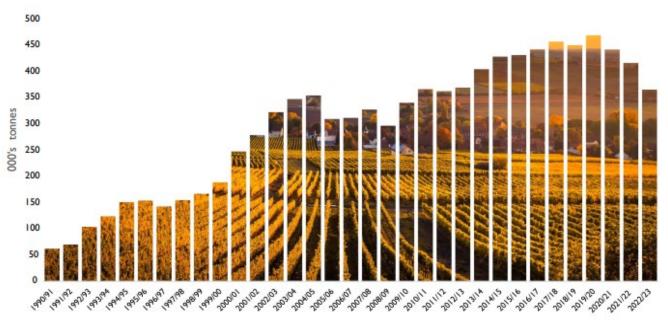


Nitrogen Fertiliser use in New Zealand decreasing.

Nitrogen fertiliser helps support sustainable agricultural export revenues, which are the bedrock of New Zealand's economic wellbeing. Recent increases in global fertiliser prices, weakening of commodity prices, responses by farmers to regulations and a focus on best practice and increased use efficiency have reduced the use of nitrogen fertiliser.



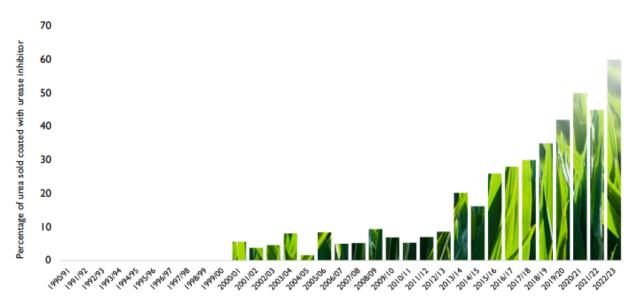
Nitrogen fertiliser use in New Zealand

Greater efficiencies introduced to maintain productivity.

Nitrogen fertiliser is essential for production. Without it, many crops will fail. Maintaining soil fertility has meant a focus on good management practices plus measures to increase efficiency of nitrogen use. For example:

- Documented and audited farm management practices
- The 4Rs of nutrient stewardship: right product, right rate, right time, right place
- More targeted application of nutrients and the use of nutrient budgeting tools like Overseer
- · Adoption of new technologies enabling precision agriculture and variable rate application
- · Increased water and nutrient efficiency on irrigated land
- Better recycling of nutrient sources, such as use of effluent
- An increase in the use of enhanced efficiency fertiliser products such as coated urea.

Percentage of urea fertiliser sold with a coating of urease inhibitor.

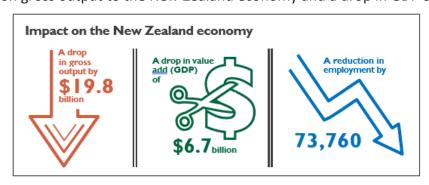


The industry has promoted the use of enhanced fertiliser products such as urea coated with urease inhibitor because it reduces atmospheric emissions associated with nitrogen fertiliser products. More importantly, by retaining more nitrogen in the soil, farmers and growers can expect to reduce the amount of nitrogen fertiliser they apply, while still achieving the same production benefits. Under average conditions it might be assumed farmers can reduce their application by 10% using coated fertilisers and achieve the same result as an uncoated product.

The value of nitrogen fertiliser to the New Zealand economy

In 2019, FANZ commissioned a study to analyse the costs to the primary sector both associated with removing nitrogen fertiliser or using a substitute. For pastoral farms, this included use of supplementary feed to replace grass grown with nitrogen fertiliser.

The research findings demonstrate that not using nitrogen fertiliser would result in a drop of \$19.8 billion gross output to the New Zealand economy and a drop in GDP of \$6.7 billion.



Read the full research findings in our report: <u>The Value of Nitrogen Fertiliser to the New</u> Zealand Economy

For more information visit the Fertiliser Association of New Zealand website or email us at info@fertiliser.org.nz