



Comments on the proposal for a regulation of the European parliament and of the council laying down the rules on the making available on the market of CE marked fertilising products and amending regulations (EC) No 1069/2009 and (EC) No 1107/2009.

With a European turn over above 1 billion €, and more than 2000 employees across Europe, the Roullier Group with its holding Timac Agro International is a major European manufacturer of fertilising products. As a French-based family owned business, we are proud to have been driving innovation in fertilising products for the benefit of agriculture and farmers for more than 50 years. We carry operations through our commercial subsidiaries in 25 of the 28 EU countries and manufacture annually 3 MT of fertilisers in Europe with our industrial network (16 production units in France, Italy, Spain, Belgium, Austria, Portugal and Ireland).

The Roullier Group welcomes the European Commission's proposal for a draft regulation laying down the rules on the making available on the market of CE marked fertilising products. Under the Circular Economy package and based on the New Legislative Framework the draft regulation offers access to a single European market for all types of fertilising products while guaranteeing a high level of safety and protection for the environment. This will set the ground for the development of the industry by promoting innovation and increasing the added value to agriculture. The Roullier Group clearly supports the innovative approach followed by the European. The definition of component material categories (CMC) and product function categories (PFC) with specific quality and safety requirements is creating the conditions for positioning fertilising products as nutritional products. The Roullier Group is also supporting the definition of plant biostimulant as introduced in the draft regulation. It was long awaited and now provides real clarity for this category of products and a clear frontier between plant biostimulants and plant protection products.

Such an evolution of the current regulatory framework for fertilising products is necessarily complex and a number of points still require slight modifications in order to achieve greater clarity and consistency between product function categories, and ensure a viable framework for the industry. The Roullier Group is submitting the following proposals for amendment of the proposal for a draft regulation.

1. Cadmium in phosphate fertilising products

The Roullier Group is supporting cadmium limits in fertilising products that ensure proper protection of human health and the environment, and that are scientifically established. **We therefore advocate for an initial cadmium limit of 80 mg/kg P₂O₅ for inorganic and organo-mineral fertilisers from the date of implementation of the new regulation. That limit should be re-evaluated 5 years later against available science for a further reduction to 60 mg/kg P₂O₅, if deemed necessary. We oppose to a reduction down to 20 mg/kg P₂O₅ as it does not have scientific basis and will not be sustainable for the manufacturers. Sufficient time should be given to the industry to adapt to these limits. We also request similar limits for cadmium to be implemented for plant biostimulants (PFC 6).**

2. REACH requirements for component materials



The Roullier Group is in favor of the strict enforcement of the REACH regulation to substances used in fertilising products. **We are opposed to the REACH over-requirements proposed in the draft regulation.** It foresees that, unless explicitly covered by an exemption provided for by Annex IV or by points 6, 7, 8 or 9 of Annex V of the REACH regulation, any substance (including the ones that are produced or imported below 1T per year) must be REACH registered with the same level of information that is required for the 10-100 T tonnage band. This will be an innovation killer for fertilising products and will impose huge administrative costs and burden to the industry for very limited benefits to human health and the environment. We believe the REACH regulation is offering sufficient protection of human health and the environment and **the over-requirements contained in the draft shall be deleted.**

3. Labeling of fertilising products

The Roullier Group is in favor of providing relevant information for the user and the control authorities via product labeling. However it should not impair the confidentiality of the formula which must be protected. For some product categories, where the efficacy highly depends on formulation, labeling of components above 5% would result in disclosure of the company's know how and manufacturing secret. This is the case for plant biostimulants in particular and **we suggest for this product function category a labeling of the complete formula, including percentages, based on CMCs (ie: CMC1 80%, CMC2 15%, CMC6 5%).** This would maintain enough confidentiality of the product's formulation while providing sufficient information for control authorities. In general, the labeling of individual components is also raising questions regarding the names to be used for their description since no indication is provided in the draft regulation.

