

Cairo Hosts
22nd AFA International Fertilizer
Conference and Exhibition
2 – 4 February 2016

From 2nd to 4th February 2016 Cairo hosted the proceedings of the 22nd AFA International Fertilizer Conference and Exhibition sponsored and supported by AFA Egyptian member companies under the title “Fertilizers and Water for Sustainable Agriculture”.

The International Fertilizer Conference is considered the most eminent economic event related to fertilizer industry in the Arab region and Middle East. It is attended by more than five hundred people namely: CEOs of Arab and international fertilizer companies, chairmen of related international organizations and associations, number of senior experts, executives and general managers representing more than 150 companies and bodies from different countries.

The Conference has been receiving, since being launched in 1995, all support from the government of Egypt and the Egyptian companies specialized in fertilizer production. Thus, it became a fixed international date on the agenda of fertilizer industry stakeholders. The Conference further tackled the following themes:

- International fertilizers future overview: supply, demand and fertilizers status in major markets
- International developments in nitrogenous, phosphate and potash fertilizers’ markets
- International food security and role of fertilizers in agriculture future
- Water rationalization by using modern irrigation methods
- Renewable energy and method of energy management
- Natural gas impact on fertilizer industry

During the opening ceremony, AFA 2015 HSE Award, provided for member companies in recognition for the efforts exerted in HSE field, was granted to Petrochemicals Industry Company (PIC), Kuwait.

The Conference was also accompanied with an industrial exhibition. Thirty three Arab and foreign companies concerned with fertilizer industry, trade and shipping, participated in the exhibition from different countries and presented the stat-of-the-art products regarding fertilizer industry.

His Excellency Mr. Jamal Bensari, AFA Vice Chairman and the Director of Procurement and Freight Department in OCP, Morocco inaugurated the Conference with a speech in which he welcomed the attendants and thanked the sponsoring companies..

He added saying: “Undoubtedly, we all know the importance of fertilizers in promoting agricultural productivity. Besides, we can affirm the increase in world consumption of major mineral fertilizers, which are expected to exceed 200 million tons in 2018, i.e. more than 2008 by 25%.

The consumption rate of the three main elements, namely nitrogen, phosphate and potassium, is actually and continuously increasing despite the diversity of outcomes from one area to another, particularly in some African States, located in the southern desert area. It is worth noting that these rates have recorded its least levels during the last decades.

With this in mind, agreeing on the fact that the agricultural sector is occupying a significant status in the economic situation of any State and is a momentum for social development necessitate paying due concern to facing related future challenges.

AFA thus strive in such a context to enhance and develop fertilizer industry in conformity with AFA mission, which calls for achieving the best investment of available natural resources by using and coping with the developed and clean technologies as well as protecting the human being, preserving the environment and applying safety measures.

Mr. Bensari highlighted that Fertilizer industry is still enjoying promising vistas, as it will play a pivotal role in shaping the future in the shed of numerous challenges, such as growing population, reduction of arable lands and limited water and energy resources available for agricultural production.

Notably, agriculture is the number one consumer of fresh water internationally. Therefore, our main future challenge is how to manage our available water resources via programs concerned with protecting environment, preserving resources and using minimal amounts of such resources to achieve optimal results.

He added saying: It is hence insufficient to only provide fertilizers with the best prices and make fertilizers available in any conditions, as we should also adapt our offers to more meet farmers and smallholders needs and should give more attention to the provision of main land nutrients accompanied with processes for the improvement of soil conditions.

This noble objective will require concerted efforts and involving all stakeholders by the conclusion of strategic partnerships and the exchanging of expertise between our partners in all fields. These fields include the encouragement of carrying out agricultural researches and innovative processes besides the launching of creative and bold initiatives to enable farmers of increasing yields and returns by virtue of international standards.

Within the framework of AFA activities, our gathering today is taking a comprehensive form exceeding the manufacturing and selling issues to include also raising the agricultural awareness by providing farmers with guidance, supporting rational fertilization in addition to encouraging and financing promising innovations in this regard.

Our annual gathering will pinpoint all of the abovementioned topics. As the working papers themes, which will be presented during the three day Forum sessions, will focus on international fertilizers policies, fertilizer industry status, related raw materials, main consuming markets and future directions. All these themes will be tackled in detail and directly during the referred to sessions.

At the end of his speech, he extended his thanks and appreciation to the Government of Egypt and its affiliated bodies for supporting and assisting AFA events and proceedings. He further expressed his gratitude to the reputable companies sponsoring such an international Forum.

All thanks also to AFA Board and Secretariat members for their strenuous efforts exerted to enhance Arab fertilizer industry. He accordingly added saying: with such a distinguished attendance, the Forum would be an effective tool for the advancement and progress of Arab fertilizer industry, in order to continuously be capable of catering for the increasing demand on fertilizers locally and internationally and enhancing sustainable development in the Arab region.

