

Chapter 2

Industry structure and regulation

2.1 This chapter discusses the nature and structure of the fertiliser industry including the main industry players and market concentration and provides information on production and consumption of fertiliser in Australia. The chapter also reviews the regulatory arrangements under which the industry operates.

Global fertiliser suppliers

2.2 The global fertiliser industry comprises a number of large manufacturers of fertiliser products. The committee understands that between 80 and 85 per cent of the world's rock phosphate is controlled by five entities.¹ The principal suppliers of imported fertiliser products are detailed below:

- OCP – the national Moroccan phosphates company. It is the world's largest exporter of phosphates and derivatives, operating on five continents.
- Mosaic – is one of the world's leading producers of concentrated phosphate and potash crop nutrients.
- Foskor – is one of the world's largest phosphate and phosphoric acid producers. Foskor exports its phosphate based products to a number of countries including Australia.
- Middle East producers – the major suppliers are Sabic (Saudi Arabia), Qafco (Qatar) and PIC (Kuwait/Bahrain).
- Wengfu – Chinese supplier of phosphate fertiliser and phosphate chemicals for world markets.
- Agrium – global producer and distributor of agricultural crop nutrients and other agricultural products and services.
- PCS – an integrated producer of fertiliser, industrial and animal feed products. The world's largest fertiliser enterprise by capacity producing the three primary plant nutrients.
- CANPOTEX – international marketing and distribution company wholly owned by Agrium Inc, Mosaic and PCS.²

2.3 Each of the companies listed above has supplied, or sought to supply, the Australian market.³

1 *Committee Hansard*, 14 November 2008, p. 12.

2 *Submission 3*, Hi Fert pp 5-6; *Submission 26*, IPL, Annexure 3.

3 Hi Fert, Correspondence, dated 7 August 2008.

The Australian fertiliser industry

2.4 Fertilisers are one of the major physical inputs to Australian agricultural production and account for more than 12 per cent of the value of the material and service inputs used in Australian agriculture. The fertiliser industry has annual sales in excess of \$2 billion. The industry's full economic effect on Australia's GDP is in excess of \$8 billion each year.⁴

2.5 Approximately 50 per cent of the 5 to 6 million tonnes of fertiliser used in Australia each year is manufactured in Australia with the balance imported from a variety of overseas countries. Superphosphate, manufactured from imported phosphate rock makes up 50 per cent of the domestically manufactured product sold in Australia. Some 62.5 per cent of nitrogen fertilisers, 33 per cent of phosphate fertilisers and 100 per cent of potassium fertilisers are imported into Australia.⁵

2.6 Over the five years to 2005–06, Australia imported an average 1.1 million tonnes of urea, around 700 000 tonnes of mono-ammonium phosphate (MAP), and around 200 000 tonnes each of triple superphosphate and di-ammonium phosphate (DAP). However, since 2006–07, there has been a decline in fertiliser imports. Imports of urea fell by 25 per cent in 2006–07, MAP declined by 16 per cent, while triple superphosphate and DAP declined by 47 and 60 per cent respectively. This is due to a number of reasons, including increased demand from other countries, particularly the United States, for fertiliser imports and a drought induced decrease in Australian cropping.⁶

2.7 By element, imports account for around 54 per cent of Australian phosphate consumption, 69 per cent of nitrogen consumption and 100 per cent of potash consumption.⁷

2.8 In addition to domestic use, Australia exports between 200 000 and 400 000 tonnes of fertiliser year, primarily from the Incitec Pivot Ltd (IPL) ammonium phosphate plant in North Queensland.⁸ IPL indicated that approximately 250 000 tonnes or 26 per cent of DAP and MAP production from Phosphate Hill is exported.⁹

4 FIFA, *Fertilizer Industry Environment Report 2006*, (FIFA, 2008), p. 12. Hereafter referred to as FIFA report 2006.

5 *Submission 26*, IPL, pp 2-3.

