

Food and beverage industry calls for CO2 subsidies as price of carbon dioxide soars



22-09-21 / 2 min read

AUTHOR: **STEF BOTTINELLI**



The food and beverage industry is calling for the UK Government to help with the rising cost of CO₂, as shortages of carbon dioxide could be catastrophic for both the sector and consumers.

Following a spike in gas prices, US-owned CF Industries has closed two sites in the UK –one at Billingham on Teeside and one in Cheshire – that produce 60% of supplies of CO₂ for commercial use.

payment to underwrite some of their fixed costs .

However the food and drink sector is concerned about how the **shortage** of CO2 will affect the industry.

Carbon dioxide is used in several areas of the industry, including in carbonated drinks, as a fertiliser, to extend shelf life of some packaged foods, to stun farm animals such as pigs and poultry before slaughter, to dispense drinks in restaurants, bars and pubs and in the form of dry ice to keep food fresh during transportation.

The cost of carbon dioxide is expected to rise from £200 per tonne to £1,000, George Eustice warned.

"We need the market to adjust, the food industry knows there's going to be a sharp rise in the cost of carbon dioxide," he told **Sky News**.

Shortages in CO2 could have a direct impact on supermarkets and consumers, with many food and drink items being out of stock.

The production of carbon dioxide has been directly impacted by the surge of gas prices, which have gone by 250% since the beginning of the year and 70% just since August. A cold winter and spring, people spending more time at home using heating and economies reopening since the pandemic lockdowns have all been factors to blame for the cost of wholesale gas skyrocketing.

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