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Answer given by Executive Vice-President Séjourné
on behalf of the European Commission
(3.2.2025)

About two thirds of the fertilisers used in the EU agriculture are nitrogen-based. The raw material used in their production is natural gas, accounting for over 70% of variable production costs. In 2022, the energy crisis led to unprecedented high fertiliser prices and closures of production capacities across the EU. Fertiliser prices have decreased in 2023 but are at levels above those of the past decade, as natural gas prices moved to a higher plateau. The competitiveness of EU production of ammonia, the indispensable precursor of all nitrogen fertilisers, was affected as a result, leading to lower production capacity utilisation rates and even to some plant closures.

The Commission already outlined several avenues to ensure the availability and affordability of fertilisers in the EU¹. At the same time, it is necessary to maintain sufficient production capacity in the EU, including through the substitution of gas-based production with more climate-neutral alternatives. For instance, financial endowments from the Just Transition Fund² are earmarked for promoting the production of green ammonia in Romania (Azomureş) and Lithuania (AB Achema). In July 2024, the Commission approved a EUR 122 million Lithuanian state aid measure to support the decarbonisation of Achema's production processes³.

¹ COM(2022)590: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022DC0590>

² <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32021R1056>

³ https://ec.europa.eu/commission/presscorner/api/files/document/print/sk/ip_24_3747/IP_24_3747_EN.pdf