



# 48%

of the global population are fed thanks to the use of mineral fertilizers.

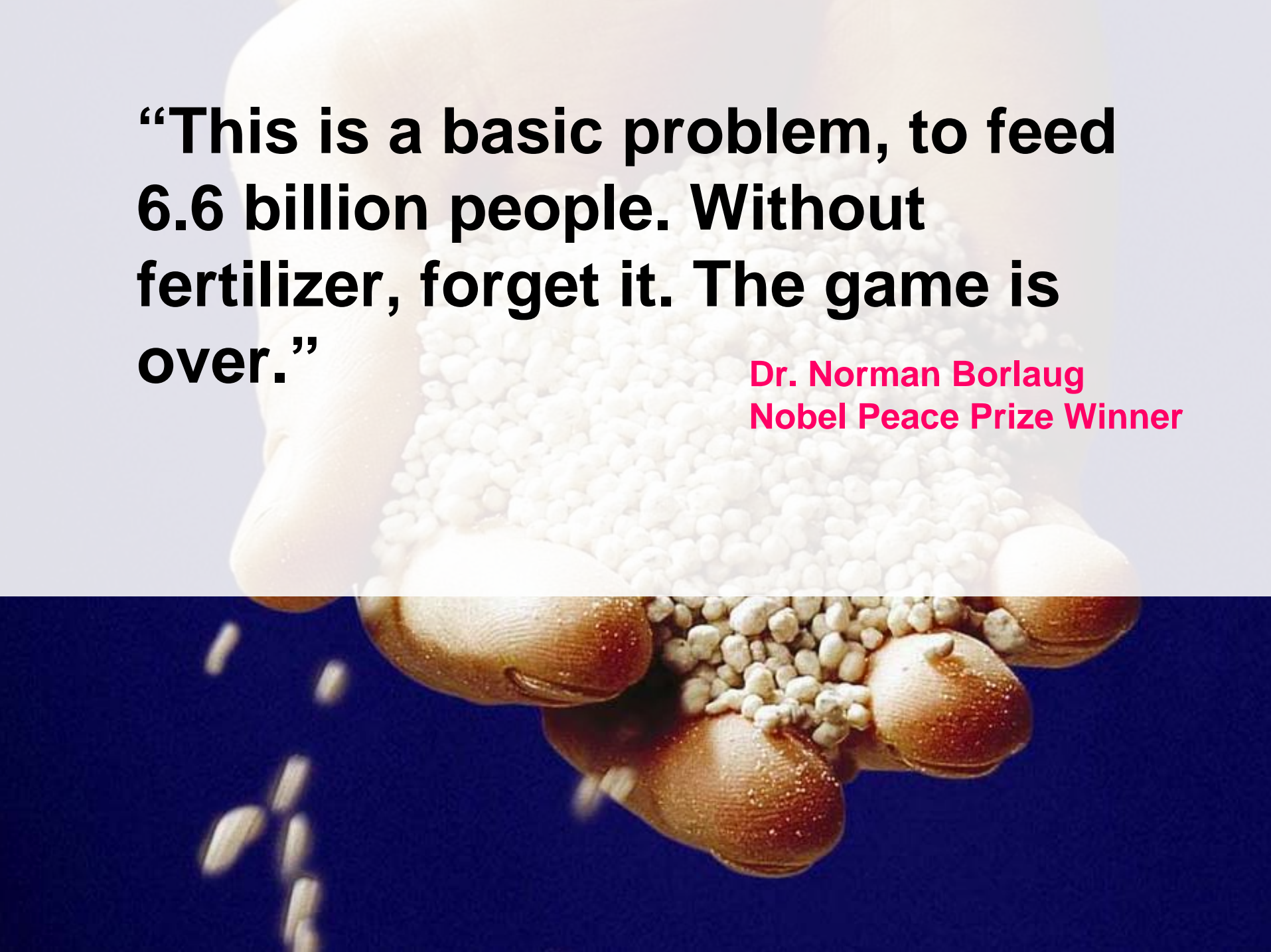
**Without mineral fertilizers human life is unsustainable.**



