



Environment, Food and Rural Affairs Committee

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From the Chair of the Committee

Rt Hon George Eustice MP
Secretary of State for Environment, Food and Rural Affairs
2 Marsham Street
London SW1P 4DF

21 June 2022

Dear Secretary of State

CF Fertiliser and UK Food Security

I am writing to you in reference to the announcement that CF Fertiliser has decided they will not reopen its site at Ince, near Chester, due to rising fuel costs.

As you know, UK farmers have already seen significant price rises due to the impact of gas prices and the war in Ukraine. In May, the price of a tonne of UK-produced ammonium nitrate fertiliser stood at £716, a 152% increase on the same time last year according to [data from the Agriculture and Horticulture Development Board \(AHDB\)](#). The decision to not reopen the plant lowers the likelihood of increased supply and in turn a lowering in the price of fertilisers. This means farmers are likely to continue to face high input costs which may contribute to rising food prices and reduced financial returns for farmers, many of whom already operate on very tight margins.

In addition to the impact on fertiliser supply, there will also be an impact on the UK's ability to produce CO₂. As you know, CO₂ plays a critical role in the food supply chain including being used in: the packaging and transport of food to extend its shelf life; the promotion of plant growth; and to stun animals ahead of slaughter. Therefore, an inadequate supply of CO₂ would have animal welfare, food production and food security implications.

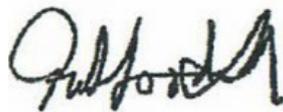
The Committee notes that the Ince site has not been operational since September 2021 and that CF Fertiliser has said that it believes its Billingham plant facility is better positioned for long-term sustainability as it has sufficient capacity to meet all domestic demand. However, the

Committee would be grateful if you could set out what assurances you have received about the adequacy of both fertiliser and CO2 supply, and what work your department has done to verify those assurances.

Even if there is adequate supply without the Ince plant, its closure raises concerns about the resilience of food systems. This is particularly important for CO2, where it would be impractical to import substantial quantities. The Committee notes that the Government Food Strategy contains a commitment to "develop plans to bolster resilience of critical inputs such as carbon dioxide (CO2) and fertiliser" with a specific long-term plan on CO2 due this year.

We would be grateful if you could provide further information on what solutions are being explored by that plan and when you expect it to be published. I would ask that you reply by 7 July.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Goodwill', written in a cursive style.

Sir Robert Goodwill
Chair, Environment Food and Rural Affairs Committee