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Grupa Azoty calls on its authorised distributors to support farmers and help cover domestic fertilizer demand

Given the present situation in the fertilizer market, Grupa Azoty has urged its authorised fertilizer distributors to actively support producer groups, cooperatives and farmer groups to ensure the expected level of fertilizer availability on the domestic market. In its letters sent to distributors, the Company has urged them to immediately analyse fertilizer resale streams so that the needs of Polish farmers are covered first.

As a result of these measures, some authorised distributors of Grupa Azoty's fertilizers (a full list is available on www.grupaazoty.com) have decided to publish up-to-date price lists on their websites and made themselves available to farmers at the indicated phone numbers.

Grupa Azoty would like to point out that, amid rising fertilizer demand in Poland, it has resolved to reduce exports and redirect its products to the home market. The export volumes stem from existing contracts, many of them of a long-term nature. Non-performance of these contracts would expose Grupa Azoty to significant financial penalties.

The Company would also like to point out that once its fertilizer is produced and sold to third parties, it has no control over downstream resale of the fertilizer. Recent social media posts show fertilizer being prepared in logistics centres for transport abroad. The fertilizer is owned by third parties who sell it abroad to generate higher margins compared with what they would earn at home, as some European manufacturers have halted or significantly curtailed production. Consequently, prices in foreign markets are higher than in Poland.

It should be noted that Grupa Azoty is among the few companies in Europe that have not halted or significantly reduced production despite record gas prices. Natural gas prices for industrial consumers have soared several-fold in recent months. Similar increases were implemented in tariff prices for households, so as far as Grupa Azoty is concerned all information on gas price increases should be considered from the perspective of changes in market prices, not tariff prices.

Grupa Azoty is making its best efforts to cover fertilizer demand on the domestic market, which is the key market for the entire Group.

In the present situation of low fertilizer availability in Europe and globally, it is vital to avoid information noise regarding the prices and availability of fertilizer in Poland and not to disseminate false information.