



Department
for Environment
Food & Rural Affairs

The Rt. Hon. Mark Spencer MP
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Rt Hon Sir Robert Goodwill MP,
Chair, Environment Food and
Rural Affairs Committee
Committee Office
House of Commons
London
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16 January 2023

Dear Sir Robert,

Thank you for your letter dated 14 December, regarding CF Fertilisers and CO₂ supply.

Since you wrote in August, the supply of critical chemicals, including ammonia and CO₂ has remained stable. This is a welcome development after disruption caused by rising global energy costs, and which saw fertiliser production at Ince stop in September 2021. We have been monitoring feedback from industry and while some companies have reported short-term supply issues, there does not appear to be significant disruption in the broader market. While global fertiliser prices have risen, the supply chain has adapted to find the most cost-effective sources of materials. CF Fertilisers continues to produce ammonium nitrate fertiliser from its plant at Billingham and has been successfully importing ammonia. The Government gave only limited financial support to the company, for three weeks in 2021, to immediately restart its Billingham plant on Teesside.

I am pleased that the United Kingdom's CO₂ market has diversified since 2021 with increased supplies from anaerobic digestion sites, from ethanol production, as well as a wider range of imports. Defra has encouraged the pig and poultry sector to expand their CO₂ storage facilities and industry is undertaking research to look at alternative gas mixtures for slaughter. Our food supply remains secure.

We are aware of the many critical uses of CO₂. It is for the CO₂ industry, not government, to ensure supplies to UK businesses. We are working across government and with industry towards a more sustainable and resilient market in the long term.

The Secretary of State for Business, Energy and Industrial Strategy and I met recently to discuss these important issues. I chaired the Fertiliser Industry Taskforce meeting on 14 December.

Yours sincerely,



Rt. Hon. Mark Spencer MP

cc: Secretary of State for Business, Energy and Industrial Strategy