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## Reduction of the price of fertilisers

### Motion for a recommendation

tabled by Sir Anthony C. ESMONDE and other members of the Assembly

The Assembly,

Noting that the relation between the price of fertilisers and that of agricultural products is a factor of vital importance to agriculture ;

Considering that the use of fertilisers might be considerably increased if they were made available to farmers in satisfactory conditions and that this increase in their use would automatically lead to a rise in production,

Recommends to the Committee of Ministers that it should request Member States to reduce the price of fertilisers sold to farmers either by the extended grant of subsidies or by the reduction or removal of the taxes imposed on chemical fertilisers.

### Explanatory Memorandum

The Committees of Experts which met at the request of the Ministers of Agriculture to consider the organisation of European agricultural markets tackled the question of the cost price of various foodstuffs. It was clear from the outset that prices varied considerably from country to country and that the variety of factors involved made comparison difficult. It was, nevertheless, possible to draw up the following statistics with regard to the relative per hectare expenditure on fertilisers in various countries :

United Kingdom - 5,8 %

Netherlands - 7,6 %

Norway - 5,5 %

Denmark - 4,4 %

Sweden - 5,6 %

Ireland - 3,2%

Germany - 5,4 %

France - 4 %

Italy - 2,7 %

Greece - 2,2 %

Thus the rate of expenditure on fertilisers was particularly high in the Netherlands, but approximately equivalent in all other countries except Italy and Greece.

The example of the Netherlands leads one to assume that the consumption of fertilisers is one of the vital factors of production.



There exists a substantial difference in the consumption of fertilisers among the Member States of the Council of Europe, ranging from 0.5 kg per hectare in Turkey— where fertilisers are reserved almost exclusively for market gardens, tobacco and vines—and 12.8 kg in Greece, as compared with 189.7 kg in the Netherlands.

The attached table (Appendix I) gives the quantities of each particular type of fertiliser consumed in the various countries in 1950-1951.

A comparison between the consumption of fertilisers in 1951 and in 1948-49 shows a certain decline in nitrates and increase in sulphate of ammonia. There seems, moreover, to be a growing demand for fertilisers.

After years of relative stability, or indeed an actual reduction in certain countries, the price of fertilisers, particularly nitrates and phosphates, is now tending to rise. The attached table (Appendix II) drawn up by O. E. E. C. gives the prices of fertiliser per ton of plant nutrient for delivery in full, carloads, packed in sacks and including taxes.

In general, it can be said that, with the exception of Italy, prices have increased in all countries. This increase ranges from 8 % in Belgium to 55 % in Greece and the United Kingdom. In the last-named country the rise is mainly due to the abolition of subsidies.

To sum up, it can be said that on the whole the price of nitrates has risen by approximately 20 % since 1949-50.

Potassic fertilisers show greater differences in price development. Here the world market shows signs of hard competition.

It should be emphasised that any increase in the price of fertilisers is bound to have a bad psychological effect and make the farmer reluctant to buy all the fertiliser he would otherwise have been willing to use, particularly where increases in fertiliser prices are not matched by price increases for agricultural products.

In their reports to O. E. E. C. certain countries have stated that they expect a decline in the use of fertilisers. A propaganda campaign is essential. We must convince farmers that to reduce their fertiliser consumption will be a false economy. The farmer will always tend to economise on fertilisers if prices are too high. Experience goes to show that considerably more fertilisers will be used if farmers can obtain them more cheaply.

In order to increase fertiliser consumption, therefore, the countries should take steps to reduce the price of these products to the utmost of their ability in order to obtain greater production.

Since the use of fertilisers is essential to any rise in output, and in as much as they account for a large proportion of production costs, all agricultural policy should be aimed at making them as cheap as possible.

It is with these considerations in mind that we have the honour to present to the Assembly the above draft Resolution.

*Signed (see overleaf)*

*Signed:*

ESMONDE Anthony C., Ireland

## Appendix APPENDIX I

### Consumption of fertilisers in 1950-1951 (in Kg per hectare)

COUNTRY	N	P206	K20	TOTAL
Germany	27.4	31.7	50.6	109.7
Belgium	7.1	12.0	7.7	26.8
Luxembourg	24.5	39.2	24.5	99.2
Denmark	22.7	26.9	32.7	82.3
France	10.0	15.5	13.4	38.9
Greece	6.2	5.4	1.2	12.8
Ireland	1.7	13.0	4.5	19.2
Italy	7.5	15.0	1.0	23.5
Norway	30.8	33.8	40.7	105.3
Netherlands	71.4	51.6	66.7	189.7
United Kingdom	17.4	34.1	8.3	69.8
Sweden	16.6	25.8	12.9	55.3
Turkey	0.3	0.2	—	0.5
12.1	17.7	14.8	44.6	

Source : O. E. E. C.

## APPENDIX II

### Average price of fertilisers to farmers in 1949-1950 and 1951-1952 Per ton of plant nutrient (in U. S; dollars)

COUNTR Y	N		P206		K20					
	1949-1950	1951-1952	1951-1952 % of par rapport à 1949-1950	1949-1950	1951-1952	1951-1952 % of par rapport à 1949-1950	1949-1950	1951-1952	1951-1952 % of par rapport à 1949-1950	
Iceland	n. a	296	—	n. a	235	—	n. a	126	—	
Norway	134	162	121	901	111	123	561	751	134	
Sweden	276	335'	121	132	177	134	105	87	83	
Denmark	264	277	105	116	178	153	101	80	79	
United Kingdom	1671	259	155	911	2212	2432	831	124	149	
Ireland	287	345	120	154	230	149	120	115	96	
Netherland s	250	275	110	142	215	151	99.	103	104	
Belgium	325	353	108	127	1613	127	120	82	68	
France	350	508	145	150	231	154	78	109	140	
Germany	245	1284	116	92	1151	1164	62	68	110	
Italy	400	375	94	174	194	111	146	129	88	
Greece	300	466	155	245	341	139	157	166	106	