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**Submission from the Irish Natura & Hill Farmers Association to  
The Joint Oireachtas Committee on Agriculture On  
Disparity in the Cost of Fertiliser**

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**Introduction**

We want to thank the Committee and Chair for the invitation to discuss this matter. This has become a major issue that has been clearly illustrated by the number of calls we are receiving from farmers expressing their annoyance with the high price of fertiliser and in particular the price disparity between here and Northern Ireland.

**Background**

While the price of fertiliser had seen some price increases up to early 2020, the major pressure came initially from Summer 2020 to the end of 2021. During this time the price almost doubled. However, following Putin's invasion of Ukraine in February 2022 we saw yet another massive increase in price that in 2022 saw a 123% increase from 2021 prices (based on CSO figures). All of this put enormous pressure on farmers as price and supply became a major issue in Spring of 2022.

Despite this, farmers were initially pragmatic and understood the implications of the war in Ukraine in relation to the production and supply of fertiliser. However, as we got into late Spring and early Summer the thinking changed from ensuring they could get an adequate supply to increased reservations around the high price.

Questions were asked on how the price of fertiliser already sitting in yards of Co-ops and merchants could increase by €50 or even €100/ton overnight. As we got into the Summer and these yards continued to be well stocked with fertiliser it became apparent to most farmers that the supply issues were probably over-exaggerated. Through Summer of 2022 as the price of fertiliser softened a view developed amongst farmers that they paid exorbitant prices for fertiliser and this was a lesson clearly learnt as we moved into 2023.



## Current Position

By October of 2022, the price at a Global level had started to fall as demand softened on the back of a reduction in crops being planted and an oversupply of fertiliser in some countries most notably Brazil.

Moving into this Spring there was an expectation amongst farmers that we wouldn't see anything close to the record high prices of last year. However, this unfortunately is not what transpired. While prices didn't hit the 2022 levels they were pretty close – 2022 saw fertiliser compounds such as 18-6-12 or Cut sward (24-2.5-10) sell at between €900 and €1,000 ton. This Spring we saw a small reduction in price but these fertilisers were still selling for €800 to €900/ton.

As we moved through March and into April the price did come back but there were two factors around this. The first was the poor weather conditions through March that saw very low demand for fertiliser, especially in the suckler, beef and sheep sectors as farmers waited for improved ground conditions.

The second factor which was probably more significant, that being, the much lower price for fertiliser in Northern Ireland. With prices on average €200/ton cheaper, farmers have either sought to get fertiliser from Northern Ireland or decided to wait in the expectation that this price difference would eventually drive down the price south of the border.

For those unable to get fertiliser from the north and who chose to wait their decision will deliver some reward. Based on analysis from across the country the price of 18-6-12 is averaging €750/ton but there are variations on this running from €700/ton in Wicklow to over €800/ton quoted in Galway. CAN is being quoted from €550/ton to €660/ton with Cut sward averaging €750/ton. All of these prices are back on average €100/ton from mid-March

However, while farmers that waited will see a benefit in a lower price it is still more expensive than Northern Ireland where we see the cut sward equivalent (24-5-5) selling in west Mayo for €630/ton delivered. Unfortunately, this wait and the knock-on effect in the later application of fertiliser could undermine forage yields and have a knock-on effect into next year.



## Looking Ahead

As fertiliser is a critical component of Irish agriculture we must have trust between the fertiliser companies, the suppliers, co-ops, merchants and farmers. Unfortunately, farmers are not too trusting at this point and for good reason. The view amongst most farmers is that a high level of profit has been made by other players at their expense. This was done in 2022 where a good deal of fertiliser was brought into the country long before Putin's invasion of Ukraine and sold at an inflated price using fear of supply as a means to drive price.

This year farmers were not going to be caught. There is no sympathy for the view that fertiliser was brought into Ireland at inflated prices and farmers will have to pay for the mistakes of someone else. Likewise, they won't be bounced into buying fertiliser on the basis that there may be supply challenges down the line – farmers would rather risk a shortage of fertiliser in the marketplace than get burned again on price.

For those involved in the supply of fertiliser, there needs to be a realisation that the price needs to come down more and if there is a cost in that then the companies and suppliers will need to take that from the profits the made in 2022.

## Summary

Farmers are very agitated with regard to the price of fertiliser and those involved in the supply chain need to recognise this and act on it. On this basis, we need to see further reduction in price and this needs to be seen this month. If this doesn't happen then there could be serious implications for grass supply as we move into summer that will have a knock-on effect on winter fodder supplies.

For suppliers, merchants and Co-ops – you need to understand that farmers cannot continue to operate at a loss and there are implications for the wider agri-business if this continues to be the case. Farmers have taken the hit on fertiliser in 2022 and if the suppliers of fertiliser have miss-calculated and forward bought at an inflated price, then that is their mistake and farmers should not be expected to pay for it.

As the price of fertiliser continues to fall on the international markets, it is vital that that price is now reflected here in Ireland.