Fertilizer - Trump's Project Vault has a Brussels problem

EU wants to can the president's critical minerals stockpile plan

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Project Vault is one of the Trump administration's smartest strategic moves.

The fundamental ingredients of fertilizer, phosphate and potash are now critical minerals requiring secured access. The White House has acknowledged what farmers have always known: Secure access to fertilizer means secure access to food.

There's one problem. The European Union is actively considering measures to undermine it.

Beginning in 2025, the European Union escalated sanctions on Russian fertilizer exports, with a goal to price Russian product out of the European market.

The rationale is that it will punish Russia, but the impact will be the destabilization of the global fertilizer market. This will raise costs for American grain farmers, livestock producers and especially poultry producers, and every family buying eggs at the grocery store.

Fertilizer is the single largest input cost on U.S. grain farms. It accounts for nearly 45% of input costs for corn and wheat. When the EU first restricted Russian and Belarusian fertilizer exports in early 2022, potash prices surged 53% in three months. Phosphate fertilizers climbed more than 35%. American consumer food price inflation hit nearly 10% year on year. Egg prices more than doubled by December of that year. Broiler chicken hit record prices, running 35% above the five-year average.

Why do sanctions raise fertilizer prices? There are two reasons. First is destabilization. Fertilizer relies on critical minerals found only in a handful of regions worldwide, and because there are no practical alternatives, these sources cannot be easily replaced.

Second is that wealthy countries can bid up supplies. The EU may not buy Russian fertilizer, but it will outbid everyone else for non-Russian supplies.

Even prior administrations knew this. In July 2022, the Treasury Department quietly permitted imports of Russian fertilizer. Brussels rolled back some restrictions by year's end. The market stabilized.

Now, Brussels is headed down a path to repeat that same mistake at a time when U.S. farmers and consumers are in pain.

By mid-2025, phosphate fertilizer prices were already up 36% year on year. Potash was up by more than 20%.

By September, 293 U.S. farms filed for Chapter 12 bankruptcy, a 36% increase. Nearly half of American farms lost money last year, and the outlook for 2026 is worse.

This will have a startling impact on American households.

Higher fertilizer costs raise the price of grain, which props up the U.S. food chain. Feed accounts for more than 70% of production costs in beef finishing operations and roughly 65% to 70% in poultry. When grains get expensive, meat and dairy follow. It's even worse for eggs.

The irony is that these sanctions aren't achieving their geopolitical aims. Russia has simply rerouted exports to China, India and Brazil.

The Eurasian Economic Union, led by Russia, has signed free trade agreements with Indonesia and the United Arab Emirates and opened negotiations with India. Developing countries do not consider the Ukraine conflict their fight, and they aren't paying for it.

During the sanctions of 2022, Ghana faced a 350,000-ton fertilizer deficit. sub-Saharan African countries spent an additional $4.8 billion on food imports that year while receiving lower volumes. In East Africa, a doubling of fertilizer prices could slash maize output by 38%.

What's worse is that a domestic European agenda is buried beneath the geopolitical posturing. The EU sanctions are attempting to revive a fertilizer manufacturing sector that is in terminal decline.

There is one exception. Yara International, a Norwegian producer, is leading the charge, encouraging Brussels to sanction fertilizer. Why? Yara's largest shareholder is the Norwegian government, and it has profited greatly because political agendas protect its industrial bottom line.

Absent political intervention, the bloc's leading producers are posting considerable losses. Several European ammonia plants shuttered permanently after the 2022 energy shock.

Ironically, Poland has escalated its import of Russian fertilizers in recent years, $660 million in 2025 alone. The capacity to replace Russian supply simply isn't there.

Project Vault is a recognition that food supply security begins with securing inputs, but this means nothing if supposedly allied governments are torching global markets. European sanctions on Russian fertilizer result in a cost borne by U.S. farmers and consumers to subsidize Europe's faltering chemical industry, its green policies and its inability to deal with a recalcitrant Russia.

No one, especially not the Trump administration, wants egg prices to spike before the midterms. It's time for the White House to let Brussels know its actions will have an impact well beyond the Black Sea.

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