6 *Submission 35*, DAFF, pp 5-6.

7 *Submission 35*, DAFF, p. 6.

8 FIFA, 'Fertilizer prices continue to rise', *Media Release*, 5 February 2008.

9 *Submission 26*, IPL, p. 9.

Fertiliser products

2.9 There are many solid, soluble and liquid products used as fertilisers in Australia. Solid mineral fertilisers make up the majority of the fertilisers used, although the production and use of liquids is increasing. Significant quantities of nitrogen are also applied as anhydrous ammonia – a liquefied gas.

2.10 The major fertilisers used in Australia are listed in Table 1. Many of these are used in blends to meet specific nutrient needs of crops and pastures.

Table 1: Major fertiliser products

Product	Approximate percentage of principal elements*				
	N	P	K	S	Ca
Single superphosphate	-	9	-	11	20
Urea	46	-	-	-	-
Mono-ammonium phosphate (MAP)	10	22	-	2	-
Di-ammonium phosphate (DAP)	18	20	-	1.5	-
Potassium chloride (muriate of potash)	-	-	50	-	-
Ammonium sulphate (SOA)	21	-	-	24	-
Triple superphosphate	-	20	-	1	15
Anhydrous ammonia	82	-	-	-	-

*N – nitrogen P – phosphorus K – potassium S – sulphur Ca – calcium

Source: Fertilizer Industry Federation of Australia (FIFA), *Fertilizer Industry Environment Report 2006*, (FIFA, 2008), p. 13.

Industry structure

2.11 The Australian fertiliser industry comprises manufacturers, importers, blenders, retail distributors and agents, fertiliser applicators, and a number of associated service industries. Both manufacturers and importers market through dealers and/or agents who provide farmers with a local service point and often employ

advisory agronomists. Many manufacturers also operate regional distribution and blending service centres.

2.12 The main fertiliser companies and their areas of activities are listed below.

Table 2: Major fertiliser companies

	Description of fertiliser activities	Premises locations*
ABB Grain Ltd (Fertiliser)	Import, distribution, sales, advice	SA, Vic
CSBP Ltd	Import, manufacture, distribution, sales, advice	WA
CSR Distilleries Operations Ltd	Manufacture, distribution, sales, advice	Qld
Elders Ltd	Import, distribution, sales, advice	WA, SA, Tas, Vic, NSW, Qld
Ruralco Holdings Ltd (Growforce)	Import, manufacture, distribution, sales, advice	Australia-wide
Hi Fert Pty Ltd	Import, manufacture, distribution, sales, advice	Vic, Qld, SA
Impact Fertilisers Pty Ltd	Import, manufacture, distribution, sales, advice	Tas, Vic
Incitec Pivot Ltd	Import, manufacture, distribution, sales, advice	SA, Tas, Vic, NSW, Qld
Interfert Australia Pty Ltd	Import, distribution, sales, advice	SA, Vic
Landmark	Sales, advice	Australia-wide
Summit Rural (WA) Pty Ltd	Import, manufacture, distribution, sales, advice	WA
Superfert Pty Ltd	Import, sales, advice	WA
United Farmers Co-operative Company Ltd	Import, manufacture, distribution, sales, advice	WA
Whitford Fertilisers	Import, distribution, sales, advice	WA

*While some companies listed have principal state location(s), their products may be distributed in other parts of Australia.

Source: FIFA, *Fertilizer Industry Environment Report 2006*, p. 7.

