



FERTILIZER INDUSTRY FEDERATION OF AUSTRALIA

Incorporated in Victoria
Registration No. A0025290C ABN 71 395 757 876 ARBN 106 743 015

Quarantine and Biosecurity Review

Submission on behalf of the Australian Fertilizer Industry

April 17, 2008

The Fertilizer Industry Federation of Australia (FIFA) welcomes the opportunity to contribute to the review of Australian Quarantine and Biosecurity. The industry has a long history of close cooperation with AQIS in managing the quarantine risks associated with imported fertilizers and raw materials and this submission will highlight the significant improvement in quarantine outcomes that have resulted from this genuine engagement with industry.

Whilst the major part of our submission is positive in nature we also take the opportunity to highlight an issue that could benefit from improvement.

About FIFA

FIFA is an industry association primarily engaged in public policy development and implementation on behalf of its member companies. Our significant areas of activity include:

- Environmental issues associated with the use of fertilizers, in particular eutrophication of waterways;
- Food safety issues resulting from impurities in fertilizers;
- Security issues associated with the potential for misuse of some fertilizer products by terrorists; and
- Quarantine issues associated with organic contamination of imported fertilizer products and raw materials.

In each of these areas the Association has a strong history of working with Australian Governments to develop and deliver good policy outcomes.

FIFA members are responsible for 100% of the bulk mineral fertilizer and fertilizer raw material imported to Australia in the last 5 years and in excess of 95% of all fertilizer sold in Australia. Our member companies encompass the import, manufacture, distribution and sale of fertilizers to commercial agriculture, forestry and amenity horticulture.

An important inclusion in our membership is the Australian Fertiliser Services Association (AFSA) representing the contract application industry and independent fertilizer agents. A full list of members is supplied as Appendix I.

Imported Bulk Cargo Fertiliser Inspection Protocols

In the order of 3.75 million tonnes of bulk finished fertilizers and fertilizer raw materials are imported to Australia each year. As fertilizers are taken into farming areas and spread on land any organic contamination represents a very high risk for the importation of exotic plant disease or weed species. As a result AQIS had developed a thorough border inspection procedure that involved a series of steps including:

- No unloading until a daylight inspection of the cargo in the hold.
- Pre unloading inspection of the hold.
- Partial unloading into QAP followed by sampling of the landed product and further hold inspection repeated three times during the course of unloading at each port.
- For each hold inspection, AQIS officers had to enter the hold for prolonged periods.

These procedures caused significant delays in unloading, involved AQIS officers in potentially risky hold entry and if contaminants were discovered it was usually when part of the cargo had already been unloaded. Treatment options for finished fertilizer products are so limited that in most cases of contamination product had to be re-loaded and the cargo exported.

In response to the very large financial and operational risk that this situation created for the fertilizer industry significant work was conducted by the industry on control procedures along the supply chain to ensure that contamination did not occur. Funding from the Industry Working Group on Quarantine assisted with the development and documentation of these controls.

In 2003 AQIS agreed to a joint project with FIFA to review the inspection procedures for fertilizers and examine opportunities to strengthen and formalise control measures throughout the supply chain. Six months of intense work by a small group of AQIS and industry staff provided a significant improvement in the understanding of both parties of each others issues and requirements. That the group included people with practical experience in import and inspection was fundamental to its success. The resulting new protocols included approval and audit of control measures by AQIS and third party inspections from the point of manufacture in overseas countries through to the wharf in Australia.

In January 2004 AQIS implemented the new protocols for the inspection of bulk fertilizer shipments to Australia. These protocols significantly improved the continuum of quarantine through incorporation of controls along the overseas supply chain; strengthened quarantine protection through improved sampling procedures at the point of loading; reduced risk and improved efficiency for fertilizer importers; and significantly reduced occupational health and safety risks involved in AQIS inspections.

The new protocols have been an unqualified success with more than 90% of overseas supply chains by volume now operating at the lowest risk category. This is despite the significant cost of implementing the required control procedures and third party inspections.

In 2006-7 a similar process was applied to the importation of bulk fertilizers in container which has resulted in significant efficiency improvements for importers that handle large numbers of containers. This has become increasingly important as the increasing rates for bulk shipping make containers a viable alternative for some products and origins.

