Europe's fertilizer crisis: prices surge due to Iran war and dependence on Russia

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By Euractiv
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The fertilizer market is facing a double crisis: the Iran war is driving up prices, the Strait of Hormuz is blocked – and at the same time it is becoming clear how dependent Europe still is on Russian supplies.

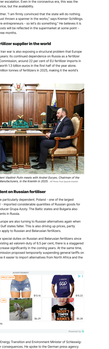
Winter wheat should now be receiving its second application of nitrogen, sugar beet is being sown, and farmers across Europe are preparing for the upcoming spring fieldwork. Nearly all is underway, but there is one important thing missing: for farmers, fertilizer markets are coming under pressure.

Since the US attacks on Iran at the end of February, the Strait of Hormuz – the strait at the exit of the Persian Gulf through which around a third of the global fertilizer trade passes – has been effectively closed to commercial shipping. Prices for nitrogen, fertilizers, Diesel, Nafta and Gas are no longer what farmers once and all remaining supplies as planned.

In addition, the price of gas has risen sharply. The European gas reference price TTF (Title Transfer Facility) rose from around 32 to almost 52 euros per megawatt hour within a week. The price of oil has also risen significantly, with Brent crude now around 80 per cent of the production costs of nitrogenous mineral fertilizers.

Fertilizer prices are rising significantly

Consequences are already visible on the market. In several German federal states, prices for nitrogen fertilizers have increased by around 20 percent. In the Czech Republic and Slovenia, the price of calcium ammonium nitrate, one of the most widely used nitrogen fertilizers, rose by around 15 per cent within a month. In Schleswig-Holstein, one-third significantly less before the war than it does today.



Paul Hanschke gets 170 units for a tonne of beet when – for a tonne of fertilizer he pays more than three times as much. © Euractiv Media Group sro, Euractiv, Euractiv, Euractiv

"You have to do the maths"

Nevertheless, many farmers are trying to hard by the price increase. Paul Hanschke, who runs his farm in Saxony-Anhalt on 80 hectares as a sideline, was unable to stock up on fertilizer before the war because he has no land. He has to pay for it some at current prices, and realises how tight the calculation has become.

"Lime currently costs 500 euros per tonne net, the ammonium nitrate around 370 euros," he says in an interview with Euractiv. For his farm, the calculation looks similar. "For 170 dzt kilos of calcium ammonium nitrate, I already pay 70 euros per hectare – just for the third application of fertilizer." This does not even include the crop protection.

At the same time, Hanschke currently only receives 168 euros per tonne for his beet harvest. Last year, he received 180 euros, the year before even 190. The sugar factory, which supplies Saxony-Anhalt with sugar from its rhizomes. "This beet is its 'cash crop'," he says.

Hanschke does not expect a quick political response. "We haven't heard much movement from the political policy yet. It's very sluggish," he says. He is not waiting for the state to intervene.

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Dr Will Kenan Grobbelaar, known as Farmer Will, also runs a dairy farm in the Cotagne Aachen bay area with around 400 hectares as a sideline, was unable to stock up on fertilizer before the war because he has no land. He has to pay for it some at current prices, and realises how tight the calculation has become.

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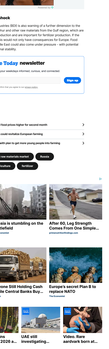
Russia is the largest fertilizer supplier in the world

The turbulence caused by the Iran war is also exposing a structural problem that Europe has been trying to address for years: its dependence on Russian and Belarusian fertilizer supplies. According to the EU Commission, around 22 per cent of EU fertilizer imports in 2025 still came from Russia – worth 1.3 billion euros in the first half of the year alone. Belarus accounted for a further 8 percent. Ammonia in 2025, making it the world's largest supplier.



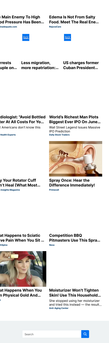
For the war-ravaged, Russian President Vladimir Putin means anti-Russian sanctions. Chairman of the International Fertilizer Association (IFA) Dmitry Rogozin, Chairman of the International Fertilizer Association (IFA). © Euractiv Media Group sro

Eastern Europe dependent on Russian fertilizer

Eastern European countries are particularly affected by the dependence of the largest agricultural countries in the EU. Hungary's dependence on Russian supplies for potash grows, despite its domestic production Dropa Kocky. The Baltic states and Bulgaria also covered part of their requirements in Russia.

However, traders in Western Europe are also turning to Russian alternatives again when Ukrainian supplies are not available. Ukraine was one of the largest nitrogen exporters in the world before the war, mainly for sales to Russian and Belarusian fertilizer.

The EU has been levying these special duties on Russian and Belarusian fertilizers since July 2025. In addition to the existing ad valorem duty of 5 per cent, there is a staggered volume duty, which is set to increase significantly in the coming years. At the same time, the EU is trying to reduce its dependence on Russian fertilizers by concluding trade agreements with other countries in order to make it easier to import alternatives from North Africa and the USA.



Today, Dodochenko! (Greece), Energy, Transition and Environment Minister of Schlesinger Hodson, is therefore calling for consequences. He spoke to the Greek Government's decision to ban the import of Russian fertilizers from 1 January 2027 and to the EU's recent revious dependence on Russia and strengthen Europe's food sovereignty.

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German fertilizer factories dependent on gas

However, Germany is also dependent on Russia due to the consequences of the energy transition. Farmer Hanschke patently describes the structural dilemma: "We have fertilizer plants in Germany, but they are simply being shut down because they can no longer operate economically." Gas is the main cost factor in the production of nitrogen fertilizer for years at prices that European manufacturers simply cannot compete with.

When asked by Euractiv, Martin Maly, Managing Director of the German Agricultural Industry Association (DIV), stated that the EU's 2027 import ban would force production plants closing permanently – with consequences not only for security of supply, but also for the dwindled supply. All European manufacturers produce according to much stricter environmental and climate standards than their Russian competitors.

However, many farmers do not have the luxury of questioning where their fertilizer comes from and what it costs. Hanschke, for example, has to buy his nitrogen fertilizer from Israel's entry by trader. I don't know what it comes from," the company it is marketing. Who also asks whether their latest comes from India or China? You need the fertilizer when the fields need it.

Fields like this one need to be fertilized now – but calcium ammonium nitrate currently costs around 70 per cent more in Germany than it still cost eight years. © Euractiv Media Group sro

Domestic fertilizer production under pressure

For the IFA, this is the real source of the crisis. "Strong domestic fertilizer production is the main pillar for security of supply and price stability," says Managing Director Maly. "Production facilities alone can cover a large part of the domestic demand for mineral fertilizers."

This is precisely why the industry is concerned about political decisions in Europe. Maly warns that the planned suspension of the CO2 levies for energy-intensive CBAM sides central framework conditions into question and jeopardises the future of European production.

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