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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Rising costs of fertilizers and raw materials for animal feed and their impact on the agricultural sector
- Information from the Spanish delegation, on behalf of the Austrian, Belgian, Bulgarian, Croatian, Czech, Estonian, Finnish, French, Greek, Hungarian, Irish, Italian, Latvian, Maltese, Polish, Portuguese, Romanian, Slovak and Spanish delegations

Delegations will find in Annex a note from the Spanish delegation on behalf of the Austrian, Belgian, Bulgarian, Croatian, Czech, Estonian, Finnish, French, Greek, Hungarian, Irish, Italian, Latvian, Maltese, Polish, Portuguese, Romanian, Slovak and Spanish delegations on the above subject, concerning an item under "Any other business" at the Council ("Agriculture and Fisheries") on 12-13 December 2021.

Rising costs of fertilizers and raw materials for animal feed and their impact on the agricultural sector

During the last EU **Agriculture and Fisheries Council**, held on 15 November, the vast majority of Member States, expressed their concern about the impact of the rise in production costs in the agricultural sector, because of the increase in the price of energy and raw materials used for animal feed production.

The sudden increase in the price of natural gas has multiplied the price of nitrogen fertilisers almost threefold, which is causing a slowdown in purchases by farmers and a decrease in the production of these fertilisers by the industry. The same is happening with the rest of the fertilisers, whose raw materials are also being affected by the upward spiral of the international markets. This leads to situations where farmers have to change their crop rotation (with less cereals), reduce their fertilizer inputs and thereby contradicting cornerstones of principles of Integrated Pest Management, and finally leading to a decrease in yields and crop quality this season.

The European Commission, international observatories, as well as Member States, have substantial information that quantitatively describes the gravity of the current situation resulting from the increase in agricultural inputs. At a time when the European Commission, in the framework of the Farm to Fork Strategy, is in the process of drawing up the contingency plan for ensuring the EU's food supply and food security, the current situation is evidence of situations that need to be addressed at EU level. In this context, Austria, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Malta, Poland, Portugal, Romania, Slovakia, and Spain ask the Commission to closely monitor the evolution of markets linked to agricultural inputs, particularly in relation to fertilisers, energy and raw materials for animal feed, because of the impact they have on the production costs of farmers and livestock farmers and on the availability of harvests.

It is necessary to preserve the Union's agricultural and livestock production structures and to ensure an integrated approach that takes into account the interdependencies between the relevant sectors, as reflected in the Commission's Communication on the "Contingency plan for ensuring food supply and food security".