Industry concentration

2.13 The industry is dominated by two major companies. Incitec Pivot Ltd has a dominant market position in eastern Australia – with a 70 per cent market share at the wholesale level and a 58.5 per cent market share at the distribution level.¹⁰

2.14 In Western Australia, CSBP Ltd has an approximate market share of 65 per cent and annual sales of about one million tonnes, being a mix of imported and locally manufactured fertilisers. CSBP's market share has fallen from an estimated 90 per cent in 1995-96 as new fertiliser suppliers have entered the WA market. Summit Fertilisers has an estimated market share of 25 percent and United Farmers Co-operative an estimated market share of 10 per cent. A number of smaller operators, including Superfert, Whitford Fertilisers and ABB also operate in Western Australia.¹¹

2.15 The Australian Competition and Consumer Commission (ACCC) noted that a number of market participants are vertically integrated and have a presence across more than one level of the supply chain. IPL, for example, operates a mine at Phosphate Hill in Queensland from which it sources phosphate rock for the manufacture of phosphate fertilisers. In addition, IPL, through Southern Cross International (SCI), supplies companies at the distributor level (including the IPL distribution business) and distributes to its agents and dealers at the retail level as well as engaging in some sales direct to end users in Tasmania. The agents and dealers who are supplied by IPL also source supply from distributors who are themselves supplied by SCI.¹²

2.16 Manufacturers CSBP and Impact also have distribution facilities/networks in Western Australia and the eastern states of Australia respectively. The distributor Hi Fert Pty Ltd is owned by retailers Elders and Landmark through their joint venture, ELF Australia Pty Ltd. Hi Fert supplies fertilisers to Elders and Landmark as well as their competitors.¹³

2.17 A study by IBISWorld of fertiliser manufacturing in Australia has characterised the level of industry concentration as 'high'.¹⁴ According to the study the top two players alone (IPL and Wesfarmers CSBP) are estimated to account for roughly 70 to 80 per cent of industry revenues, indicating a 'high level' of industry concentration. The study commented that these concentration levels have risen in recent times following the merger of Incitec and Pivot in 2003. The study noted that

10 Mr James Whiteside, IPL, *Committee Hansard*, 23 July 2008, p. 15; *Submission 26*, IPL, p. 10.

11 Information provided by CSBP Ltd.

12 *ACCC Examination of Fertiliser Prices*, July 2008, p. 10.

13 ACCC report, pp 10-11.

14 IBISWorld characterises 'high' industry concentration as situations where the top four players account for over 70 per cent or more of turnover. See IBISWorld, Correspondence, dated 4 August 2008.

IPL's acquisition of Southern Cross Fertilisers in 2006 'has served to boost concentration levels further'.¹⁵

2.18 Details of the main producers/manufacturers; distributors/wholesalers and retailers are provided below.

Producers/manufacturers

2.19 Manufacturers source raw materials through imports or from domestic sources as well as importing finished fertiliser products from international suppliers. In general, fertiliser products are supplied by manufacturers to distributors or to dealers and agents at the retail level.

2.20 There are only three manufacturers of fertilisers in Australia – Incitec Pivot and Impact Fertilisers Pty Ltd operate in the eastern states while CSBP operates in Western Australia.¹⁶ Of the major fertiliser manufacturers, Incitec Pivot has an estimated national market share in manufacturing of 55 per cent, CSBP (13 per cent) and others (32 per cent) in 2007.¹⁷

Incitec Pivot Ltd

2.21 Incitec Pivot is the dominant force within the Australian fertiliser manufacturing industry with a national market share of 55 per cent, and an east coast market share of 65-70 per cent in 2007.¹⁸

2.22 Incitec Pivot is an ASX listed Australian company, involved in the manufacture of fertiliser and industrial chemical products. It is the major company involved in the fertiliser industry in Australia. The company was formed in 2003 with the merger of the Incitec and Pivot companies. Its scale and production capacity greatly increased with the purchase of Southern Cross Fertilisers in 2006, Australia's only manufacturer of MAP and DAP fertilisers.

2.23 The company supplies more than 50 per cent of Australia's agricultural plant nutrient needs. Incitec Pivot operates a phosphate mine and ammonium phosphate manufacturing facility at Phosphate Hill in Queensland. IPL also manufactures urea, single superphosphate (SSP) and anhydrous ammonia fertilisers at sites in Queensland, NSW and Victoria. In addition to its manufacturing operations, IPL also imports substantial volumes of fertilisers.