By **2050** we will have

**3 billion**

**new mouths to feed.**



**“This is a basic problem, to feed 6.6 billion people. Without fertilizer, forget it. The game is over.”**

**Dr. Norman Borlaug  
Nobel Peace Prize Winner**

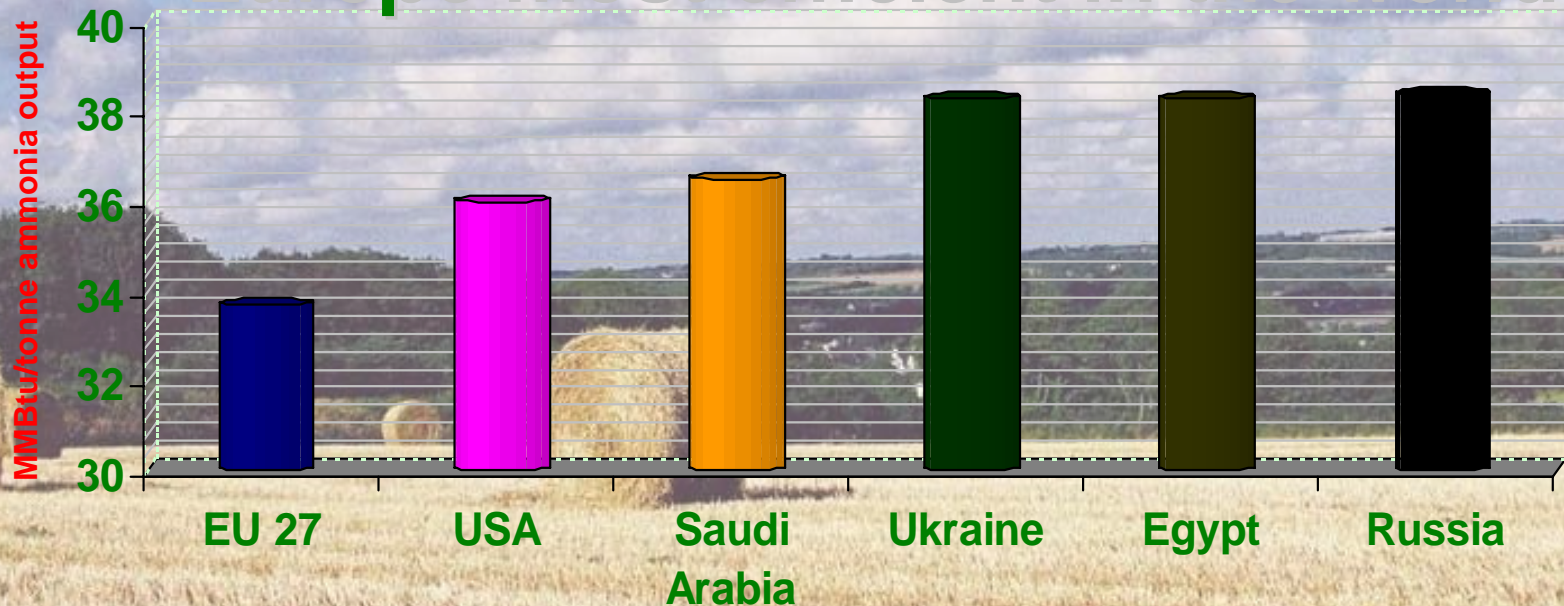
**“Agricultural demand by 2050 will range between 50-80% above today’s level of production.”**

**Food and Agriculture Organization of the United Nations (FAO)**



Europe has some of the world's most modern ammonia and nitric acid plants. For ammonia, steam reforming natural gas technology is close to the theoretical minimum in terms of energy efficiency. In nitric acid plants, N<sub>2</sub>O abatement technologies offer the potential for low levels of N<sub>2</sub>O emissions.

## Europe most efficient in the world



**N°**

**MOST EXPOSED OF ALL INDUSTRY**

**The European Commission has deemed the European fertilizer industry to be the N°1 most exposed sector and highly vulnerable to carbon leakage.**

**Over the period from January to July 2009 the European Commission, in its detailed evaluations, found that the fertilizer industry was trade exposed to the level of**

**27.4%.**

**It also determined that the cost increase due to the impact of carbon costs was**

**92.4%.**

**It is necessary that the level of exposure and the vulnerability of the industry is fully accounted for in the setting of Benchmarks.**



100%

"Free" emission Rights

Means

95%

of our industry must **PAY**

The additional cost to the EU fertilizer industry with the imposition of Benchmarks based on the **top 5%** performers as currently prescribed would result in a cost increase of

