



19 April 2022

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To:

European Commissioner for Financial Services,
Financial Stability and Capital Markets Union
Ms Mairead McGuinness

Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

By e-mail

CC:

Member of the Cabinet
[REDACTED]

Subject: Proposal for a meeting with Yara Ireland

Dear Commissioner McGuinness,

I am writing to you on behalf of Yara Ireland, part of Yara International ASA, the European leading crop nutrition company which is operating 16 production sites in the Union and supporting customers in over 30 European countries. Our core competence lies in empowering farmers to select and manage plant nutrients in the most sustainable way – also by using digital tools and precision farming – to ensure profitability at farm level. As a company, we are committed to sustainable food production, manufacturing climate-friendly crop nutrition solutions and achieving zero-emission energy targets.

Yara Ireland, supplies Irish farmers with high quality nitrogen and compound fertilisers (formulated as Complete Compound Fertilisers) through our team of direct employees and distributors operating from four terminals located at Ringaskiddy, Co. Cork and Roscrea, Co. Tipperary in the Republic of Ireland, and from Belfast and Moira in Northern Ireland.

The current geopolitical and farming context makes it more important than ever that farmers are supported to ensure that [every nutrient counts](#), and this is where Yara in Europe is working actively with farmers. From this perspective, and given your formidable background and knowledge of farming and agricultural policy matters, we have noticed your recent comments¹, particularly as they concern the use of protected urea. Yara manufactures ammonium nitrate products and supplies protected urea products. Therefore, we believe we have a broad perspective of these products which is set out in three points below and which we believe needs to be taken into account in the discussion on this topic.

- **Carbon footprint in the manufacture of fertilisers**

Our objective is to globally achieve carbon neutrality in the manufacture of Yara fertilisers by 2050, with an interim target of a 60% reduction by 2030. We have already reduced nitrous oxide (N₂O) emissions from our manufacturing processes by more than 90% using catalyst technologies developed by Yara, which we are actively sharing with other fertiliser manufacturers in Europe and globally.

¹ Farming Independent, Tuesday 5 April 2022 <https://www.independent.ie/business/farming/news/farming-news/mandatory-protected-urea-could-solve-fertiliser-crisis-mairead-mcguinness-41520735.html>

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Our focus on ammonium nitrate products, therefore, arises from our vision to eliminate CO₂ emissions associated with the manufacture of mineral fertilisers. We can do this by replacing the energy used in fertiliser manufacture, currently generated from fossil fuels, with renewable energy from hydroelectric and other sources. However, this is possible in the manufacture of ammonium nitrate products but not with urea-based products, as fossil fuels are an integral part of the chemical processes used to manufacture urea fertilisers.

- **Market issues**

The increases in demand for mineral fertilisers worldwide, and the disruption to supply chains caused by the war in Ukraine, and resulting sanctions, have driven fertiliser prices up. We are very concerned at the impact this global situation is having on fertilisation plans at farm level and on the amount of food and fodder that European farmers will be able to produce this season.

Currently, 95% of global urea is produced outside of Europe. Therefore, reducing the farmers ability to choose which fertilizer type they use, leaves countries like Ireland more dependent on products being sourced outside of Europe. The increase in urea use and imports into the EU, + 76% in the last 10 years, is a worrying development also from the environmental perspective, colliding with EU efforts to improve the air we breathe and reduce greenhouse gas emissions. In these circumstances, we believe that sources of legitimate supply of nitrogen and compound mineral fertilisers (produced to high environmental standards in the EEA and EU), including ammonium nitrate fertilisers such as CAN, should continue to be available to farmers, within the standards of good farming practice.

- **Protected urea**

Current recommendations in Ireland advise farmers to use urea fertilisers for nitrogen with chemical inhibitors applied that inhibit the activity of naturally occurring soil enzymes associated with the release of nitrous oxides, which are greenhouse gases. These chemicals are applied at wholesale level to imported bulk urea. They add an additional chemical compound into food production and restrict farmers with product variability that is not associated with ammonium nitrate products formulated as complete compound fertilisers. While we acknowledge that this is Teagasc's current recommendation, Yara believes that this is not a silver bullet, especially as fertilisation is crop-site-soil specific. In addition, our understanding of the Commission's position in regards to the inhibitors, is that, particularly in the long-term, they should be evaluated with care from environmental perspective before the farming practice can be recommended for large-scale application.

I would welcome an opportunity to meet with you and your team to discuss the above in more details, together with my colleagues responsible for the European government relations. We believe these aspects have wide ranging implications for farmers, food production and food security in Ireland and across Europe and I look forward to hearing positively from you and your office.

Yours sincerely,

