

Ukraine needs **ADDITIONAL SUPPLIES** of fertilizers

84%

the level of provision of agricultural companies in Ukraine with fertilizers for the sowing season 2022



617

 thousand tons
of complex fertilizers
were imported to Ukraine
from Belarus in 2021

The war poses a big threat to producers of fertilizer as such plants work with explosive and toxic materials. Many Ukrainian producers of fertilizer located in the regions of active hostilities.

In particular, Sumykhimprom was shelled, which caused an ammonia leak. Severodonetsk Azot (15.3% of nitrogen fertilizer capacities in Ukraine) is on the line of fire near uncontrolled territories and it is not working. Odessa port plant (14.4% of the nitrogen fertilizer capacities) was stopped in the beginning of the war. Rivneazot is located in a potentially dangerous area where missile attacks are possible.

We assume that most of the fertilizer capacities has already been suspended due to both the danger of hostilities and problems with the supply of raw materials. The resumption of production will depend on the timing of the war end and the nature of the damage received.

In the structure of consumption, nitrogen fertilizers are in first place in Ukraine (66% in 2020). The capacities of Ukrainian producers allow us to fully meet the needs of the domestic market for nitrogen fertilizers, in particular, due to increasing production at existing capacities and export restrictions. In 2021 consumption of nitrogen fertilizers in Ukraine reached 4.75 million tonnes. The export of nitrogen fertilizers in 2021 (1.63 million tons) is almost equivalent to the volume of their imports (1.58 million tons) in Ukraine.

Globally restrictions on the export of fertilizers are widely used. For example, in China, where licensing of fertilizer exports has been introduced and, in fact, only

ammonium sulfate can be exported. Similar restrictions have been introduced in Turkey. In Egypt and the Russian Federation, fertilizer export quotas are applied. On March 12, 2022, Ukraine introduced fertilizer export ban to maintain market balance during the war.

Almost 45% of Ukrainian nitrogen fertilizer exports were to the EU in 2021. The biggest importers of Ukrainian nitrogen fertilizers were Romania (190 thousand tonnes), Italy (138 thousand tonnes), France (104 thousand tonnes), Hungary (88 thousand tonnes), Spain (56 thousand tonnes), Bulgaria (50 thousand tonnes), Poland (40 thousand tonnes). So, EU countries will need supply nitrogen fertilizers from other sources.

Due to the launch of the land market in Ukraine, the demand for nitrogen fertilizers is also growing, because farmers apply more fertilizer to the land which belongs to them. Before the war, it was predicted that the consumption of nitrogen fertilizers would increase by 15-25% by 2025 in Ukraine. In the future, restrictions on the export of fertilizers are also possible in Ukraine in order to meet the needs of the domestic market.

In the second place in terms of use are complex fertilizers (31% of consumption in Ukraine in 2020). In Ukraine, the production of complex fertilizers is underdeveloped. In 2021 1.9 mln tonnes of complex fertilizers were imported in Ukraine. The biggest source of importing complex fertilizers is Belarus. In 2021, 617 thousand tonnes of were imported from this country. It is 32.1% of the total imports of complex fertilizers. So, Ukraine will need to find alternative sources of imports to substitute imports from Belarus.



STOP THE WAR