1. In 2022, part of the crisis reserve (EUR 350 million) is used to finance a EUR 500 million package for exceptional adjustment aid to address the consequences of Russia’s invasion of Ukraine. Member States can top up the allocated amounts by 200% with national funds. Member States have the freedom to take measures that are most suitable for their situation, including mitigating the effects of increased fertiliser prices. The remaining part of the crisis reserve (EUR 147 million) can be used to finance the agricultural reserve in 2023 or to be reimbursed to farmers. On fertilisers, the Commission continues to monitor the situation to anticipate possible shortages and, if necessary, to take temporary remedial action.

2. The Commission’s Communication on its Temporary Crisis Framework for State Aid already lists measures to support the economy. This includes schemes that Member States can set up to grant up to EUR 400 000 per undertaking also in the fertiliser sector. Member States can also set up additional schemes to compensate costs due to exceptionally severe increases in natural gas and electricity prices in which fertiliser companies may benefit from higher aid intensity.

3. In December 2021, the Council agreed on a reform of value added tax rates at EU level, which enables Member States to reduce their rates, down to 0%, on certain goods that address basic needs, such as foodstuffs. However, fossil fuels and other goods with a similar impact on greenhouse gas emissions, such as synthetic fertilisers, can only benefit from such reduced rates until 2030 and 2032, respectively.

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1 http://data.europa.eu/eli/reg_del/2022/467/oj
3 http://data.europa.eu/eli/dir/2022/542/oj