

Report of meeting of Commissioner with Fertilizers Europe, 26.04.2023

Commissioner, ^{4.1(b)-privacy}, Schneider, ^{4.1(b)-privacy4.1(b)-pna}

^{4.1(b)-privacy} Borealis), Hoxha (DG FE), ^{4.1(b)-privacy} (Chair FE, climate, board),
^{4.1(b)-privacy} (vice-chair climate, board, Azoty), ^{4.1(b)-privacy} (FE agriculture & environment)

Key messages from Fertilizers Europe:

- We see massive fertiliser imports into EU, big part from RU. normally 25% of needs covered by imports, now at 50% (biggest Member States importers: 1 FR, 2 PL, 3 LT).
- RU oligarchs get rich & finance war → no understanding for current EU sanctions regime. RU imports should be stopped
- European producers lose market shares, maybe for good
- Not all of European producers had made great money on back of high fertiliser prices. those landlocked without harbours to import ammonium (and gas) close-by → not in good shape & some still shuttered. In Q4 2022, financial figures were not so good anymore
- MFN duties of 6.5% on urea and ammonia – currently suspended – should be re-installed [necessary decision by Commission comes up mid-June; before, a Commission report in mid-May]
 - reason: imports come in anyway - even at full MFN duty – from RU
- Happy about Communication on fertilisers & that fertilisers were included in Temporary Crisis and Transition Framework but Member States handle differently. No level playing field
- As regards European Green Deal: we're ready for green transition. FE can live with European Green Deal's minus 50% nutrient-loss target, although nuance depends on starting points of Member States
- Minus 20% is possible today just on basis of fertiliser use changes, zero innovation necessary for minus 20%
- Happy to hear that mineral fertilisers will play a role in future and very sensible to say so because mineral & organic are complementary. but we hear very different views elsewhere in Commission
- As regards Commission net-zero strategy: we can technically be at zero greenhouse gas at production stage (scope 1 and 2), but we want also 'carrots not only sticks'. We'll need lot of clean affordable energy. we need investment path for long term. Energy elsewhere much cheaper. See US. They pay 4 USD, we pay 40 USD. And conditions for renewable energy in Europe generally not super-good. And yet – due to net-zero local sourcing requirements → huge challenge for us. We will need viable home-grown supply of hydrogen for green ammonia and fertilisers

Commissioner:

- Need to support our fertiliser industry is clear → no further shrinking of EU's fertiliser industry should be accepted. Mineral fertilisers are needed
- We'll have vision paper on future agriculture policy out in autumn. Maybe we can send signal. In general → four 'S': food security for all people, stability in incomes for farmers, sustainability for the environment, and solidarity with Ukraine
- Will have technical meeting with DG on fertiliser situation to discuss further