the 'who's who' of the industry – all in one place.

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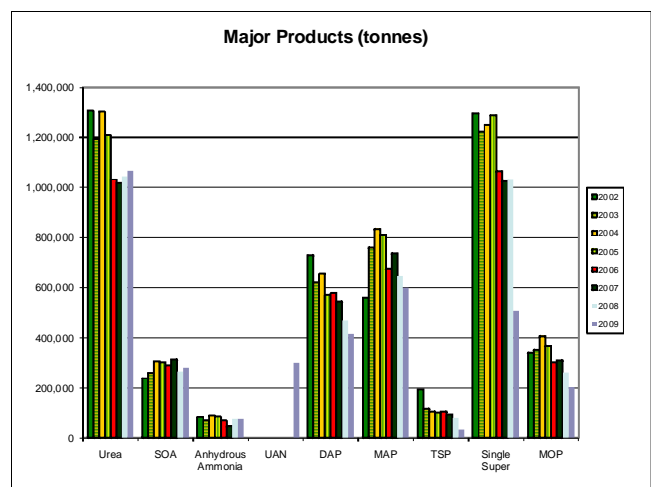
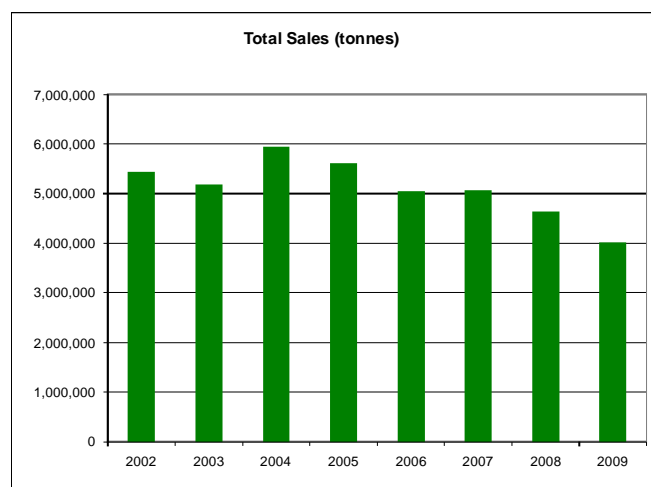
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2009 Fertilizer Sales Statistics



Fertiliser sales continued their decline in 2009, in the face of mixed rainfall and reactions to price instability. Total tonnage peaked at around 6 million tonnes in 2004, and has steadily declined to be around 4Mt in 2009.

The sale of most of the major products has decreased over the past few years, with single superphosphate the most affected. Sales of SSP peaked at 1,300,000 tonnes in 2002 and only reached 500,000 tonnes in 2009. In addition, the total tonnage of mono-ammonium phosphate sold surpassed SSP sales for the first time in 2009. The use of triple superphosphate has also declined significantly.

On the other hand, urea sales in 2009 were an improvement on the previous 3 years. While the total of just under 1,100,000 tonnes is still less than the 1,300,000 tonnes of 2002 and 2004, the trend is a positive one.

The increase in the sale of liquid fertilizers over the past 6 years or so is also an interesting development. While the trend in sales of solid fertilizers has decreased in response to poor farming conditions, the sale of liquid fertilizers has continued to climb. In 2002, when FIFA started collecting sales figures, the total tonnage of liquid fertilizers was just under 150,000t. In 2009, the figure was more than 600,000t, including anhydrous ammonia. In total, liquid fertilizers accounted for 16% of fertilizer sales in 2009.

While the past few years have seen a general decline in fertilizer sales, significant rains have fallen over many parts of Australia during late 2009 and early 2010, suggesting an improved forecast for the coming year.

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Fertcare; No Compulsory Measures Yet



FERTCARE®

Adoption Rates

The December 2009 to March 2010 period was one of the most productive in terms of Fertcare training numbers for some time. Nearly 160 industry colleagues were awarded Fertcare certificates for Level A (35), Level B (31) and Level C (91). The total number of people Fertcare trained since the program started now stands at more than 2,200 people.