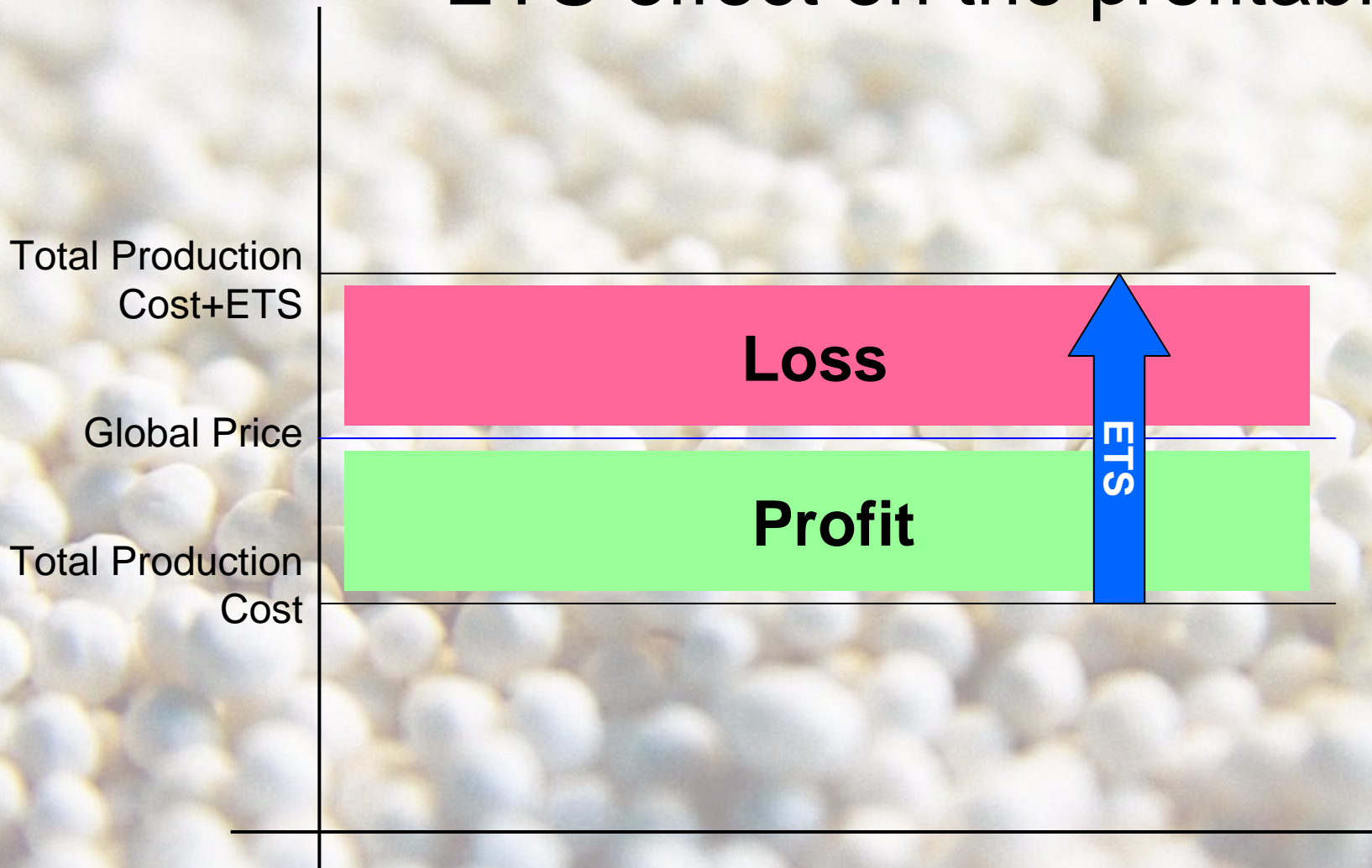
**145€** million/y For Ammonia plants

**+**

**65€** million/y For Nitric Acid plants

**total additional cost to industry** **210€** million/y

# ETS effect on the profitability



# Benchmarks

A close-up photograph of a hand holding a large quantity of white, spherical fertilizer granules. The granules are piled high, and some are falling away from the bottom of the hand, creating a sense of motion. The background is a solid dark blue color.

**Even after having free emission rights up to the benchmark level the fertilizer industry is exposed to carbon leakage.**

**10% best average rule must be implemented in such a way that carbon leakage can be avoided.**



# Food Security

**An uncompetitive European fertilizer industry would result in**

**less European self-reliance in food production**

**less European contribution to help to feed the world**

**more imports and relocation of fertilizer manufacturing to countries without the ETS cost**



~~Food Security~~



A man wearing a blue jacket and a blue cap is kneeling in a lush green field, examining a plant. The background shows rolling green hills under a blue sky with scattered white clouds.