15 IBISWorld, *Fertiliser Manufacturing in Australia*, November 2007, p. 9.

16 ACCC report, p. 8.

17 IBISWorld report, pp 24, 30 and Correspondence, dated 5 August 2008. Southern Cross Fertilisers, now owned by IPL, had an estimated market share of 12-15 per cent in 2005.

18 IBISWorld report, p. 24.

2.24 The company supplies about three million tonnes of fertiliser per annum, generating sales revenues in excess of \$1 billion annually. IPL supplies fertiliser to retailers in the eastern and southern states. The distribution network is through a network of business partners, comprising independent distributors as well as IPL agents. Of IPL's 220 contracted business partners, 70 are agents and 150 are resellers or dealers.¹⁹

2.25 The table below shows the dominant market position of IPL in relation to market share of fertiliser products, especially DAP and SSP, where the company's market share in eastern Australia was 50 per cent and 67 per cent respectively in June 2008.

Table 3: Proportion of market share held by IPL in Eastern Australia by product – MAP, DAP, SSP

	MAP	DAP	SSP
June 2003	54%	62%	85%
June 2004	49%	56%	82%
June 2005	47%	59%	84%
June 2006	48%	52%	74%
June 2007	50%	48%	64%
June 2008	44%	50%	67%

Source: IPL, Correspondence, dated 7 October 2008.

CSBP Ltd

2.26 CSBP Ltd is a wholly owned subsidiary of Wesfarmers Ltd, an Australian public company. The company operates the fertiliser and chemicals business of the Wesfarmers group in Western Australia. It is involved in the manufacture and supply of fertilisers primarily to the broadacre cropping, horticulture, pasture and dairy sectors in WA, as well as providing soil and plant testing and agronomy services. It is also involved in the manufacture and supply of chemicals and acids for industry, mining and mineral processing. CSBP has manufacturing and distribution facilities at Kwinana (WA) and further distribution facilities at Geraldton, Bunbury, Albany Esperance and six inland depots.

19 *Submission 26, IPL, p. 2.*

Distributors/wholesalers

2.27 Distributors source fertiliser products from either domestic manufacturers or directly from international suppliers. The main distributors of imported fertiliser product in Australia are:

- Incitec Pivot Limited;
- CSBP*;
- Hi-Fert;
- Impact Fertilisers and Impact Fertilisers Australia;
- Summit*;
- United Farmers Cooperative*;
- ABB;
- Superfert*;
- Whitfert*; and
- Megafert/Interfert.

2.28 The companies marked with an asterix only operate in Western Australia. The other companies operate only in eastern Australia with the exception of ABB which operates in both markets.

2.29 For MAP and DAP many of the same companies that import also distribute product purchased from Incitec Pivot. According to the Fertilizer Industry Federation of Australia (FIFA), all of the domestically produced urea is sold by Incitec Pivot. Most of the companies sell through agents such as Elders, Landmark, CRT and other independent rural merchants.

2.30 The main distributor of fertiliser products is IPL, which has a market share of 58.5 per cent in the distribution of fertiliser in eastern Australia – this declined from 73 per cent in 2003.²⁰ Other distributors include CSBP and the companies listed below.²¹

Hi Fert

2.31 Hi Fert Pty Ltd is an importer and distributor of imported and locally manufactured fertiliser products. It is a joint venture company between Elders Ltd and Landmark Rural Holdings. Hi Fert markets and distributes fertiliser in eastern Australia (South Australia, Victoria, NSW and Queensland). Hi Fert operates 9 major distribution centres throughout Australia. It distributes more than 500 000 tonnes of

20 *Submission 26, IPL, p. 10.*

21 *Submission 26, IPL, Annexure 4; Submission 3, Hi Fert, pp 7-8.*

fertiliser products each year. Hi Fert does not manufacture its own fertiliser products nor own production facilities.²² Hi Fert has a 15 per cent market share nationally.²³

Impact

2.32 Impact Fertilisers Australia Pty Ltd is a joint venture between Impact Fertilisers Pty Ltd of Hobart (Tas) and the multinational Swiss-based company Ameropa AG, a corporation with fertiliser operations throughout the world. Impact supplies fertiliser products on the eastern seaboard mainly to independent dealers.