4. By-products

CMC 1: Virgin material substances and mixtures is excluding by-products from its scope. By-products are defined in Directive 2008/98/EC as substances resulting from a production process, the primary aim of which is not the production of that item, only if the following conditions are met: (a) further use of the substance or object is certain; (b) the substance or object can be used directly without any further processing other than normal industrial practice; (c) the substance or object is produced as an integral part of a production process; and (d) further use is lawful, i.e. the substance or object fulfils all relevant product, environmental and health protection requirements for the specific use and will not lead to overall adverse environmental or human health impacts. The Roullier Group believes the exclusion of by-products from the different component material categories defined in the draft regulation is going against the concept of circular economy. Besides CMC 11: Certain animal by-products, the only exception is CMC 6: Food industry by-products and the Roullier Group regrets the positive list kind of approach for that category as well as the extremely limited number of entries. **We therefore request CMC 6 to be renamed as "CMC 6: By-products from the industry others than animal by-products" with the following definition: "A CE marked fertilising product may contain component material consisting of one or more by-products from the industry, other animal by-products. These by-products shall be originating from the manufacture of products that are destined to human food; or animal feed; or cosmetics; or pharmacy".**

However, due to potential safety and/or environmental issues, industrial sludge should be excluded from CMC 1 and a specific CMC be developed for that kind of components.

5. Notified bodies

Notified bodies will be tasked by Member States through the notifying authority to proceed with the conformity assessments module B and module D1. Annex IV Part 2 of the draft regulation is detailing the procedures for the conformity assessment modules and the Roullier Group regrets the lack of delays given to



the notified bodies to proceed with the evaluation of the applications filed by manufacturers. **We advocate for a maximum delay to review the application of 3 months from the date of reception of a complete dossier. Passed this delay, manufacturers shall be authorized to place their fertilising products on the market.**

The Roullier Group is also concerned by the possible different interpretations of the regulation among notified bodies. **We therefore urge to include another annex where the precise composition of application dossiers would be specified (Module B), as well as compliance criteria for audits (Module D1). The annex shall also include what would be considered as "a modification to the approved type that may affect the conformity of the CE marked fertilising product".**

6. Transitional measures

The Roullier Group is concerned that no transitional period is foreseen with the implementation of the future regulation. There are currently fertilising products placed on the European market under Regulation (EC) 2003/2003 that will be victim of the absence of transitional measures. For products that have high packaging stocks, it will be impossible for the industry to manage the change between the current labeling rules and the ones from the future regulation. We also observe nitrification inhibitors and urease inhibitors can already be used in the formulation of EC fertilisers under the framework of Regulation EC 2003/2003. These products correspond to PFC 5(A)(I) and PFC 5(A)(II) and, under the provisions of the draft regulation, will be allowed to be placed on the market only if they passed the combination of Module B with Module C, or Module D1. Each of the two conformity assessment procedures require the implication of a notified body. The Roullier group is having doubts as to when notified bodies will be able to perform conformity assessment. We believe that it will not be the case at the time of entry into force of the future regulation and this creates uncertainty for business continuity of products that are already on the market.

We therefore advocate for a transition period of 2 years to allow the manufacturer and distributors to eliminate their stocks, and to allow business continuity for currently approved nitrification inhibitors and urease inhibitors. This transitional period would be applicable to the labeling of inorganic fertilisers only, as well as conformity assessments of the currently approved nitrification inhibitors and urease inhibitors. Other quality and safety requirements as described in the draft regulation would be applicable from the date of implementation.

In addition to these proposals, the Roullier Group is suggesting clarification on some points in the draft regulation. This clarification is essential for the applicability of the draft regulation.

1. Fertilising product blends and formulated products

The product function category 7: Fertilising product blend, is not providing sufficient clarity as to what products are supposed to be covered by this product function category. It is obvious this is applicable to bulk blending, however it is not so clear when it comes to formulated products composed of different premixes that may individually belong to different product function categories. Would the product function category for an inorganic fertiliser coated with a plant biostimulant be PFC7? Would it belong to the same PFC if the plant



biostimulant were not applied at coating but incorporated during granulation? **The Roullier group believes the manufacturer should be the one deciding whether or not the product is a fertilising product blend and the process used for blending the different product categories should be indicated on the product's label.**

2. Classification of plant biostimulants

The Roullier Group believes the classification of plant biostimulants is misleading: a formulated plant biostimulant that contains a microorganism, seaweed extract and calcium carbonate would be classified as an "inorganic non-microbial plant biostimulant" according to the draft regulation. In order to avoid that issue **we recommend to modify the definitions of each sub-category and change the order between organic non-microbial plant biostimulant and inorganic non-microbial plant biostimulant in the annex as follow:**

"PFC 6(A): Microbial plant biostimulant

1. A microbial plant biostimulant shall be a plant biostimulant that contains micro-organisms or a consortium of micro-organisms referred to in CMC 7 of Annex II.

