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Statement

Temporary suspension of tariffs on fertilisers – Copa and Cogeca welcome a Commission decision that goes in the right direction, but which remains incomplete for the time being

Faced with a tense situation on the fertiliser markets, the European Commission (DG Trade) has taken a long-awaited decision by the farming community: the suspension of conventional tariffs for certain fertilisers (urea and anhydrous ammonia). Copa and Cogeca welcome a step in the right direction and call on the Commission to follow its logic to the end by also suspending conventional duties on key fertilisers used directly by farmers (UAN, DAP, MAP and NPK) and anti-dumping measures on UAN imports from Trinidad and Tobago and USA. Only such an ambitious measure could make those markets more dynamic and bring down the prices paid by farmers in the long term.

Throughout 2021, European farmers experienced an unprecedented rise in nitrogen fertiliser prices due to the imbalance between supply and demand on the global fertiliser market. The Russian war in Ukraine has generated further tensions on those markets as Russia, Belarus and Ukraine are major global exporters of mineral fertilisers, accounting for 43% of EU mineral fertiliser imports.

As a result, European farmers are now facing the dual risk of skyrocket high mineral fertiliser prices and shortages, severely affecting not only their incomes but also the EU's food production and global food security. Already, Copa and Cogeca's members are worried about the delay experienced in the new fertiliser purchasing campaign.

Copa and Cogeca take note of the move by the Commission to suspend the conventional tariffs for urea and anhydrous ammonia. However we noticed that the scope of the Commission decision does not include fertilising products used directly by farmers. This approach still protects European fertiliser producers to their advantage and will not provide an easy fix for farmers. Copa and Cogeca have called on the Commission to suspend antidumping measures on UAN imports from Trinidad and Tobago and the USA and conventional tariffs on fertilising products used by European farmers.

This is especially true since the European decision comes shortly after an American decision on the same matter. On its side, the U.S. International Trade Commission recognised the US grain growers argumentation that tariffs lead to higher fertiliser prices and revoked anti-dumping and anti-subsidy duties on urea ammonium nitrate fertilisers from Trinidad and Tobago on 18th July, concluding that those imports did not hurt the American fertiliser industry. Within this context, European farmers find themselves at a comparative disadvantage to their American colleagues.

For all these reasons, it is essential for the European Commission to act quickly on this issue!

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Translation in DE, FR, ES, IT, PL, and RO will soon be available on the Copa-Cogeca website.

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