

# Ensuring the availability and affordability of fertilisers

November 2022



## **Fertilisers play a key role for food security**

Plants absorb nutrients from the soil and use them to grow.

### **Natural gas is needed in large quantities to produce nitrogen fertilisers.**

Due to Russia's weaponisation of its energy exports and its illegal invasion of Ukraine, gas prices have skyrocketed.

This has resulted in **149% increase** in the price of these products for EU farmers in September 2022 compared with September 2021. Low and middle-income countries in particular bear the brunt of these tight fertiliser markets.

### **AS A CONSEQUENCE:**

- Farmers are buying and using lower quantities of fertilisers on their crops
- EU fertiliser companies are reducing their production, due to the high energy costs

## **Fertiliser shortages can have short-term effects on yield.**

*Lower agricultural yields mean less food. In a challenging context for global food security due to Russia's illegal war in Ukraine, a tight fertiliser market could make the situation even more tense as well as fan food inflation.*

*The European Commission is monitoring the markets closely and has presented orientations to contribute to the availability and affordability of fertilisers for EU farmers and globally.*





## ***Sustainable production of fertilisers in the EU is key to our open strategic autonomy and our continued contribution to global food security.***



### **WHAT WILL THE EU DO?**

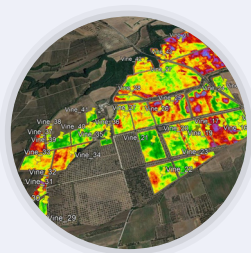
- ▶ Member States have the possibility to **prioritise access to gas** for certain sectors in case of rationing.
- ▶ Provide targeted financial support to farmers purchasing fertilisers and fertiliser producers through funds generated by measures such as the **cap on the market revenues** of certain electricity generators and **the solidarity contribution**. Member States can also provide specific support thanks to the amended Temporary Crisis Framework for State aid.
- ▶ **Improve market transparency** with the launch of a market observatory for fertilisers in 2023.
- ▶ Member States should use all available measures to **increase efficiency of fertilisers use**.
- ▶ **Diversify trade suppliers** of fertilisers and temporarily suspend trade tariffs for ammonia and urea.

### ***Reducing external dependencies***

*The EU depends on imports for 30%, 68% and 85% of its consumption of nitrogen, phosphates and potash nutrients.*

## ***Supporting farmers to optimise their fertiliser use and reduce their dependence on mineral fertilisers while securing yields***

The Common Agricultural Policy funds investment in **sustainable farming practices**, promoting optimal use of fertilisers and increased share of organic fertiliser. The Farm to Fork Strategy sets out a target to reduce nutrient losses by at least 50%.



**Precision farming**



**Agro ecology**



**Organic farming**



**Planting of nitrogen-fixing crops like leguminous crops**



**Recycled fertilisers made from manure, processed sewage sludge and biowaste**



**Nutrient Management**



## WHAT ELSE CAN HELP TO REDUCE DEPENDENCE ON MINERAL FERTILISERS?

- ▶ Provide adequate **training and advice** to farmers through the wider adoption of nutrient management plans in CAP Strategic Plans, and the rollout of the farm sustainability tool for nutrients (FaST). Nutrient Management Plans provide recommendations for farmers on which nutrient sources to apply and what rates they should be applied at.
- ▶ The Commission will adopt in 2023 an Integrated **Nutrient Management Action Plan** to foster more efficient use of nutrients.
- ▶ Research on **alternative fertilising products** for nutrient management through Horizon Europe.
- ▶ Prioritise and support the **production of renewable hydrogen** to reduce greenhouse gas emissions and the dependence on natural gas.



*The Commission will also consider deploying exceptional measures of up to €450 million, for farmers affected by high input costs, funded by the agricultural crisis reserve.*



## CONTINUING THE EU'S CONTRIBUTION TO GLOBAL FOOD SECURITY:

- ▶ Continue to work with Member States and European Financial Institutions, in a Team Europe approach towards the contribution to the four strands of the **Response to Global Food Insecurity** (Solidarity, Production, Trade and Multilateralism).
- ▶ **Cooperate with selected EU partner countries**, including through the **Global Fertilisers Challenge**, to reduce their dependence and consumption on imported mineral fertilisers.
- ▶ Improve **global market transparency** in fertilisers, by contributing to relevant international initiatives concerning fertilisers, in particular the G20's **Agricultural Market Information System (AMIS)**.
- ▶ Continue to work with UN agencies and International Financial Institutions to address in **bilateral and multilateral forums** the issues of availability and affordability of fertilisers and to contribute to sustainable multilateral solutions.
- ▶ Step-up the support to **address balance of payments** needs including through the IMF Poverty reduction and Growth Trust, and reinforce cooperation with independent fiscal institutions under Global Gateway to develop innovative and sustainable investments.
- ▶ **Further strengthen EU humanitarian food assistance**, which is already over €900 million so far in 2022. This is around 55 percent more than last year, and almost 80 percent more than in 2020.