[...]

PFC 6(B): Non-microbial plant biostimulant

[...]

PFC 6(B)(I): Inorganic non-microbial plant biostimulant

1. An inorganic non-microbial plant biostimulant shall be a plant biostimulant that does not contain micro-organisms or a consortium of micro-organisms referred to in CMC 7 of Annex II, nor carbon (C) of animal or plant origin.

[...]

PFC 6(B)(II): Organic non-microbial plant biostimulant

1. An organic non-microbial plant biostimulant shall be a plant biostimulant other than an inorganic non-microbial plant biostimulant that does not contain micro-organisms or a consortium of micro-organisms referred to in CMC 7 of Annex II.

[...]"

Each category would include the specific requirements for contaminants that are already listed in the draft.

3. Contaminants

The labeling requirements for fertilising products detailed in Annex III, Part 1 (5) establish provisions for CE marked fertilising products that contain a substance for which maximum residue limits for food and feed have been established. The manufacturer must ensure the instructions for intended use, included application rate and intended target plants will not lead to the exceedance of those limits in food or feed when the product is used as intended. **The Roullier Group is requesting a rewording for that paragraph. It must be clear that only intentionally added substances are concerned. The paragraph should read "Where the**



CE marked fertilising product contains a substance intentionally added for which maximum residue limits for food and feed have been established [...]”.

Finally, we also would like to bring to your attention minor points that require modifications. They are summarized in the table below.

Article 2 (1)	Application on the soil is missing from the definition of fertilising product. We recommend it to be changed to “a substance, mixture, micro-organism or any other material, applied or intended to be applied, either on its own or mixed with another material, on soil, plants or their rhizosphere for the purpose of providing plants with nutrient or improving their nutrition efficiency
Annex I, Part II, PFC 1(C)(I)	There is no distinction between between primary and secondary elements. It means salt or calcium carbonate would be eligible to bear the denomination “fertiliser” on the label. It is also means products that are currently straight fertilisers would become compound fertilisers (ie: ammonium sulfate based fertilisers). This may have side consequences with the application of the Seveso directive for example.
Annex I, Part 2 PFC 6(A)(2) Annex I, Part 2 PFC 6(B)(I)(2)	Limits for Hg in microbial plant biostimulants and organic non-microbial plant biostimulants should be harmonized with the ones set for other PFCs containing organic matter. It should be changed to 2 mg/kg dry matter.
Annex I, Part 2 PFC 6(A)(4) to (11)	We don’t understand the differences for microbial contaminants limits set for microbial plant biostimulants and other PFCs (ie: organic fertilisers, organic soil improvers, etc). We request a harmonisation between product function categories.
Annex I, Part 2 PFC 6(A)(12)	We don’t understand the requirement for a pH \geq 4 for microbial plant biostimulants that consist of a suspension or a solution. We request it to be deleted.
Annex III, Part 1(2)(c)	In the case of fertilising products covering a wide variety of crops (ie: urea based fertiliser) it will practically be impossible to list all target plants on the label. The mention “all crops” must be allowed. Following the same approach, ranges for application rate must be allowed. While indications should be provided to the end-user, it is impossible for the manufacturer to specify a single application rate as it will greatly depend on the crop, the soil, the plant development stage, etc.
Annex III, Part 1, 2(e) Annex III, Part 2, PFC 7	The description of components for PFC 7 is unclear. In the event a fertilising product A is blended with a fertilising product B at a ratio 95:5; does it mean the constituents from product A would be listed only? Or there would be two descriptions of components? Or a single description of components aggregated according to the formulas of the products blended? In this last case, how would it be applicable for bulk blenders that don’t have access to the complete formula of the products



