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## Op-Ed by Cédric Benoist

### **The anti-dumping measures proposed by the Commission on UAN fertilisers imports are both disproportionate and discriminatory**

On 11<sup>th</sup> September, the EU's Trade Defence Instruments Committee will examine the Commission's proposal enforcing definitive anti-dumping measures on imports of UAN fertilisers<sup>1</sup> originating from Russia, Trinidad and Tobago and the USA. What might at first seem like a dry, technical decision sounds like a potential new hard blow to many farmers across Europe. Such an approval could impact our competitiveness and our livelihood. To make matters worse, the Commission's reasoning to apply protective measures to support European fertiliser corporations is based on an incomplete analysis and will leave the farmers that are using UAN fertilisers with no other option than to pay the high prices (once again...). This decision might not attract any media attention in the coming days, but it will gain visibility when farmers see their fertiliser bills skyrocketing. I have crunched the numbers for my farm and the conclusions are alarming.

European farmers have always tried to align themselves with the European Commission's market orientation policies to be more competitive. However, with fewer options in our toolbox, the situation is becoming more complex every day. In this context, it is hard for us to understand that the EU is ready to grant additional protection to a handful of EU fertiliser companies that are already highly protected by import tariffs. Fertilisers represent by far our highest production cost, and already existing import tariffs cost European farmers one billion euros a year<sup>2</sup>. We are paying a price premium compared to our competitors, which has increased since the trade investigation began last year in August. In the second half of 2018, EU UAN prices have recorded a €45/t extra when compared with third markets. Imposing definitive anti-dumping measures would further inflate EU prices. Meanwhile, the European market's structure is such that demands for UAN production cannot be met and the EU will remain a net importer (around 1.85 Million tonnes). European UAN production only represents 7% of the total volume of nitrogen fertilisers produced in Europe.

Against this backdrop, the European Commission is arguing that producers could decide to opt for alternative forms of solid fertilisers in the short run. My experience as an arable farmer from the centre of France tells a different story. We have invested in equipment to store and spray this specific type of fertiliser. UAN is very efficient and could help to overcome sustainability challenges. It also adapts very well to precision farming tools and technologies. A placed application of UAN under the soil surface at the time of planting sugar beet can lower the required nitrogen dose by 15% while increasing productivity by three tonnes per hectare. Switching to solid fertilisers as proposed by Brussels, would constitute a step backwards. It would require over-investment and result in a doubling-up of

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<sup>1</sup> UAN is a solution of urea and ammonium nitrate in water which is used as fertiliser.

<sup>2</sup> IFPRI report, 2016

equipment. Fertiliser manufacturers, on the contrary, can switch their production from one form of fertiliser to another according to market opportunities.

Finally, according to the European Commission, implementing definitive anti-dumping measures on UAN imports will have a limited economic impact on European agriculture as a whole. However, UAN fertilisers are not used by all farmers. UAN is mostly used by specialised farmers on grain farms and on arable crops like mine. Once you deduct all the farmers that do not use UAN, experts have calculated that anti-dumping measures on UAN fertilisers would represent a cost increase of 6 to 9% for arable farmers, meaning that our final profit could be more than halved! To put words in actions, I decided to make the calculation on my farm, taking my 2018 farm results and net outcomes. If the anti-dumping measures proposed by the Commission had been applied, my fertiliser costs would have increased by €7,200 while at the same time my profit would have decreased by 37%. Thinking about it, I realised that this could represent the cost of higher education for my two eldest children.

To me, the proposed anti-dumping measures, which will cost farmers 2.8 billion euros over the course of five years, are both disproportionate and discriminatory. They would also add to the existing import tariffs. This is why we, alongside our representative organisations and Copa and Cogeca, have been calling for this trade investigation to be terminated without imposing definitive anti-dumping measures on UAN imports.

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**Note to the editors:**

Cédric Benoist is an arable farmer from the Centre Val de Loire region (SCEA de la Gouetterie, Jouy-en-Pithiverais). On his 160 hectare holding, Cédric Benoist specialises in wheat, barley, peas and sugar beet production. Mr. Benoist is also president of the local farming association (FDSEA45), board member of the French National Cereal Grower Association (AGPB) and a member of Copa and Cogeca Cereals working party. For more information about his situation, his use of UAN and the impact of anti-dumping duties on his net farm income, please download the following [presentation](#).

The following Op-Ed is available in French on Copa-Cogeca website.

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