FIFA and AQIS continue to have regular meetings to ensure that the system continues to improve and FIFA plays a significant role in coordinating the scheduled audits of overseas supply chains. The overseas supply chain partners are a key to the ongoing success of the protocols. In addition to regular contact by the purchasing companies, FIFA has held two conferences (2004 and 2007) which have been well attended by suppliers and the shipping industry. Quarantine issues have been a major part of the program of both conferences and AQIS has had a strong presence in providing speakers and awards. The conferences play an important role in maintaining the profile and importance of Australian quarantine in the Australian industry and with our supply chain partners and we look forward to continuing this successful program.

Other Issues

1. Bulk in container inspections

Whilst FIFA members are strongly supportive of the new Bulk in Container Protocol there is a clear need to improve consistency of the inspection process in accord with the procedures set out in the protocol. In particular the decision tree for dealing with any contaminant is quite clear in the protocol but its application has been inconsistent. The verbatim comments of one of our members are repeated below:

I have been personally involved with a number of inspections by a number of different officers and have yet to see the same process employed by these officers....and also no level of consistency in what each officer has defined to me as what they would consider to be a contamination breach. I have even had an event where one officer has quarantined a container and subsequently another officer upon re-inspection (at our request) have suggested personally to me that he couldn't see what the issue was and cleared the container (after sweeping and removing some dust away from the door).

FIFA will take this issue up directly with AQIS with a view to clearer definition of inspection and treatment procedures and proper communication and training for staff involved in these inspections.

Conclusions

The fertilizer protocols represent a clear example of successful partnership with industry in implementing pre border controls. Approval and audit processes for the overseas systems, by AQIS, provide confidence in initial assessment and periodic audit of the effectiveness of those systems.

The full engagement of industry in developing and implementing the protocols was essential to their success and the continuing working relationship between FIFA and AQIS is an important factor in maintaining the integrity of the system and ensuring efficient use of resources.

The current protocols provide a higher level of certainty in the cleanliness of fertilizer cargos, the opportunity to detect any contamination pre border, at the point of loading, a reduction in resource intensive and potentially dangerous hold inspections by AQIS and significant improvements in efficiency in the landing of fertilizer cargos.

The fertilizer industry would like to commend AQIS and the key staff involved in the fertilizer protocol development and implementation. The effective working relationship that has developed provides significant benefits to industry and to quarantine outcomes. I would be happy to provide further details or discuss any of these comments further should this assist your inquiry.

Yours Sincerely



Nick Drew
Executive Manager

nick.drew@fifa.asn.au

P 02 6230 6987
F 02 6248 9860
M 0411 410 903

Appendix I FIFA Members

FIFA Ordinary Manufacturer

Agrichem
CSBP Ltd
CSR Distilleries Operations Pty Ltd
Impact Fertilisers Pty Ltd
Incitec Pivot Limited

FIFA Ordinary Bulk Importer

ABB Grain Ltd, Fertiliser Division
Hi-Fert Pty Ltd
Impact Fertilisers Australia Pty Ltd
Interfert Australia Pty Ltd
Summit Fertilizers (WA)
Superfert Pty. Ltd.
United Farmers Co-operative
Whitfert Pty Ltd

FIFA Ordinary Distributor

Australia Fertiliser Services Association (AFSA)
E.E. Muir & Sons Pty Ltd
Elders Ltd
Ruralco (CRT)
Landmark

FIFA Ordinary Supplier/Supplier Agent

Agrow Australia Pty Ltd
Australia Pacific Fertilizers Pty Ltd
BASF Australia Ltd
International Raw Materials Pty Ltd
Mosaic International Australia Pty Ltd
Multifert Agencies
Tennant Limited
Vittrade Australia Pty Ltd
Yara Australia Pty Ltd

FIFA Associate

Advanced Nutrients Pty Ltd
AgroBest Australia Pty Ltd
AusZinc Metals and Alloys
Baileys Fertilizers
Braemar Seascope Pty Ltd
Bulk Consultants Pty Ltd
Connexus Global
Eitzen Bulk (Australia) Pty Ltd
GPIC
Jebsens International (Australia) Pty Ltd
Nutrient Management Systems Pty Ltd
Oldendorff Carriers Melbourne
SMS Shipping & Chartering
V J Importers
Western Bulk Carriers (Aust) Pty Ltd

