

PRESS RELEASE

Dramatically rising energy prices - future German government must create prospects

Berlin/Hamburg, 05.11.2021 – The dramatic rise in energy prices will inevitably lead to higher food prices if future coalition leaders do not set the right course. Therefore, the Bundesverband Agrarhandel e. V. (Federal Association of Agricultural Trade) and the Verein der Getreidehändler der Hamburger Börse e. V. (Grain Traders Association of the Hamburg Stock Exchange) addressed the negotiators of the traffic light coalition yesterday together with eight other associations of the agricultural industry. The associations called on the politicians to give high priority to the affordability of energy supply in the current coalition negotiations.

The production of fertilizers, for example, is very energy-intensive. Increased energy prices are realized throughout the food value chain and their impact on consumer prices is exacerbated by exorbitant increases in fertilizer prices. Some industrial companies have already announced that they will cut back on fertilizer production because it is currently no longer economically feasible. If crops cannot be supplied with the necessary amount of nutrients due to insufficient availability, there is a risk of harvest losses.

The problem of rising energy prices is not only an acute one, but a structural one: the associations pointed out that the competitiveness of the German agricultural industry is also threatened by some national and European legislative procedures in the field of energy policy. For example, in the Fuel Emissions Trading Act-Carbon Leakage Regulation, numerous industries are missing from the list of beneficiary sectors. From the point of view of the associations, this list requires a fundamental review and expansion. In the agri-food sector, there is a real danger of migration abroad, especially of organic farms that trade over longer distances anyway. The sectors eligible for aid and the aid levels are also to be massively reduced as part of the amendment to the guidelines for state aid for climate, environmental protection and energy. Many companies, which will thus be excluded from the special compensation scheme under the EEG, will thereby be placed in a worse position in international competition.

In addition, the new version of the EU Energy Taxation Directive provides for higher minimum taxation for fossil fuels. As a result, further increases in costs are to be expected, especially as gas will remain indispensable as a bridging technology for some time to come.

To ensure that companies in the agricultural sector can continue to make their contribution to climate protection, they need operationally sensible margins and planning security. The future German government is called upon to ensure this and thus make its contribution to ensuring the production of high-quality food in Germany in the future as well.



Verein der Getreidehändler
der Hamburger Börse e.V.



BUNDESVERBAND
AGRARHANDEL E.V.

Bundesverband Agrarhandel e. V.

The Bundesverband Agrarhandel e.V. (BVA) (Federal Association of Agricultural Trade) represents the interests of the agricultural trade in Germany. The BVA member companies qualitatively process the agricultural raw materials supplied by agriculture, such as grain and oilseeds, by drying and cleaning them and market these products as food and animal feed in Germany and abroad. They also sell seed, crop protection agents and fertilizers as well as animal feed to the agricultural sector. Agricultural trade thus plays a crucial role in the agricultural value chain.

Verein der Getreidehändler der Hamburger Börse e.V.

The Verein der Getreidehändler der Hamburger Börse e.V. (VdG) (Grain Traders Association of the Hamburg Stock Exchange) is the federal association of international wholesale and foreign trade in cereals, oilseeds, feeds and pulses and has been the official voice of the industry at the world trading center of Hamburg for over 150 years. It acts as a service provider for its members and also as a partner for administration, politics and business in Berlin, Bonn and Brussels.

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