

Fears of new CO2 shortage after last fertiliser plant confirms shutdown

The UK's last fertiliser plant is to halt production, sparking fears that it could lead to a sudden shortfall in carbon dioxide needed for the food and drink industry.

CF Fertilisers confirmed the move at its remaining UK ammonia plant at Billingham near [Middlesbrough](#) after soaring energy costs made production "uneconomical".

The company is one of the UK's biggest producers of [CO2](#), which is a by-product from the production of ammonia.

It comes almost two years after CF first stopped production at its factory, sparking anger among suppliers and an urgent supply agreement co-ordinated with [Government](#) to ensure production continued.

The Government has said it is "aware" of the decision and is examining options to improve the resilience of CO2 production in the UK.

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CO2 is used in a raft of sectors but particularly in food and drink, including in the slaughter of pigs and chickens, to add fizz to beer and soft drinks, and in packaging foods safely.

[Brewers](#) and meat producers have warned the proposed shutdown will threaten the operations of suppliers.

Nick Allen, chief executive of the British Meat Processors Association, said the Government will “need to step in”.

A guaranteed supply is essential for operations across pub and brewing businesses and this announcement comes at a time when they are already facing extreme cost rising that are threatening businesses and people’s livelihoods across the country

He said: “Whilst we are in a much better position now than we were a year ago, if CF Industries follows through on its threat to close Billingham the British meat industry will have serious concerns.

“Without sufficient CO2 supplies the UK will potentially face an animal welfare issue with a mounting number of pigs and poultry unable to be sent for processing.

“It’s for this reason that securing CO2 supplies is of key strategic importance and, following this latest development, we can’t see how Government can sit on the sidelines and insist that it’s for companies to work it out amongst themselves.”

Emma McClarkin, chief executive of the British Beer and Pub Association, said the timing of the announcement “couldn’t be worse” as she also called for the Government to intervene.

“This decision raises serious concerns for the sustainable supply of CO2 to the brewing and pub industry,” she said.

“A guaranteed supply is essential for operations across pub

and brewing businesses and this announcement comes at a time when they are already facing extreme cost rising that are threatening businesses and people's livelihoods across the country."

CF said it has decided to pause production amid concerns its costs will continue to surge in the coming months.

"At current natural gas and carbon prices, CF Fertilisers UK's ammonia production is uneconomical, with marginal costs above £2,000 per tonne and global ammonia prices at about half that level," the company added.

A Government spokeswoman said: "We are aware that CF Fertilisers has taken the decision to temporarily halt ammonia production at Billingham.

"Since last autumn, the CO2 market's resilience has improved, with additional imports, further production from existing domestic sources and better stockpiles.

"While the Government continues to examine options for the market to improve resilience over the longer term, it is essential industry acts in the interests of the public and business to do everything it can to meet demand."