Fertcare training has been undertaken by staff within the FIFA/AFSA 'family', as well as by people outside. The FIFA Board and the AFSA Council have committed to achieving 100% compliance for Fertcare training by the end of 2010 and at present, the figure is around 62%. Based on the commitments being made by members for the coming months, a figure of around 85% is expected to be reached by the end of this year.

Compulsory Fertcare Training

While 85% is significantly below the 100% target, it still reflects a very solid commitment to sustainable fertilizer use by the industry. While we should be proud of this achievement, the industry remains focussed on achieving 100% as soon as possible. In this regard, the FIFA Board recently discussed the benefits (or otherwise) of seeking non-voluntary options for undertaking Fertcare training. In this way, both FIFA/AFSA members and non members might be compelled to complete training. On the other hand, making Fertcare compulsory might also encourage distributors to seek supply from businesses that do not adhere to the FIFA and AFSA Codes of Practice, potentially leading to lower standards in supply to our farmer customers. While there are clearly pros and cons to compulsory training, the FIFA Board agreed not to pursue such measures at this time, and to review the matter again in 12 months.

Eligible Staff

Since the last edition of *The Fertilizer*, the industry has reviewed the definition of 'Fertcare eligibility' to better assist members in determining who needs to be trained and who doesn't. As a result of extensive consultation, a few modifications have been made. In addition, some work-place examples have been compiled into a Fertcare fact sheet – available from the Fertcare website. [Click here to see the fact sheet.](#)

Accu-Spread

While Fertcare training numbers have been increasing, the same cannot be said for the number of spreading machines completing Accu-Spread accreditation. Currently, around 120 machines are accredited which is just less than half of the machines owned by AFSA and FIFA members. While a number of spreader manufacturers are now accrediting machines before they are delivered to customers, other efforts are also being explored to accelerate Accu-Spread adoption.

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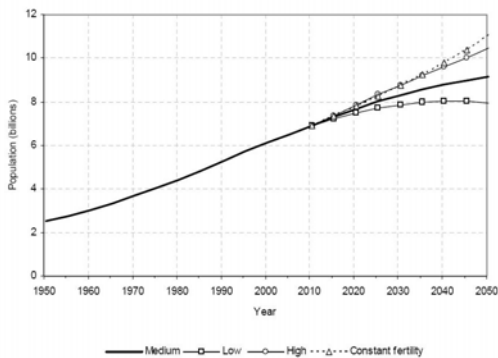
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Figure 1. Population of the world, 1950-2050, according to different projections and variants

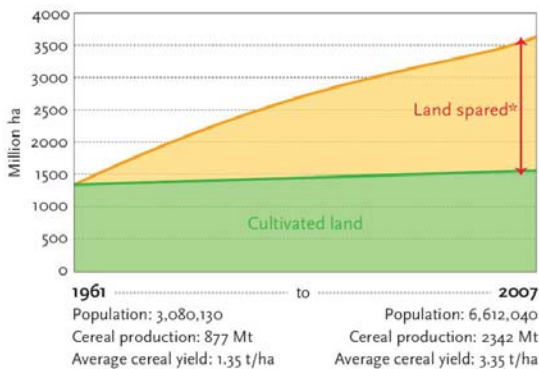


Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat (2009). World Population Prospects: The 2009 Revision, Highlights. New York: United Nations.

Following unprecedented price movements in food commodities and farm input costs, there has never been so much interest in the fertilizer industry. Some of this is positive as the public become more aware of food security issues and the role of productive agriculture, but some is negative as farmers and suppliers confront volatile trading conditions.

FIFA has prepared a broad range of background material to explain the industry and some of the key drivers of price and supply.