	<p>they mix together?</p> <p>We recommend to have multiple descriptions of components, 1 for each product blended.</p>
<p>Annex III, Part 2, PFC 1(A)(c) Annex III, Part 2, PFC 1(B)(1)(c) Annex III, Part 2, PFC 1(C)(I)(1)(c)</p>	<p>The labeling provisions foresees the elemental form to be declared as a number for N, P, K, Mg, Ca, S, Na. This is not consistent with the market standards for most of the countries and could be misleading since the content of the oxide forms P₂O₅, K₂O, MgO, CaO, SO₃ and Na₂O must be declared on the label.</p> <p>We therefore request numbers corresponding to the letters P, K, Mg, Ca, S and Na to be the ones of the oxide form.</p>
<p>Annex III, Part 2, PFC 1(C)(I)(b)(2)</p>	<p>The draft regulation foresees a declaration of the nutrient content as a percentage by mass or by volume for liquid inorganic macronutrient fertilisers. This would be up to the manufacturer to decide.</p> <p>For sake of consistency and to avoid misleading declarations, we request the nutrient content for liquid macronutrient fertilisers to be labeled as a percentage by mass.</p>
<p>Annex III, Part 2, PFC 6 (b)</p>	<p>An expiry date does not have relevance for non-microbial plant biostimulants and microbial plant biostimulants that does not contain live microorganisms. We therefore request this labeling requirement to be changed to a best before date, with the exception of microbial plant biostimulants containing live microorganisms where the labeling of an expiry date would be required.</p>
<p>Annex III, Part 3, PFC 6</p>	<p>Tolerances as defined in the draft regulation does not take into account the variety of parameters that can potentially be declared on the label of a plant biostimulant. Some are expressed in units different from g/kg or g/l (ie: CFU/g, IU/kg, enzymatic activity/g, spores/g, etc). In addition, plant biostimulants are also very diverse in their nature and tolerances should be adapted depending on their composition (ie: UVCB, micro-organism, chemically defined substance, etc). We therefore request tolerances adapted to the variety of plant biostimulants (cf. EBIC position paper on tolerances for biostimulants)</p>
<p>Annex III, Part 2, PFC 7</p>	<p>When different PFCs are blended together, how can authorities be in position of controlling compliance to quality and safety requirements as well as applying tolerances for the controlled criteria? We recommend the percentage by mass of each PFC blended to be indicated on the label of a fertilising product blend.</p>



Direction of Regulatory Affairs



Position paper on REACH requirements for certain component material categories and agronomic additives as introduced in the proposal for a regulation of the European parliament and of the council laying down the rules on the making available on the market of CE marked fertilizing products and amending regulations (EC) No 1069/2009 and (EC) No 1107/2009.

Position of Roullier Group:

The Roullier Group is in favor of the strict enforcement of the REACH regulation to substances used in fertilizing products. We are opposed to the REACH over-requirements proposed in the draft regulation as it will be an innovation killer for fertilizing products and impose huge administrative costs and burden to the industry for very limited benefits to human health and the environment. We believe the REACH regulation is offering sufficient protection of human health and the environment.

With a European turn over above 1 billion €, and more than 2000 employees across Europe, the Roullier Group with its holding Timac Agro International is a major European manufacturer of fertilizers. As a French-based family owned business, we are proud to have been driving innovation in fertilizing products for the benefit of agriculture and farmers for more than 50 years. We carry operations in Sweden through our commercial subsidiary Svenska Timac AB that is distributing / manufacturing 3000 Tonnes for an annual turnover of 16,7 M SEK. Svenska Timac AB is employing 12 persons.

We are deeply concerned by the Commission proposal with regards to the REACH requirements set in the draft regulation for agronomic additives (PFC 5), virgin material substances and mixtures (CMC 1), food industry by-products (CMC 6), digestion additives and composting additives.

The draft regulation foresees that, unless explicitly covered by an exemption provided for by Annex IV or by points 6, 7, 8 or 9 of Annex V of the REACH regulation, any substance (including the ones that are produced or imported below 1T per year) must be REACH registered with the same level of information that is required for the 10-100 T tonnage band. Besides the complexity for the industry to manage such requirements, this is a real innovation killer for fertilizing products. The REACH regulation has already established a solid framework for the protection of human health and the environment. The over requirements proposed in the draft regulation for substances used in fertilizing products that belong to the tonnage bands below 10 T/year are not appropriate.



