

PRESS RELEASE

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FERTILISER CRISIS COST G20 ALMOST \$22 BILLION WHILE FERTILISER COMPANIES SET TO MAKE \$84 BILLION IN PROFITS

Farmers and governments in the G20 spent \$21.8 billion more on key fertilisers imports in 2021 and 2022, while the world's biggest fertiliser companies are expected to make almost US\$84 billion profit over the same period, according to new analysis released by GRAIN and the Institute for Agriculture and Trade Policy (IATP) today.

The European Commission is set to publish its plans to increase domestic production and make EU farmers less dependent on fertilisers on 9 November. G20 Heads of State will also discuss the fertiliser crisis when they meet in Indonesia on 15-16 November.

The Fertiliser Trap calls for action to reduce the consumption of costly and damaging chemical fertilisers. It reveals:

- G20 nations paid almost three times more for fertiliser imports in 2022 compared to 2020. The additional bill for fertiliser imports in 2021 and 2022 was at least US\$4.8 billion for India, US\$3.6 billion for Brazil and US\$3 billion for the EU.
- Nine developing countries paid 2-3 times more for fertiliser imports in 2022 compared to 2020. In 2021 and 2022, Ethiopia — where 20 million people are in need of food aid — spent an additional total of US\$384 million, while Pakistan's costs rose by US\$874 million.
- Nine of the world's largest fertiliser companies are expected to make US\$57 billion in profit in 2022 — four times the amount they made in 2020. This is equivalent to twice the GDP of Senegal, which has paid US\$64 million more for fertiliser imports over the last two years.

The total cost of the fertiliser crisis — including the increased cost of domestic production — is expected to be a lot higher.

David Calleb Otieno of the Kenya Peasants League said: *“Farmers are struggling yet the big fertiliser companies are making record profits. Governments need to stop using public funds to subsidise chemical fertilisers and support a shift towards agroecological farming practices that are better for farmers, consumers, and the planet.”*

The cost of chemical fertilisers has skyrocketed since 2020 alongside the cost of natural gas — a key ingredient in the production of nitrogen fertiliser. The disruption of exports from Russia, Ukraine and Belarus — the world's biggest fertiliser producers — as a result of the war and profiteering by powerful fertiliser companies have further fuelled price hikes.

A handful of companies dominate the \$200 billion global fertiliser market with just four — Nutrien, Yara, CF Industries and Mosaic — controlling one-third of all nitrogen fertiliser production. This market dominance has enabled them to pass rising costs onto consumers while maintaining or even increasing their profit margins.

The surge in fertiliser prices is putting farmers and government budgets under severe economic strain and contributing to food price inflation. The [U.N. has warned](#) that harvests could be hit if prices remain high. Production in Africa could decline by over 20% as farmers cut back on fertiliser use and the area of land under cultivation.

In countries where industrial agriculture is dominant, fertiliser is overapplied, and its use can be significantly reduced without impacting yields. In Germany, one study found that only 61% of fertiliser is reaching wheat crops, meaning 39% is wasted. In Mexico only 45% of fertiliser reaches crops, in Canada only 59% and in Australia only 62%.

Numerous studies from around the globe have also shown that it is possible to replace chemical fertilisers with agroecological farming practices while maintaining or increasing yields. Agroecological farming uses natural fertilisers, such as compost or plants that fix nitrogen in the soil.

Chukki Nanjundaswamy, from Karnataka Rajya Raitha Sangha, one of the largest farmers organisations in India said: *"Farmers in India are in an existential crisis because of debt caused by costly chemical fertilisers and pesticides. Yet farmers in our network are showing that they can stop using chemical inputs without affecting yields, by using local knowledge and seeds, and can lead a life of self-reliance."*

Dr. Sophia Murphy, Executive Director of IATP said: *"The era of cheap chemical fertilisers is over. To reduce prices and protect food production governments must end corporate profiteering, stop the overuse of chemical fertilisers, boost the production of organic alternatives, and redirect public spending towards agroecological farming practices that cause less harm than chemical fertilisers."*

Chemical fertilisers are a major source of air, water and soil pollution and account for one out of every 40 tonnes of global greenhouse gas emissions. The Intergovernmental Panel on Climate Change (IPCC) have said a shift to more diverse low-input farming is key to maintaining food security in a changing climate.

Devlin Kuyek, a researcher at GRAIN said: *"Fertiliser companies are lobbying for support to increase fertiliser production, despite the costs for farmers, and the damage they do to our environment, our climate, and our soils. Farmers across the globe need to be supported to break free from the fertiliser trap to safeguard food production now and in the future."*

Note to editor:

The Fertiliser Trap: the rising cost of farming's addiction to chemical fertilisers, a breakdown of fertiliser costs for each country and data on fertiliser company profits is available [HERE](#).

Researchers examined the wholesale costs of 3-4 of the most imported fertilisers for 18 G20 countries: Argentina, Australia, Brazil, Canada, China, India, Indonesia, Japan, Mexico, Republic of Korea, South Africa, Turkey, United Kingdom, United States and the European Union. Russia and Saudi Arabia were not included because both are major fertiliser producers and import very low quantities. The EU estimate is based on the costs of the three main fertilisers imported to Europe. Fertiliser import costs for France, Germany and Spain were calculated separately based on key national imports.

The costs for nine low- and middle-income countries were also analysed including Ghana, Ethiopia, Pakistan, Senegal, Kenya, Bangladesh, Zambia, Tanzania and Nigeria.

The nine fertiliser companies include: Nutrien (Canadian), Yara (Norwegian), Mosaic (US), ICL Group (Israel), CF Industries (US), PhosAgro (Russian), OCI (Netherlands), K+S (German), OCP (Morocco).

COUNTRY	2022 COST RELATIVE TO 2020 COST (% ROUNDED UP)	TOTAL EXTRA BILL FOR KEY FERTILISER IMPORTS 2021-2022 COMPARED TO 2020 (\$US)
Argentina	330% i.e., imports cost over three times more in 2022 compared to 2020	612,678,000 i.e., total additional bill for 2021 and 2022 was \$612.7 million
Australia	290	1,851,484,000
Brazil	287	3,586,450,000
Canada	308	1,591,139,000
China	224	278,374,800
European Union	303	2,968,100,000
India	282	4,793,800,000
Indonesia	242	497,494,000
Japan	292	431,921,400
Mexico	286	637,744,000
Republic of Korea	272	455,771,200
South Africa	301	702,864,400
Turkey	297	1,382,757,000
United Kingdom	233	143,441,600
United States	298	1,906,225,000
France	279	772,195,000
Germany	192	213,408,000

Italy	281	831,220,200
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