It begins with the story of population growth (graph at right), and the increasing wealth of big populations in India, China and other parts of Asia. This is going to drive a long term increase in the demand for food.

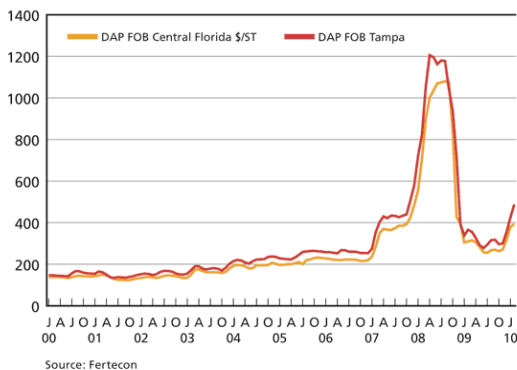


Bio-fuels are discussed and whilst still relatively small in terms of total crop area, it is a new industry and adds to the total demand for crops.

Intensification, producing more from the same area of land, is how agriculture is forecast to increase production by 50% from only a 7% increase in land area (FAO). Fertilizers are an important contributor to this process.

If the increased agricultural productivity between 1961 and 2007 had not occurred, the area of cultivated land would have needed to double to produce the same amount of food. This would come at the cost of environmental diversity and important ecosystems like rainforests.

DAP (Spot)
\$/MT



Source: Fertecon

However the pressure of demand and the long lead times in changing supply capacity could well lead to more periods of extreme volatility like those seen in 2008-9. The Australian Market and the factors that influence it are explained on the [FIFA web site](#).

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In Brief: Food Safety; Labelling; Pack Size; Barrier Reef; Product Security.

CSIRO Study into Impurities in Fertilizer Complete.

The CSIRO has completed a study into a broad range of possible impurities in fertilizers. The study uses very conservative (safe) assumptions to model accumulation of contaminants in crops, soil and water. Using a 100 year time frame and typical application rates, the model developed by CSIRO can predict the level at which a contaminant is unlikely to cause environment or food safety risks. Where a contaminant in a fertilizer product exceeds this trigger value, further investigation may be required to ensure that the actual risk is acceptable.

The study report has been provided to the Government which is still in the process of formulating a response. FIFA expects that any response will be progressed through the Fertilizer Working Group on which we, along with all State Governments, are represented. FIFA members will be informed as soon as there is any further development and we expect that there will be an informative presentation at the Australian Fertilizer Industry Conference in August.

Labelling Code of Practice and Maximum Pack Size.

The draft code of practice for description and labelling of fertilizers has been further modified based on comments received from industry and State regulators. Following issues with sampling and analysis uncovered during a Victorian audit, the code now includes a section on analysis methods. Whilst the States have agreed in principle to support the code, progress has been very slow as the same regulators cope with reform of the agricultural and veterinary chemical control regime. [Click here for the draft COP.](#)

Included in the code is a maximum pack size for manual handling and the FIFA Board agreed at its December 2009 meeting that FIFA members would adopt a maximum pack size for manual handling of 25kg or 20L. The agreement is effective from 1 July 2010 with twelve months grace to allow for existing stocks and commitments to be managed.

Reef Protection Regulation.

Fertilizer use controls and record keeping are now in place in the priority catchments of the Great Barrier Reef. The measures are consistent with good industry practice and Fertcare Accredited Advisors are playing a key role in assisting growers to meet the regulation. Comprehensive information is available at the [Reef Wise Farming web site.](#)

Product Security.

A detailed risk analysis of potassium nitrate and sodium nitrate is underway and a completed report is expected in the first quarter of 2011. In the interim, the FIFA Security Code of Practice provides an appropriate level of risk management and should be implemented by all FIFA member companies. It is likely that similar measures may be sufficient to address the risks identified in the study, although compliance may require some additional measures. Staff from the Attorney General's Department will speak at the Australian Fertilizer Industry Conference which also includes a short workshop session for those directly involved.

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