Direction of Regulatory Affairs

The proposed REACH requirements for agronomic additives (PFC 5), virgin material substances and mixtures (CMC 1), food industry by-products (CMC 6), digestion additives and composting additives are innovation killers for fertilizing products

1. The cost of a registration dossier for the 10-100T tonnage band will be prohibitive

Based on the experience of registering substances under the REACH framework, the cost of a registration dossier for the 10-100T tonnage band can be estimated to 100,000 € on average. When applied to innovative substances that are unique to a fertilizing product manufacturer, this will lead to a prohibitive cost to the substance. In the early stage of the development of a product and the first years it is placed on the market, where the substance in question is likely to be below the 10T threshold (and in many cases below 1T), the innovation will never have the opportunity to make it to the market.

2. Some suppliers will be reluctant to proceed with the registration of their substance

It is already difficult with some suppliers that are not used to the REACH framework to make them understand what requirements apply when they sell to other markets than human food or animal feed. In the case of low tonnage substances, since the obligation for registration belongs to the manufacturer, we already observe they don't necessarily consider to develop the market of their substance for fertilizing products. Increasing the requirements (and therefore the cost associated) will certainly not help in promoting innovation on the fertilizing products market.

3. The fertilizing products industry will not be in the position to register in place of EU-based suppliers

In the event the supplier of a substance is located in the EU and is not interested by proceeding with the REACH registration according to the requirements set in the draft regulation, the industry will not be in the position to register the substance in place of the supplier since it does not produce nor import the substance.

The proposed REACH over-requirements will provide very limited benefits for human health and the environment compared to the current REACH framework

1. The REACH regulation is already efficient

Everyone recognizes the REACH regulation provides a very solid framework for ensuring human health and the environment. And the concept of tonnage / volume thresholds is constitutive of its architecture: in the preambles of the regulation, it is clearly stated in Whereas 34 that "Requirements for generation of information on substances should be tiered according to the volumes of manufacture or importation of a substance". And Whereas 59 states "the requirements for undertaking chemical safety assessments by downstream users should also be prescribed in detail to allow them to meet their obligations. These requirements should only apply above a total quantity of one ton of substance". It is therefore inappropriate to ask for similar requirements for substances that are produced / imported below 1 T/year compared to others that are produced / imported above 10 T/year.



Direction of Regulatory Affairs

2. Other agricultural inputs are not subject to similar REACH over-requirements

Other agricultural inputs are not subject to similar REACH over-requirements while their use and dispersion in the environment would be similar. For plant protection products, co-formulants are subject to REACH, and they don't face over-requirements. Equal treatment for substances with similar exposure scenario should be maintained.

Such requirements will lead to a high complexity and administrative burden for the industry

1. Timing for registration under the REACH framework

The foreseen entry into force of the draft regulation is January 1, 2018. This means the REACH over-requirements would apply even before the June 2018 deadline for registration of substances produced or imported between 1 and 100 T/year.

Additionally, it leaves as of today 1.5 year to the industry to proceed with the registrations and the necessary testing associated. Given the average timing for preparing a dossier, this is more than probable the industry will not be able to fully comply with the requirements by the time the regulation enters into force. It could also put at risk the continuity of EC fertilizers currently placed on the market.

2. Administrative burden for the fertilizing product industry

Having REACH over-requirements that apply to any substance used in fertilizing products whatever its tonnage will lead to a massive number of dossier to be filed and maintained by the industry. This will create a huge administrative burden and associated costs. While big companies could be in position of managing this administrative burden, this is unlikely to be the case for SMEs.



Direction of Regulatory Affairs



Position paper on maximum cadmium content in fertilizing products as introduced in the proposal for a regulation of the European parliament and of the council laying down the rules on the making available on the market of CE marked fertilizing products and amending regulations (EC) No 1069/2009 and (EC) No 1107/2009.

Position of Roullier Group:

The Roullier Group is supporting cadmium limits in fertilizing products that ensure proper protection of human health and the environment, and that are scientifically established. We therefore advocate for an initial cadmium limit of 80 mg/kg P₂O₅ for inorganic and organo-mineral fertilizers from the date of implementation of the new regulation. That limit should be re-evaluated 5 years later against available science for a further reduction to 60 mg/kg P₂O₅, if deemed necessary. We oppose to a reduction down to 20 mg/kg P₂O₅ as it does not have scientific basis and will not be sustainable for the manufacturers. Sufficient time should be given to the industry to adapt to these limits.

