

Position of EU Phosphate Fertilizer Industry on Cadmium in Fertilizer Regulation Trialogue



AEEP represents the interests of EU phosphate and NPK fertilizer users and producers. Our members operate, produce and sell phosphate and NPK fertilizers in 25 out of EU 28 Member States and employ over 30 000 workers in the European Union.

We share the objective to reduce cadmium content in EU soils and food. But a case to support the dramatically low limits proposed by the Commission and the European Parliament has not been made. The EC has consistently failed to quantify the reduction of cadmium in food when even the most stringent of proposed Cd limits are adopted. We cannot in good conscience accept limits – leading to job losses and closures of EU facilities – that will not achieve the stated health objectives and which are not supported by science.

More importantly, damage to EU phosphate fertilizer industry will immediately and irreversibly hurt EU farming. The dramatic reduction of supply of *phosphate rock* to EU market will reduce the supply of *EU produced fertilizers* to EU farmers, also leading to increase of fertilizers prices, hurting competitiveness of EU agriculture and food processing. In the long run, limits will lead to a monopoly or oligopoly of the EU phosphate fertilizer market by few foreign producers that will be able to control the cost structure of EU farming. As some of them are also major agricultural exporters, EU farming will be hostage to fertilizer prices set by its competitors.

Accordingly, the EU phosphate industry calls on EU institutions to support the technical proposal of the Council that if a limit is to be imposed, it cannot be lower than 60 mg and must be preceded by a reasonable transitional period to allow the market to adjust. Lower limits, labelling of Cd levels, 'low-Cd fertilizer' markings, or national derogations will only result in severe market disruptions, job losses, foreign monopoly on phosphate fertilizers and no visible benefit to EU food security or EU health.

Why 60 mg is the lowest achievable limit ?

- ① **UNAVAILABILITY OF LOW Cd PHOSPHATE ROCK.** Consistent experience of all AEEP members and rigorous market studies show that Russia is the only viable source of phosphate rock to consistently meet a limit below 60 mg. Non-Russian phosphate rock with cadmium below 60 mg cannot be supplied to the EU market in sufficient quantities. Claims that North African countries can supply low Cd phosphate rock are wholly unfounded. Transportation cost for importing phosphate rock from further away than North Africa or Middle East is too high to be economically viable.
- ② **IMPORT COMPETITION.** Low Cd limits will allow foreign suppliers of low Cd phosphate rock (mainly Russia) to move to export of fully finished low-Cd fertilizers, as profit margins are much higher on finished fertilizers than on phosphate rock. Cd limits below 60 mg will give them monopoly to sell their fertilizers on EU market. EU producers will be deprived of low Cd phosphate rock, because foreign sellers will use it for finished fertilizers. Russia – the only country with low Cd phosphate rock deposits located sufficiently close to the EU market – is already the dominant exporter of phosphate and NPK fertilizers to EU market. Imports already supply over 60% of EU phosphate consumption. Job losses and closures will inevitably follow limits below 60 mg, once Russians have complete regulatory monopoly on the finished fertilizer market.
- ③ **MIXING OF HIGH AND LOW-Cd ROCK.** It is not commercially possible to comply with limits below 60 mg by mixing high and low Cd phosphate rock. To reach a specific level of cadmium in finished fertilizer, the producer must know the precise level of cadmium in input phosphate rock. This is very difficult due to Cd variability within deposits and shipments of rock. Using more sources increases this uncertainty. Fertilizer production lines are calibrated specifically to each source of phosphate rock, its content of P₂O₅, iron,

alumina, and magnesium oxides, and others. Therefore, large-scale mixing of phosphate rock disturbs production stability, but does not provide the benefit: stable limits of cadmium, due to variability.