His Excellency Chemist Saad AbulMaaty, Representative of Egyptian industry in AFA Board and Abu Qir Board Chairman and Managing Director, also delivered the following speech in the opening ceremony:

“With pleasure, on behalf of Egyptian Fertilizer Companies’ Chairmen and the Government of Egypt, I would like to welcome you all on the cherished land of Egypt in the opening ceremony of AFA International Conference. We are honored to have, in AFA International Fertilizer Conference held annually since 1995 in Egypt, which is rich with a long history in nitrogenous fertilizer industry, a galaxy of distinguished scientists, experts, professors, researchers, producers and marketing specialists from thirty three Arab and foreign countries. This shows a sincere will and affirmed pursuit to participate in such a significant international and specialized event.

Our gathering today in such an annual Conference reflects our collective desire to develop this strategic industry, being an entry to the agricultural sector and indispensable to achieve sustainable

agricultural development, bridge the food gap, reduce the number of hungry people and head to fulfill targeted self-sufficiency.

Egypt is considered one of the countries with the highest rates of fertilizer usage per feddan, as the agricultural lands are used several times annually. The agricultural sector is currently witnessing the implementation of various giant national projects, such as the one and a half million feddans reclamation project launched by His Excellency the President as the first phase of the agricultural development program, which targets the reclamation of four million feddans. Thus, the Egyptian fertilizer industry is fully aware of such a vital sector significance to cater for the State needs of all types of fertilizers during the coming decades and benefiting from the distinguished status obtained by such an industry internationally.

When talking about fertilizer industry in Arab Republic of Egypt, which is the leading country regarding such an industry in the Middle East since 1936, I would like to mention that fertilizer industry policy in Egypt mainly depends on covering local needs of all nitrogenous and compound fertilizers. By this it aims to achieve stability in the agricultural sector needs and food crops production as well as to maximize the added value and economic return of raw materials depending on available needs, accumulated expertise, trained labor and adequate ports for exports located on the Red Sea and Mediterranean Sea. Thus, Egypt is considered a focal point for being located on the East and West of Suez Canal from one side and continuously existing in the international markets as per the clear exporting plans contributing in the international fertilizer trade movement from another side.

With reference to phosphate fertilizers, it gives me great pleasure to announce the establishment of the hugest complex for phosphate and compound fertilizers production in Ain Sokna, Egypt. This project will be implemented by three major international companies specialized in such a field with Italian, Spanish and Chinese technologies so as to fulfill local market needs and export the surplus. This endeavor will cater for farmers' needs of fertilizers with suitable prices, increase Egyptian exports, achieve the desired increase in agricultural production, accomplish economic and social returns by providing youth job opportunities and make use of phosphate raw materials available in Egypt.

The complex comprises of nine huge factories with production capacity of nearly one million tons annually of phosphate, compound and DAP fertilizers and phosphoric acid.

Furthermore, a new company is underway to establish a similar project depending on phosphate raw materials available in New Valley governorate in Abu Tartour. It is expected for such a company to finalize incorporation procedures and come into existence in 2016 with production capacity amounting to one million ton annually of phosphate fertilizers. The project includes a phosphoric acid production unit, nitrate acid production unit, DAP production factory as well as mixed and compound fertilizers production factory. The investments of such a project are estimated by one billion dollars.

In relation to nitrogenous fertilizers, we would like to announce that the two factories of MOPCO 1 and 2 came into existence by the end of 2015, hence the total production capacity of MOPCO reaches around two million tons annually of granular urea fertilizers. Therefore, Egypt production of nitrogenous fertilizers reaches 22 – 24 million tons annually (equivalent to 15.55% nitrogen).

Egypt has 9 companies for nitrogenous fertilizers production, including 17 factories with production capacity of 6.5 million tons annually of urea fertilizers (46.5%) and 1.8 million tons of ammonia nitrates (33.5%) in addition to ammonia sulphate.

Chemist Saad AbulMaaty further announced embarking on the execution of Kima Aswan Company project with investments reaching to 6 billion pounds, which will be finalized in the second half of 2018 and with production capacity amounting to 500 thousand tons of urea annually (46.5%) and 220 thousand tons annually of ammonia nitrates (33.5%). He also mentioned that Abu Qir Company for fertilizers is about to implement an ammonia nitrates project depending on the available ammonia surplus, with investments estimated by 1.7 billion pounds and an execution term of three years.

His Excellency added saying: we hope for such a Conference in the shed of the distinctive attendance including producers, researchers and university professors, who are representing the holistic structure of fertilizer industry, trade and usage with all related derivatives, to be a tool for fertilizer industry progress and advancement on the Arab and international levels. We also wish to have fruitful discussions based on enhancing fertilizer industry in the Arab region and promoting world market needs for such products, which represent the backbone for maximizing agricultural production.

