

Sustaining strong domestic fertilizer industry key to well-functioning Europe's food systems

Brussels, 23 March 2022: Fertilizers Europe welcomes the European Commission's initiatives to provide economic support for EU farmers and fertilizer producers. Such support has become necessary as to help alleviate current challenges across EU agri-food chain by aiding farmers take on higher input costs and supporting fertilizer industry deal with record high gas prices.

Since September 2021, the European fertilizer industry has faced difficult situation due to record high gas prices. The invasion on Ukraine and its economic consequences further exacerbated already strained market situation. The European fertilizer industry has therefore been calling on the EU and member states to provide adequate support.

"With record high and volatile prices and gas representing up to 90% of the variable costs in fertilizer production, the situation has become unsustainable for our industry resulting in temporary curtailments of production. Fertiliser supply has been further impacted by export bans and restrictions on imports from Russia and Belarus and acted as a powerful reminder of the vital importance of safeguarding Europe's own fertilizer production to guarantee long-term food security," said Jacob Hansen, Director General of Fertilizers Europe.

Hansen added *"Extraordinary times call for extraordinary measures. I therefore welcome the decisive reaction from the European Commission to the stressed market situation in agriculture in general and fertilizer sector in particular. The temporary crisis framework for state aid is necessary to help EU farmers and the European fertilizer manufacturers cope with the unprecedented market situation driven by record high gas prices and disrupted supply chains. Solid implementation will be key to ensure the framework will offer the support where it is most needed while limiting negative consequences on the Single Market."*

Commenting on longer-term approach, Jacob Hansen said: *"With mineral fertilizers enabling 50% of food production, it is in Europe's core interest to have a strong domestic production base. Our industry is committed to the EU Green Deal objectives. I am therefore glad to see that the communication on 'Safeguarding food security and reinforcing the resilience of food systems' supports the industry's long-term efforts to roll out low-carbon technologies such as green ammonia, while also recognising the need to incentivise European farmers to make a more efficient use of nutrients through better management and uptake of the precision agriculture solutions through the National Strategic Plans."*

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