2.33 Other companies include:

- ABB Fertiliser – a part of ABB Grain – an agribusiness with rural services which includes fertiliser and agricultural chemicals supply. ABB distributes its fertiliser products in SA, WA, Victoria and NSW.
- Megafert – is a supplier of a range of fertiliser products in South Australia, Victoria and NSW.
- Summit Fertilizers – supplier of a broad range of fertiliser products in Western Australia from five locations located at Kwinana, Geraldton, Bunbury, Albany and Esperance.²⁴

Retailers

2.34 Retailers, often also described as agents and dealers, are involved in the day-to-day sale of fertiliser to end-users (customers).

2.35 The market share of the retail sector in eastern Australia is shown in Table 4 below. The largest part of the retail distribution market are the independents – numerous privately owned businesses – generally family owned and operated.²⁵ However, Elders and Landmark have a relatively large share of the retail market in eastern Australia.

22 *Submission 3*, Hi Fert, pp 3-4,7.

23 *Submission 3*, Hi Fert, p. 16.

24 *Submission 3*, Hi Fert, pp 7-8.

25 *Submission 26*, IPL, Annexure 4; *Submission 3*, Hi Fert, pp 8-9.

Table 4: Retail fertiliser market in eastern Australia

Independents	68%
Elders	13%
Landmark	12%
RuralCo	4%
GrainCorp	3%

Source: *Submission 26*, IPL, p. 27.

2.36 The major companies include:

- Elders Ltd – Elders is a wholly-owned subsidiary of Futuris Corporation Ltd. Elders is a leading distributor and retailer of products and services in the agricultural sector. It provides fertilisers, chemicals and agronomic advice from locations across Australia. Elders is a 50 per cent participant in the ELF Australia joint venture (the owner of Hi Fert).
- Landmark – is one of Australia's leading national retailers of fertiliser; in addition to providing a range of other farm services. Landmark sources its stock through from major suppliers, including IPL, Impact, CSBP and Summit. Landmark is part of a joint venture with Elders Ltd, through ELF Australia, which owns Hi Fert.
- GrainCorp – publicly listed Australian agribusiness predominantly involved in grain bulk handling. Operates under the Ag Plus brand for rural merchandise.
- RuralCo – operates through a number of businesses (CRT, Roberts, Ruralco, Growforce) that specialise in rural merchandise, fertiliser, stock feed, grain storage and other activities.²⁶

Production

2.37 Australian fertiliser manufacturers produced nearly 3 260 000 tonnes of fertilisers in 2006.²⁷ Manufacturing includes processing raw materials such as phosphate rock or atmospheric nitrogen into easily-used products, or coating existing products with trace elements. Table 5 lists the quantities of each of the main products in Australia, and their main nutrient constituents.

26 *Submission 3*, Hi Fert, pp 8-9; *Submission 26*, IPL, pp 25-27.

27 FIFA report 2006, p. 22.

Table 5: Fertilisers made in Australia in 2006 and the nutrients they supply (tonnes)

Major products	Total tonnes	Nitrogen	Phosphorus	Sulphur	Calcium
Urea	214 000	98 440	0	0	0
Sulphate of ammonia (SOA)	237 983	49 976	0	57 116	0
Anhydrous ammonia	69 812	57 246	0	0	0
Di- ammonium phosphate (DAP)	342 985	61 737	68 597	5 145	0
Mono- ammonium phosphate (MAP)	255 710	25 571	56 256	3 836	0
Single superphosphate	1 026 651	0	92 399	112 932	205 330
TOTAL	2 147 141	292 970	217 252	179 029	205 330

Source: FIFA, *Fertilizer Industry Environment Report 2006*, p. 22.