**Today, European agriculture produces more crops with less nitrogen fertilizer than 20 years ago and its nitrogen use efficiency is the highest in the world.**

**Mineral Fertilizers**

**Part of THE SOLUTION**

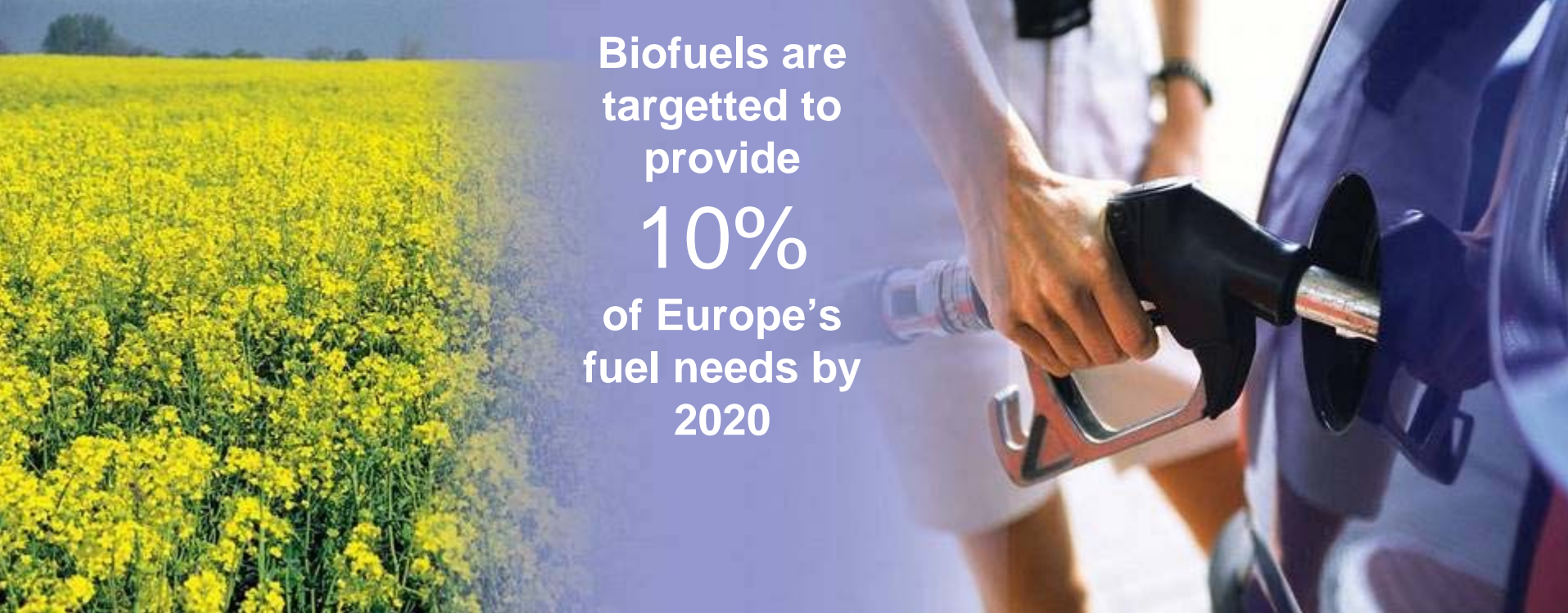


**All of industry require to reduce their emissions.**

**In a recent study by McKinsey the fertilizer industry was highlighted as one of the 4 biggest levers evaluated for emissions savings in the chemical industry. Mineral fertilizers increases agricultural yields avoiding emissions from land-use change.**

**Mineral Fertilizers**

**Part of THE SOLUTION**



Biofuels are  
targetted to  
provide  
**10%**  
of Europe's  
fuel needs by  
2020

**Mineral fertilizers play a key role in the cultivation of crops destined to meet the ambitious renewable energy targets set by the EU. They increase the yield of bio-energy crops both in terms of tonnage and intrinsic energy content, thereby optimising land use and maximising the return on useful energy.**

**Mineral fertilizers**

**Part of THE SOLUTION**

**In the face of a world food shortage, Europe needs to remain sufficiently self-reliant in food production and its main farm inputs. It should not endanger the existence of its own fertilizer industry and depend on external fertilizer sources from Russia, Ukraine, North Africa or the Middle East.**

**In the absence of a binding international agreement on global GHG reduction, emissions trading should not become such a burden for the European fertilizer industry that it loses its competitiveness.**

**You are**

**THE SOLUTION**

