

NEWS RELEASE 17-27

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European Union lowers allowable cadmium level in imported rock phosphate to 60 parts per million

WELLINGTON, New Zealand – Chatham Rock Phosphate Limited (TSXV: “**NZP**” and NZAX: “**CRP**” or the “**Company**”) wishes to advise shareholders of a significant development in Europe that has direct relevance to the marketability of our rock phosphate, due to its extremely low levels of cadmium.

The European Parliament has just voted to back a European Commission proposal to cut the level of cadmium permitted in fertilisers to 20 mg per kilogramme.

The EU executive proposed the limit be set at 60mg/kg, falling to 40mg after three years and 20mg after 12 years under planned rules for fertilisers carrying the CE mark. It was agreed that producers need longer transition periods before the introduction of the lower limits.

These limits are significantly lower than the voluntary limit of 280 parts per million imposed in New Zealand.

The European Environmental Bureau, a 140-strong network of organisations, welcomed the outcome of the vote, noting “farming remains the last major bastion of cadmium exposure”.

Cadmium is a carcinogen and also linked to osteoporosis, kidney failure, heart disease, and fertility problems, said Faustine Bas-Defossez, in charge of agriculture policy at EEB. “Around 910,000 adults in France alone exceed tolerable intake limits of cadmium by 90%,” she said.

The reduced cadmium limits will affect a significant proportion of traded rock phosphate including rock sourced from Egypt, Israel, Boucraa & Youssoufia (Western Sahara/Morocco), Senegal, Togo, Tunisia, Nauru and Christmas Island.

According to Chatham Rock Phosphate managing director Chris Castle “rock from these sources will not be able to be sold in Europe unless the existing high levels of cadmium have been removed. Even if this is possible it will add another layer of costs.

“The good news is that cadmium levels in Chatham Rise rock phosphate are among the lowest in the world.”

Mr Castle said the rock, located on the Chatham Rise seabed east of New Zealand showed an average of 2.2 parts per million (expressed as mg/kg of P) from a range of samples gathered by

CRP in 2012 from 11 separate locations. The lowest value was 1.3 parts per million with a high of 5.3 parts per million.

The voluntary limit of 280 parts per million that New Zealand fertiliser companies observe at present for manufactured superphosphate is often approached by rock imported from overseas.

“The tests we have conducted show our rock phosphate has among the lowest cadmium levels known. This will be good news for farmers who choose to use our product (either as a processed fertiliser or as direct application rock) when we start production in 2022 and ultimately it will be good for New Zealand food consumers.”

Cadmium is a naturally occurring heavy metal found in New Zealand soils. Excessive levels of cadmium in food can have implications for human health and excessive levels of cadmium in soils can restrict land-use.

The Ministry for Primary Industries is managing the gradual build up of cadmium in New Zealand soils through the cadmium contained in imported phosphate. The cadmium control programme follows research showing cadmium levels have gradually increased over decades.

The programme recommends farmers and growers work closely with their advisers to determine the most cost effective, efficient and appropriate fertiliser application and land management options. Since the mid-1990s New Zealand fertiliser manufacturers have blended their high-cadmium phosphate rock with sources lower in cadmium.

Mr Castle said low cadmium levels are one of the environmental benefits of developing a local phosphate resource. Providing CRP rock phosphate for New Zealand would also reduce New Zealand’s carbon footprint through lower transport costs, and benefit the country’s balance of payments and foreign exchange exposure. When used as a direct application source of fertiliser, rock phosphate also dramatically reduces soil leaching into waterways.

Cadmium can cause kidney failure and has been statistically associated with an increased risk of cancer and can also cause bone damage. Food is the dominant source of human exposure in the non-smoking population.

The build-up of cadmium levels in sheep made MPI ban the export of offal from animals older than 30 months.

The natural average level of cadmium in New Zealand soils is 0.16mg/kg but the average on farmlands is more than double that, 0.35mg/kg, and soils on farms which have had a lot of super phosphate, such as dairy farms, can have as much as 2.52mg/kg.

Dairying areas with high fertiliser use tend to have the highest average contamination, including Taranaki (0.66mg/kg), Waikato (0.60mg/kg) and the Bay of Plenty (0.52mg/kg).

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