2.38 More recent data indicates that just under one million tonnes of MAP and DAP is produced in Australia, all from the Incitec Pivot plant at Phosphate Hill near Mt Isa (Qld). Incitec Pivot exports between 250 000 and 300 000 tonnes of MAP and DAP annually. Export tonnage is almost all DAP, as this is the preferred product in target markets (Asia and the Subcontinent), although there are occasional exports of MAP. Approximately 230 000 tonnes of urea is produced per annum. Domestically produced urea is rarely exported from Australia. Approximately 80 000 tonnes of anhydrous ammonia is produced annually and 250 000 tonnes of sulphate of ammonia (SOA) per annum is used in agriculture.

Consumption

2.39 The total tonnage of the major fertiliser products (imported and domestic) used in Australia, and the total tonnage of nutrient elements in those products are listed in Table 6. Including other less common products, just over 5 million tonnes of fertilisers were used in 2006. Urea (for its N), single superphosphate (P and S), and DAP and MAP (N and P) are the main products.²⁸

28 N – nitrogen; P – phosphorus; S – sulphur; K – potassium; Ca – calcium.

Table 6: Tonnage of major imported and domestic fertiliser products used in 2006

Product	Tonnes	Approximate tonnage of principal elements				
		N	P	K	S	Ca
Single superphosphate	1 065 488	0	95 894	0	117 204	213 098
Urea	1 032 066	474 750	0	0	0	0
Mono-ammonium phosphate (MAP)	676 766	67 677	148 889	0	13 535	0
Di-ammonium phosphate (DAP)	579 171	104 250	115 834	0	8 688	0
Potassium chloride (muriate of potash)	299 993	0	0	149 997	0	0
Ammonium sulphate (SOA)	288 841	60 657	0	0	69 322	0
Triple superphosphate	106 944	0	21 389	0	1 070	16 042
Anhydrous ammonia	69 814	57 246	0	0	0	0
TOTAL	4 119 081	764 580	382 006	149 997	209 819	229 140

Source: FIFA, *Fertilizer Industry Environment Report 2006*, p. 13.

2.40 Total NPK consumption in Australia has generally increased in the past 20 years – from around 730 000 tonnes in 1983 to a peak of 1 670 800 tonnes in 2004. The effect of severe drought has had a significant impact on fertiliser demand over the past few years.²⁹

Regulation of the industry

2.41 Regulatory arrangements in relation to the description, sale and use of fertilisers in Australia are the responsibility of state and territory governments. No state requires that fertilisers be registered, however, all have specifications for how

29 FIFA report 2006, p. 14.

fertiliser must be described and labelled, and the maximum permissible concentrations for certain impurities.³⁰

2.42 For example, in Western Australia the *Fertilizers Act 1977* and the *Fertilizers Regulations 1978*, set out the labelling requirements in that state. These labelling requirements specify that the name and brand of the fertiliser; name and address of the manufacturer or formulator; and minimum percentages of specified ingredients are to be attached to the fertiliser container. There are no specific requirements for MAP and DAP fertilisers, but the general labelling requirements apply. The nitrogen, phosphorus and sulphur levels in these products are required to be on the product label or invoice.³¹

2.43 The states generally, with the exception of Victoria, do not undertake regular testing of ingredients in fertiliser products, such as NPK levels. Victoria does sample testing each 2-3 years, with the last testing undertaken in 2004-5; further testing is scheduled for 2009. Some states, such as NSW, undertake testing when a problem has been identified to the department. Other states view the issue as a fair trading issue, more appropriately addressed under that specific legislation.³²