- 4 **DECADMIATION.** While endorsing future use of decadmiation, as of today no one has reliable, tested, cost-efficient technology on industrial scale. The only technology possible is used for phosphoric acid purification, making it unavailable to producers that do not use phosphoric acid or blenders. Even if decadmiation was possible today, it would not help nitrophosphate, SSP and TSP fertilizer producers and blenders in Spain, France, Romania, Finland, Poland, Italy, or UK. Decadmiation will help only a part of the EU phosphate industry (few phosphoric acid producers) and will not lower EU Cd levels. Moreover, economic incentives and research grants for development of technology will most likely not go to EU industry but to foreign suppliers of phosphate rock and phosphoric acid.
- 5 **RECYCLED PHOSPHORUS.** Although AEEP supports circular economy, recycled phosphorus is still too scarce to replace currently imported phosphate rock (5 to 6 mln MT per year). Municipal sewage sludge, even in large cities, will provide barely enough recycled phosphorus for smaller fertilizer producers. Sanitary and health concerns relating to end-points for animal by-products, as well as questions about solubility and plant accessibility of recycled phosphorus still need resolution. Therefore, full introduction of recycled phosphorus to the market still requires more time. Immediate low Cd limits will eliminate available phosphate rock before recycled phosphorus enters in sufficient quantities, creating a shortage and price spike eliminating the smaller producers capable of utilizing recycled phosphorus. In their absence, large-scale foreign producers of fertilizers from mined low-Cd phosphate rock, not from recycled phosphorus, will take over the market. Without a market for recycled phosphorus, circular economy in phosphate will be entirely defeated.
- 6 **LABELLING.** Indicating the exact level of cadmium on the label is not technically possible due to variability of cadmium in natural phosphate rock deposits. To provide such information continuous testing immediately prior to packaging would be required, disproportionately increasing the price of fertilizer without much health benefit. Any "low-Cd" label will in practice mean "Russian" fertilizer, thereby providing direct benefit to these exporters without any proven compensating benefit to EU food security or EU health.
- 7 **NATIONAL DEROGATIONS.** There should not be any national derogations for limits lower than the EU limit, as this contradicts the very idea of a harmonized EU market. If legislators cannot agree on one common EU limit, there should be no EU limit. Member States opposing low Cd limits are those that are major EU agricultural producers. If purpose of low Cd limits in fertilizers is to lower Cd levels in EU food, then introduction of lower limits by smaller agricultural producers will not affect EU average Cd exposure, but will only destroy the common EU market.
- 8 **AVERAGES VS. MAXIMUM CD LIMITS.** While numerous scientific studies published over last few years seek to promote different levels at which Cd accumulation in soil might stop, these analyze *average* Cd content. Therefore, EU legislation imposing a *maximum* level may impose a much higher level than the level resulting from the studies, as the *maximum* limit will allow to reach the target *average* level. For example, studies promoting *average* Cd levels of 60 mg or 40 mg in fact allow a much higher *maximum* level. A maximum 60 mg level is therefore already sufficiently low to achieve the desired target *average* level that would lead to Cd reductions in soils according to most scientific studies.

For these reasons, the EU phosphate fertilizer industry calls on EU institutions to adopt a Cd limit that is not lower than 60 mg with a reasonable transitional period to allow recycled phosphorus to the market, without any Cd labelling or national derogations. Only this approach will ensure a vibrant, modern and environment-friendly EU industry of phosphate fertilizers in the European Union to serve the EU agricultural sector.



Asociación Nacional de Fabricantes
de Fertilizantes (ANFFE)
Spain



AGROPOLYCHIM JSC
Bulgaria



Azomures SA
Romania



Agricultural
Confederation
United Kingdom



Industries

Association française de
commercialisation et de mélange
d'engrais
France



Luvena S.A
Poland



Associazione Italiana Fertilizzanti
Italy



Florenzi
France



FOSFAN
Poland



Grupa Azoty S.A.
Poland



Irish Fertiliser Manufacturers
Association
Ireland



Groupe ROULLIER
France





UNIFA – Union des Industries de la
Fertilisation
France



Petrokemija Plc.
Croatia



Nederlandse Vereniging voor
Blenders van Meststoffen
Netherlands

(N.V.B.)



Zakłady Chemiczne "Siarkopol"
TARNOBRZEG sp. z o.o.
Poland



Timac Agro
France



Glasson Grain Limited
United Kingdom



Mirat Fertilizantes, S.L.U.
Spain



Asturiana de Fertilizantes, S.A
Spain



Associação Nacional de Produtores
e Importadores de Fertilizantes
Portugise

