

## Addressing energy crisis is key to normalise EU fertilizer market

Brussels, 1 December 2021: The exchange of views between European Parliament and DG Agriculture on farmers facing fertilizers record prices showed again the need for action to address sky high energy prices which trouble EU fertilizer industry, resulting in significantly higher input costs for farmers. Industry supports call to action to help farmers deal with unusually high input costs, while dismissing calls for temporary suspension of anti-dumping measures on UAN fertilizers. Given the present very low gas prices in traditional exporting countries, these trade defense measures in themselves do not lead to reduced imports.

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On 30 November 2021, the European Parliament Committee on Agriculture and Rural Development held an exchange of views with the European Commission representative from DG Agriculture on *farmers facing fertilizers record prices in the EU*.

*“A debate in the Parliament’s agriculture committee on the current fertilizer market situation and its impact on farmers only confirmed that the EU fertilizer industry, along with farming sector and other energy intensive industries is under tremendous stress due to exceptionally high gas prices prevailing since September 2021. A coordinated short- and long-term action across value chain is therefore much needed to avoid a coming winter crisis with damaging gas spikes causing further stresses on fertilizer production and supply to the farmers” said Jacob Hansen, Director General of Fertilizers Europe.*

With gas representing up to 80% of industry’s operating costs, the high gas price translated into fertilizer production curtailment and significantly higher input costs for farmers, especially during the month of October.

*“I cannot stress it enough: The EU fertilizer industry does not benefit from this extraordinary situation. On the contrary, with gas representing biggest share of industry’s operating costs the extremely high energy prices moved the EU fertilizer sector into a loss-making situation, leading to significant curtailment of production” stated Jacob Hansen.*

He further added *“Unlike European producers, the main non-EU competitors having access to low-priced gas or exploiting artificially low state fixed gas prices are truly profiteering. It is therefore very regrettable that current anti-dumping measures applied on the nitrogen fertilizer products UAN are being subject to scrutiny and calls for temporary suspension, as this would further undermine the competitiveness of the European producers versus non-EU producers while at the same time bringing hardly any relief to European farmers”.*

On the way forward, Hansen remarked *“Our sector’s priority is to return to normalised commercial conditions whereby EU fertilizer industry can continue to supply European farmers with high quality, EU-made fertilizers. We want to support farmers with high efficiency products and products suited to complement organic sources of nutrients leading to optimal plant growth. Therefore, we urge EU and Member States policy makers to tackle the high gas prices at the root of the problem and avoid taking short-term decision that can further aggravate the crisis faced by European fertilizer producers”.*

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