



Environment, Food and Rural Affairs Committee

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From the Chair of the Committee

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

29 March 2022

Fertiliser inflation and food security

Dear Secretary of State,

Fertiliser prices are increasing to record levels. This inflation was being driven by supply chain issues and the global carbon dioxide shortage. This price increase is now being intensified by the continued surge in natural gas prices, conflict in Ukraine, a ban on the export of fertiliser from China and the Canadian rail strike.

The Agriculture and Horticulture Development Board (AHDB) have reported that fertiliser prices have increased between 70-140% over the past year, depending on the type of fertiliser.¹ It has been reported that fertiliser prices have surged towards £1,000 a tonne, up from about £650 in February.² (This itself is a high price, as fertiliser historically cost around £250 a tonne.)

More widely your own Agricultural Price Index (API) showed a cost increase of 13.5% in the 12 months to December 2021.³ This is more than double the cost increase faced more widely by the UK as the Consumer Prices Index (CPI) rose by 5.4% in the 12 months to December 2021.⁴

Groups like the NFU and AHDB have warned that food producers are likely to try and offset the rising cost of fertiliser by buying less fertiliser than usual for cereal crops.⁵ This risks lower production of cereal crops at a time when global wheat supplies are threatened by the war in Ukraine, as Russia and Ukraine are responsible for roughly 30% of the world's wheat supplies.

It is unclear how farmers and growers will be able to adapt to these higher costs and price volatility. Furthermore, given the cost-of-living crisis, we are very concerned about what this will mean for British consumers at a time when many families are already having to make decisions about eating or paying their bills. I would be grateful if you could set out

¹ AHDB, [GB fertiliser prices](#), March 2022

² The Guardian, [Surge in fertiliser prices from Russia-Ukraine war adds to pressure on UK farmers](#), March 2022

³ Defra, [API – Index of the prices of agricultural outputs and inputs – statistics notice \(data to December 2021\)](#), February 2022

⁴ ONS, [Consumer price inflation, UK: December 2021](#), January 2022

⁵ AHDB, [Blog: Should I cut back on fertiliser application?](#), February 2022

what immediate steps the Government is taking to support farmer in managing this high cost to protect our food production and food security.

You have previously talked about using organic fertiliser developed by drying leachate from biodigester plants to increase domestic production of fertilise. We would also be grateful if could provide further information about Government work to support the development of this technology which could play a part om addressing the price of fertiliser in the medium term.

Yours Sincerely

A handwritten signature in purple ink, consisting of the name 'Neil' followed by a stylized, elongated flourish.

Neil Parish MP
Chair of the Committee