

EC: The Carbon Tax (CBAM) for fertilizers will not be stopped, despite the market crisis

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The European Commission has categorically rejected calls for a temporary suspension of the Carbon Border Adjustment Mechanism (CBAM) on fertilizer imports into the EU. Despite the tense market situation, exacerbated by geopolitical conflicts, Brussels insists that suspending the mechanism poses more risks than benefits for the European economy, arguing it protects European production and avoids import dependency. In response to discontent over high prices (intensified by the Middle East conflict), Brussels is betting on easing certain duties and preparing

a large-scale plan for the transformation of the fertilizer sector, which will be discussed in the middle of the month.

Since the beginning of the year, leading European agricultural cooperatives and unions have been warning of serious problems. According to Copa-Cogeca data, already in the first month of the financial obligations under CBAM coming into force (January 2026), imports of nitrogen fertilizers into the EU have plummeted by over 80% (to just 179 thousand tons compared to over 1.1 million tons a year earlier). The industry continues to insist on an "immediate suspension" of the mechanism for fertilizers to protect European agriculture from a loss of competitiveness, but so far Brussels refuses to make an exception.

Concerns Over Import Dependency

During the meeting of EU agriculture ministers on March 30, European Commissioner for Agriculture Christophe Hansen "dampened the enthusiasm" of member states hoping for an exception for nitrogen fertilizers. CBAM, which in practice functions as a tax on imports of carbon-intensive products, requires importers to purchase special certificates.

"Suspending the application of CBAM on fertilizers, even if there is a legal basis for it in the future, risks worsening our dependency on imports. Therefore, we must be very careful on this issue," Commissioner Hansen told the agriculture ministers.

To soften the financial blow, the Commission has already taken alternative measures:

- Suspension of duties for certain types of fertilizers coming from countries other than Russia and Belarus.
- Reduction of the standard mark-up (*default mark-up*) on the value of fertilizer imports within the mechanism itself.

Pressure from Member States is Growing

On the other side of the debate are representatives of the agricultural sector and a number of member states, who are insisting on urgent action. High prices and reduced availability of raw materials, caused by the conflict in the Middle East, are creating serious difficulties for European farmers in the midst of the spring campaign.

Irish Minister for Agriculture, Food and the Marine, Martin Heydon, is one of the biggest advocates for a pause in the mechanism.

"CBAM creates a risk of adding another layer of inflation to fertilizer costs. That is why we support the creation of a mechanism for temporarily suspending its application regarding fertilizers, and in the fastest possible way," Heydon emphasized before the meeting in Brussels.

Action Plan and Upcoming High-Level Meeting

Instead of a derogation from environmental requirements, Brussels is preparing a new Fertilizer Action Plan, which will be presented later this spring. In this regard, on April 13, 2026, Commissioner Hansen is convening an urgent high-level meeting with stakeholders from the sector. The focus of the new strategy is expected to be on:

- Short-term and long-term structural measures to stabilize the market;
- Stimulating internal EU production to reduce external dependency on third countries;
- Support for farmers for more efficient use of resources;
- Replacing mineral fertilizers with bio-based and low-carbon alternatives.

It remains to be seen whether these steps will be enough to calm European farmers, who continue to struggle with rising production costs and uncertainty in global supply chains.