Fertoz Ltd

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Fertoz signs phosphate sales and supply agreement with Humic Growth Solutions

Fertoz Ltd (ASX:FTZ) has secured a 10-year sales and supply agreement with Humic Growth Solutions LLC (HGS), an international fertiliser company based in Jacksonville, Florida.

The agreement outlines the production of blended humate/phosphate fertilisers and incorporates an MoU towards creating a formal joint venture with regular cost and volume reviews and joint marketing, branding and sales incentives.

Both companies have forecast sales of 35,000-40,000 tons of the new value-added fertiliser products in the first two years, with further increases in following years.

Fertoz phosphate and HGS humate products when blended can deliver available nutrients while simultaneously improving soil health.

This collective effort will facilitate the production of the first organic rock phos powder blended with humic soluble powder to make a patent-pending certified organic granule.

Given the number of farmers requesting blended humate-phos products, both companies have agreed to accelerate production of test batches for trials by farmers around the HGS' Montana processing facility.

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Fertoz executive chairman Pat Avery said the company was thrilled to partner with HGS and blend its rock phosphate with their humates.

Avery said: "Humate-based fertilisers are well-accepted in North America with both conventional and organic farmers.

"Blending these with our high-quality, high-availability organic rock phosphate allows Humic Growth Solutions and Fertoz to jointly market premium blended fertiliser products to broad acre crop farmers, high-intensity vegetable growers and greenhouse operations looking for fertigation productions and drip-feed fertilisers.

"This relationship makes a solid strategic fit as well as a geographically advantageous one, as the closest HGS processing facility is only 190 miles from our Montana stockpile and it has road and rail access to all of North America.

"Blended humates and phosphate are high-value fertilisers, so freight costs are...
not a major consideration, meaning we will be able to sell the blended product right across the United States and Canada."

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HGS is the world's largest manufacturer and supplier of organic humic products, including 100% soluble humic acid powder and patented humic acid granule.

Typically derived from coal, these products aim to improve agricultural yields by returning carbon to the soil and enhancing crops' water and nutrient holding capacity.

Humate inputs are sourced from Alberta in Canada and processed at HGS facilities in Alberta, Montana, Idaho and Florida for export to world markets.

HGS has a facility about 300 kilometres from Fertoz's recently secured 100,000-ton rock phosphate stockpile.

Operating for more than 10 years with a focus on international markets, primarily Europe, Africa and the Middle East, HGS is now expanding its efforts in North America.

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HGS founder & CEO Kevin Merritt said: "HGS has a great suite of humate-based products but we are always looking for complementary components that bring agronomic value and can economically improve yields and crop quality to producers around the world.

"We selected Fertoz phosphate due to its high quality, its proximity to our Montana processing facility, its well-developed logistics solutions and its impressive sales history and developing market penetration.

"We plan to expand our facilities to meet the expected sales of these new blends and Fertoz has committed to providing us with rock phosphate, access to their logistic chain and together we will target sales efforts in key markets."
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