2.44 One study noted that the state and territory acts 'vary considerably in their scope and detail'.³³ The study also noted that FIFA has identified in excess of 150 specific differences in fertiliser regulations between the states.³⁴

2.45 Under laws that had applied since the 1930s (until the 1990s in some states) companies wanting to sell fertiliser products were required to have the product registered. They also had to provide detailed information about its content. In recent decades there has been a move to self regulation in the industry. Some commentators have argued that the move away from a strict regime of registering fertiliser products has effectively meant that companies now 'police themselves'. With the demise of the registration process, it has been argued that state agriculture departments are no longer in a good position to know what is on the market in relation to fertiliser products.³⁵ The WA Department of Agriculture and Food described that state's fertiliser compliance regime as 'reactive', with the department limited to investigating complaints from suppliers, farmers and the general public.³⁶

30 FIFA, *Fertilizer Regulation & Importation*, April 2007.

31 WA Department of Agriculture and Food, Correspondence, dated 28 October 2008.

32 Advice from state agriculture departments.

33 IBISWorld report, p. 17.

34 IBISWorld report, p. 18.

35 Gerald Ryle, 'Fertiliser companies now police themselves', *Sydney Morning Herald*, 7 May 2002.

36 WA Department of Agriculture and Food, Correspondence, dated 28 October 2008.

2.46 Other regulations also apply to fertiliser products. Fertiliser imports are subject to Australian quarantine regulations administered by the Australian Quarantine and Inspection Service. Most fertiliser products require an import permit and are required to conform to import conditions. Certain fertilisers are classified as 'dangerous goods' and storage, transport and handling are regulated under state dangerous goods regulations. Fertiliser import, transport, storage, manufacture and use may also be subject to regulation relating to environmental risks. State environment departments and Environment Protection Agencies administer these regulations.³⁷

Fertilizer Working Group

2.47 A Fertilizer Working Group, which is convened by the Department of Agriculture, Fisheries and Forestry (DAFF), and includes representatives of the states, CSIRO, Food Standards Australia New Zealand and the industry, has been established with the aim of ensuring that environmental and food safety standards for fertilisers are consistent across jurisdictions.³⁸

2.48 The Working Group has succeeded in harmonising permissible heavy metal levels in fertilisers but there are still a large number of inconsistencies including product labelling and the requirements and wording of warning statements.³⁹

2.49 With regard to labelling, the members of the Working Group have agreed in principle to the development of an Australian standard or industry code of practice that would specify the appropriate description and labelling for fertilisers to ensure harmonisation between states. The states are expected to continue to include public interest measures such as maximum permissible concentrations of certain impurities, and OH&S, environmental and food safety warnings in their regulations.⁴⁰ In August 2008, the Working Group agreed that the states would review a draft code of practice for fertiliser description and labelling developed by FIFA to determine any areas where it conflicts with current regulation.⁴¹

Committee view

2.50 The committee considers that the states and territories should have uniform standards relating to the description, sale and use of fertiliser products. The committee notes that the Fertilizer Working Group has agreed in principle to the development of an industry code of practice that would specify the appropriate description and

37 FIFA, *Fertilizer Regulation & Importation*, April 2007; IBISWorld report, pp 17-18.

38 The Fertilizer Working Group reports to the Primary Industries Standing Committee. This committee reports to the Primary Industries Ministerial Council.

39 The Working Group is currently involved in a project with the CSIRO examining the issue of contaminants in fertilisers.

40 Advice from DAFF, 7 November 2008.

41 FIFA, *Draft Code of Practice for Fertilizer Description and Labelling*, August 2008.

labelling for fertilisers. The committee believes that this work should be concluded as a matter of priority.

2.51 The committee is also firmly of the belief that state agriculture departments, as part of their regulatory oversight functions, should regularly test the specified ingredient levels, such as NPK levels, in fertiliser products to ensure that users have confidence in the integrity of these products.

2.52 The committee will consider these and further issues related to the regulation of the industry in its final report.