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We are deeply concerned by the Commission proposal with regards to the limits for cadmium in phosphate fertilizers. An initial cadmium limit of 60 mg/kg P₂O₅ and foreseen reductions down to 40 and 20 mg/kg P₂O₅ would be without scientific justification and have severe consequences for fertilizer producers, for farmers, and for the security of EU food supplies. We also regret the lack of prior consultation by the Commission of the different stakeholders, and the fertilizer industry in particular, with regards these proposals.



Direction of Regulatory Affairs

The proposed limits on cadmium in inorganic and organo-mineral fertilizers has no scientific basis

Cadmium (Cd) is a toxic trace element that occurs naturally in soil, water, air and in several types of rock including the sedimentary ones used to make phosphate (P) fertilizers, an essential input in EU food production. Therefore legitimate environmental and health concerns arise from the use of phosphate fertilizers on European land. The proposal from the Commission foresees an initial cadmium limit in inorganic and organo-mineral fertilizers of 60 mg/kg P₂O₅ for 3 years from the date of implementation, then going down to 40 mg/kg P₂O₅ for 9 years, and finally being set at 20 mg/kg P₂O₅. While a limit should be set for cadmium content in phosphate fertilizers, recent studies have shown the values set by the Commission have no scientific basis.

1. Dietary exposure to cadmium is decreasing in the European population

The principal concern over cadmium is the risk posed to human health from food, the major source of exposure in the non-smoking population. The FAO and WHO have set a tolerable weekly intake of 5.8 µg/kg body weight for cadmium. EFSA has set the tolerable weekly intake further down to 2.5 µg/kg body weight to ensure a 'high level of protection of all consumers, including exposed and vulnerable subgroups of the population'. In 2009 EFSA found that the mean weekly dietary exposure of the EU population was at 2.3 µg/kg and observed in 2012 it actually decreased to 2.04 µg/kg, well below the tolerable weekly intake of 2.5 µg/kg. EFSA also found that some sub-groups (e.g. children, vegetarians and those living in contaminated areas) could exceed the recommended intake and it recommended reducing cadmium levels in certain food groups where exposure is greatest. In the light of these findings, in 2014 the Commission set tighter limits on cadmium levels in certain foods, particularly infant formula, chocolate and cocoa products, aimed at protecting the most vulnerable groups such as infants and young children. At the same time, EU Member States were recommended to ensure that mitigation measures by farmers and food business operators were progressively implemented. Such limits and measures are a more targeted and efficient means of addressing specific health concerns for vulnerable sub-groups than generalized limits on fertilizers.

2. Cadmium level in European soils is currently decreasing

Pressure to set cadmium limits in phosphate fertilizers was stimulated in 2002 by the findings of the EU's Scientific Committee on Toxicity, Ecotoxicity and the Environment (CSTEE), that without such limits, cadmium levels in EU soils would increase. These findings have been closely examined in subsequent studies. The most recent and most definitive conclusion was reached by the CSTEE's successor, the Scientific Committee on Health and Environmental Risks (SCHER). This concluded in November 2015 that cadmium input to EU soils has decreased significantly since 2002: from atmospheric deposition it is four-times lower; from fertilizer it is two-times lower; and from lime, manure and sludge it is marginally increased. In addition, cadmium output from soils, mostly through leaching, is higher than previously estimated. And finally, the continued application over 100 years of the current cadmium-content fertilizer would lead to an average 15% decrease in the level of cadmium in the soil, and not to an increase.

3. A phosphate fertilizer with a cadmium content of 80 mg/kg P₂O₅ leads to a steady state in cadmium soil content

The most recent study (Smolders and Six, 2013) that was evaluated by SCHER indicates the application of a phosphate fertilizer with a cadmium content of 80 mg/kg P₂O₅ leads to a steady state in cadmium soil content. If a cadmium limit for inorganic and organo-mineral fertilizers were to be set at 80 mg/kg P₂O₅, it would therefore achieve the objective of reducing cadmium contamination in European soils since the average content of cadmium in such fertilizing products placed on the market would necessarily be lower than 80 mg/kg P₂O₅.



