

Europe warns its gas price surge will drive up food costs

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Natural gas is the key feedstock for the production of some of the most common artificial fertilizers, such as urea and ammonium nitrate, which farmers rely on to keep up Europe's crop yields. | Christopher Furlong/Getty Images

LUXEMBOURG — It's not just heating bills that risk going up thanks to Europe's energy crisis; EU ministers are now warning that the power price surge means food will be more expensive in the coming months, too.

At a meeting of European farm ministers in Luxembourg on Monday and Tuesday, there was consensus that the sky-high price of natural gas is ramping up the cost of fertilizers, and that this increase is likely to land squarely on consumers' plates. Natural gas is the key feedstock for the production of some of the most common artificial fertilizers, such as urea and ammonium nitrate, which farmers rely on to keep up Europe's crop yields.

“The increase of energy prices: This is the main reason for the increase in fertilizer prices, and of course it can impact food prices in the future, of course this is the risk,” EU Agriculture Commissioner Janusz Wojciechowski said on Monday during the [EU Council meeting](#), where ministers from the 27 member countries gathered.

EU farm ministers discussed a document circulated by the Polish government — [obtained by POLITICO](#) — which predicted that the fertilizer crisis will trigger “social unrest” across the entire European Union unless policymakers halt the soaring cost of natural gas. Warsaw blamed its traditional enemy Russia for the price surge, alleging the export giant Gazprom was restricting supply. (The Russian company says it’s fulfilling the terms of its export contracts with EU countries.)

Tensions are already rising sharply in Poland, where on Monday the farmers’ lobby Agrounia blockaded a plant of a state-owned [fertilizer company called Anwil](#), protesting the fact that the government is allowing fertilizers to be exported while prices for Poland’s own farmers are so high.

Fertilizer prices have almost doubled in the space of a single year, data from the [World Bank](#) show. Now due to the soaring price of gas, a third of Europe’s fertilizer and ammonia factories have either closed or have temporarily scaled down production, according to Jacob Hansen, director-general of the EU-wide lobby group [Fertilizers Europe](#).

Price spikes may not be immediate as farmers mainly use fertilizers in the spring rather than in the fall. “It’s going to happen that the food prices will go up next year or maybe already now. The effects on the actual production will not be seen until next year,” Hansen said.

Julien Denormandie, agriculture minister of France — another major fertilizer producer — told journalists he fully supported the Polish declaration, and worried that higher fertilizer prices, coupled with EU plans under the Green Deal to take land out of

production for the sake of biodiversity, could threaten food security not just in Europe but worldwide.

“Above and beyond the effect on prices, my fear is about the impact on quantities, on volume, about the capacity to feed everyone on this planet,” he said in response to a question from POLITICO.

Poland’s Agriculture Minister Grzegorz Puda warned Friday that if fertilizer prices kept rising, it could lead to “a food prices crisis in the whole Europe which can result in an economic crisis as well as a social crisis.”

No windfall for EU farm ministers from Italy’s Stefano Patuanelli to Germany’s Julia Klöckner have in the past railed against what they see as dirt cheap food prices, especially for meat. European farmers’ lobbies regularly take to the streets, accusing retailers and processors of skimming off the profits in the food chain.

At the Luxembourg meeting, there was a sense of pessimism that despite farmers shouldering more costs, they won’t see greater profits even if food prices do rise. Even when huddled together in producer organizations, farmers often lack the negotiating clout to go toe-to-toe with powerful processing companies who buy their goods, as was demonstrated by a ruckus this year in France over a food chain law.

“It would simply mean more pressure on the farmers,” said a government official from a Central European country who preferred not to be named.

Slovenia’s farm chief Jože Podgoršek also stressed that, particularly in the pigmeat sector, it would be impossible for farmers to claw back their extra costs: “The primary material prices are rising, as well as fertilizers, whereas on the other hand, the price of pork meat is falling drastically.”

Belgium gained the [backing of 18 countries](#) at the meeting to declare a “crisis” in the pig meat sector. (There’s an excess of pork meat swilling around in Europe, partly because China has blocked imports from major EU producers like Germany over fears about African swine fever, creating a glut.)

If farmers feel the pinch, tractors are likely to hit the streets around the bloc in protest.

EU farm boss [Wojciechowski said](#) the Commission is developing a “toolbox” to help countries cushion the blow of surging energy prices, including on fertilizers. He gave scant technical details about what the forthcoming toolbox will do, pledging that the Commission will keep analyzing the situation.

He argued one unexpected upside from more expensive fertilizers could be that farmers turn away from artificial fertilizers and use more animal manure, in line with the Green

Deal, which set out a reduction goal for chemical fertilizers.

“This is the direction for the future, but of course we need to react for the now,” he said.

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