This was followed with the speech of **His Excellency Mr. Mohamed Abdullah Zain – AFA Secretary General**, in which he referred to the total fertilizer and raw materials production in the Arab region which exceeds 110 million tons annually. It was highlighted that about 90% of some member countries production is export oriented, the returns of which are used to support the economic and social development of such countries.

Mr. Zain added that there is an ongoing and expected increase in production, which is attributed to the new underway investment projects in the Arab region. He further mentioned that the fertilizer sector was capable of occupying a special status in the international markets as a result of raw materials availability, i.e. natural gas, phosphate rocks, potash and sulphur.

For instance, the Arab region contributes by 24% of phosphate rocks production, 63% of related international trade, around 70% of phosphoric acid international trade, 40% of urea, nearly 15% of DAP and 27% of related international trade volume.

With regard to agricultural sector, it is noteworthy that it has a significant role in the development process, though the total area of utilized agricultural lands amounts to 75 million hectares, i.e. 5.3% of the total Arab region area.

23% of total Arab labor work in such an area. Therefore, this situation requires increasing the agricultural lands area in order to achieve the required benefit.

Mr. Zain supported his views by stating verses from the holy Quran to the meaning of “But waste not by excess: for Allah loveth not the wasters”, verse 141, Al An’nam. He said that Allah instructed us not to waste; the matter that should be applied in all life fields including fertilizers:

(Waste not) fertilizers and optimize its usage by applying the 4Rs method: Right Source, Right Rate, Right Time and Right Place.

To elaborate, Mr. Zain said that in order to obtain fertilizers from the Right Source, we should specify the nutritional elements needed to achieve agricultural productivity objectives (is it phosphate? potassium? nitrogen? other elements? or a mixture of such elements? As for the application of the Right Rate, it means determining the amount of nutritional elements required for a certain plant and ensuring lack of depletion. Also, adding the elements in the Right Time is one of the important factors which depends on crop absorption dynamics and patterns. Finally, it should be confirmed to use the elements in the Right Place in order to ensure roots absorption of such elements. It was hence been highlighted that taking not the previously mentioned elements in consideration will lead to economic, social and environmental deficiencies.

(Waste not) water and rationalize usage by considering Right Source, Rate, Time and Place of irrigation via applying modern irrigation methods. If not, agriculture will be exposed to remarkable damages, including rotting of roots, spoilage of soil, environmental pollution, change in maturity times, spread of germs and other harmful organisms.

(Waste not) pesticides as such leads to polluting the environment for being considered poisonous substances.

(Waste not) seeds as Allah ordered us “But squander not (your wealth) in the manner of a spendthrift”, verse 26, Al Israa. (Squander) here means growing seeds without pay attention to the Right Source, Right Rate, Right Time or Right Place.

Bearing in mind the aforementioned, a new challenge emerged before AFA, which is the need to raise farmers' awareness and enrich their culture with regard to the optimal ways of using fertilizers, water and pesticides.

AFA depends on its main principle of playing a leading role in supporting agricultural production as well as pinpointing the role of its member companies in strengthening community development activities. It further strives to extend bridges of communication with farmers through initiatives similar to the agricultural caravans roaming the Arab countries, as successfully and ideally carried out by OCP and commended by AFA. Bearing in mind the previously stated, AFA has accordingly prepared an ambitious plan for its member companies in order to benefit from the Moroccan "Agricultural Caravans" experience and to mainstream such an experience in the Arab region. This plan aimed to hold communications between fertilizers' factories/ experts and farmers directly in agricultural lands and to closely identify obstacles encountering farmers when particularly using fertilizers. Moreover, the plan targeted fertilizer manufacturers' adoption of a fertilizer awareness raising process, application of fertilizers by using modern technological methods, rationalization of water consumption and development of agricultural extension in general.

This initiative will be firstly effectuated in Egypt in cooperation with AFA member Company "**Evergrow**", as the first agricultural caravan will be launched in April.

These caravans includes convening workshops for farmers to educate them on taking care of plants from the very early phases of growing, preparing the land, spreading seeds and implementing other related actions by using modern methods of soil analysis, land ploughing, seed application and sound and modern irrigation methods, namely sprinkling, dropping or others.

From another side, the agricultural caravans reflect companies' community development responsibility, touching on farmers' daily lives. To enumerate, the caravans design medical and educational programs and activities enhancing and strengthening relations between farmers and fertilizers' manufacturers.

At the end of his speech, Engineer Mohamed Zain extended appreciation and gratitude for Arab Republic of Egypt and all affiliated institutions for sponsoring and supporting AFA proceedings and events. These efforts facilitated and boosted practical outcomes based on sincere relations and common Arab work. He further thanked the sponsoring companies (namely AFA members) for supporting such an event.