Direction of Regulatory Affairs

The proposed EU-wide limit on cadmium in phosphate fertilizers would result in a scarcity of supply

1. Phosphate fertilization is vital for Europe

Numerous long-term studies have demonstrated contribution of fertilizers to sustaining crop yields. For example, a survey by IPNI showed a 40% wheat yield decline without phosphate additions. Annual consumption of phosphate fertilizers is not expected to fall. Since this cannot be met from internal production, the EU will remain heavily dependent on imports. *Fertilizers Europe* estimates that over the past eight years, between 65-87% of phosphate fertilizers in the EU was imported. This situation has been recognized by the European Commission with the entry of rock phosphate in the list of Critical Raw Materials.

2. Such limits in cadmium for phosphate fertilizers will reduce the supply of European manufacturers and increase the risk of shortage on a critical raw material.

Most phosphate fertilizers come from sedimentary rock which naturally contains cadmium ranging from 30 - 300 mg Cd/kg P₂O₅. This source represents more than 70% of global trade. The remaining 30% consists of low-cadmium rock phosphate and over 90% of it is already consumed outside the EU. In addition, low-cadmium rock phosphate suppliers have limited capacity to increase supplies to the EU. The main potential sources are within the EU, only **Finland**: total production 1 MT per year. Other sources include **Russia** (total production 11 MT and priority is given to its domestic market), **Jordan** (total production 7 MT), **South Africa** (total production around 2 MT and exports only relatively small quantities), **Syria** (most production is now in the hands of the so-called Islamic State), **China** (which imposes restriction on exports, regulates phosphate as a strategic material and requires all production for domestic use), and **Brazil** (limited production, also prioritized for domestic use).

Such limits in cadmium for phosphate fertilizers would create a situation where European manufacturers of fertilizers would be bound to a limited number of supply. That situation will unavoidably create tension and put the industry at risk of shortage for that critical raw material. Furthermore, the seasonality of EU demand for fertilizers in the summer creates peaks in demand that would accentuate the challenges of meeting the increased demand for low-cadmium phosphate.

3. Cadmium limits for phosphate fertilizers will lead to the EU being dependent on Russia

Russia has the main deposits of low-cadmium outside the EU. Given the lack of alternative suppliers, such cadmium limits would leave the EU heavily dependent on Russian imports. This would render EU food production vulnerable to political pressure from Russia – already notorious for its leverage of its dominance of gas supplies in many parts of Europe and at a time of heightened tensions over the Crimea and eastern Ukraine, on the EU's borders with Russia and in the Middle East.



Direction of Regulatory Affairs

Cadmium limits would increase costs for the EU fertilizer industry, already under strain

1. The European fertilizer industry is under strain

Cost increases for raw materials would severely impact the European fertilizer industry. This has suffered over the last 20 years: almost one third of fertilizer plants have closed between 1994 and 2013 for environmental or economic reasons, and margins have eroded with increasing competition from integrated players. The Roullier group is committed to maintain a strong industrial presence in Europe, and the foreseen cadmium limits for phosphate fertilizers will clearly be a competitive disadvantage.

2. All phosphate fertilizers would be affected

The main EU fertilizer industry products (TSP, SSP and NPK Nitro) are amongst the most vulnerable to cadmium limits due to their production process. They are produced either directly from rock phosphate (for all 3 of them) and/or from the phosphoric acid (for TSP and NPK). Most EU producers would face increased costs which would make them less competitive and could drive some out of business in Europe.

3. Recycled Phosphorus is not a viable option yet and time must be given to the industry to adapt

The option the Commission is presenting is to develop alternative sources of phosphorus (ie: phosphorus recycled from waste like struvite). There are major challenges in developing these new sources as it requires a complete change of business model: unlike rock phosphate, recycled phosphorus sources will be scattered on the EU territory and the logistics to collect and use this supply will induce higher costs to the industry leading to products not being competitive when using these sources. As of today, it appears clearly that only few production sites of recycled phosphorus could be used and that it will never be sufficient to compensate the flow of rock phosphate with cadmium levels above the limit.

However, recycled phosphorus is clearly an option for the future and sufficient time should be given to the industry so it can adapt its business model and its offer to the market. Moreover, these sources are currently excluded from the draft regulation and there are concerns to set limits without clarity on whether or not recycled phosphorus will be allowed for inclusion in CE marked fertilizing products.