

Fertilizers Europe statement on critical fertilizer prices and gas costs



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A serious situation whereby global and EU urea prices have been significantly falling while EU gas costs have risen to the highest plateau of prices ever experienced in Europe has meant that the EU fertilizer industry was obliged to curtail or close over 10 fertilizer plants over July 2022. This is well reported in the fertilizer trade press and is moving into international business press reports.

This situation does not justify the EU's actual or future suspension of the existing, well established and justified tariff and trade defence measures applied today.

The EU fertilizer industry again urges the EU institutions to further reinforce its aids and assistance to the industry and EU farmers. This must include realistic staging of the policy drive to move away from Russia sources of gas, energy and raw materials. Clear transparent rules and guidance on EU sanctions law is furthermore needed.

The EU already recognizes the eligibility of fertilizer industry and farmers for state aid under the Temporary Crisis Framework arising from the Ukraine war. But there must be a robust implementation and continuation of the schemes into 2023.

We are concerned by the drought conditions impacting this year's harvest and its impact on production. Serious consideration must be given to fertilizer applications over 2022/2023. Europe's fertility and consequent agriculture powerhouse position should not be allowed to weaken.



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From the emergency July EU Energy Council meeting, we understand that industries such as fertilizers using natural gas as a feedstock can have a derogation from the EU' s gas demand reduction programme.

Going forward, the EU needs to support a strong local fertilizer supply as the best guarantee of fair and free competition for fertilizer supply to farmers and their provision of food security and food supply to European citizens and the wider world too.

Local fertilizer producers are also key producers of nitrate fertilizers which have limited availability on the world market (apart from Russia). Nitrate fertilizers have clear environmental benefits and are much better suited to the European climate than globally produced urea fertilizers.

The EU industry, unlike many of its third country competitors, is not an oligopoly, operates under market economy conditions and under the world's highest climate change, environmental and safety standards.