24 July 2026

# Media Release

## AFC Identifies Emerging Risk to Australia's 2027 Fertiliser Supply

Australian Fertiliser Corporation (AFC) has urged buyers to remain cautious about fertiliser availability, despite Australia having secured sufficient urea supplies to carry through the current season.

Experts advise that Australia’s urea supply is currently under control as the main application season draws to a close. The more immediate challenge will be securing granular phosphate products—including DAP, MAP and SSP—for the 2027 season.

“Normally, Australian buyers would begin securing cargoes for spring application between October and January,” AFC CEO Stein Haugan said.

“This year, sulphur prices have risen dramatically, driven in large part by demand from nickel producers. The closure of the Strait of Hormuz has compounded the situation by severely restricting Saudi Arabian exports.”

In the latest escalation of the Middle East crisis, Iran-backed Houthi forces in Yemen announced a maritime embargo on Saudi Arabia on 20 July in retaliation for restrictions affecting Houthi-controlled ports and airports in north-western Yemen.

“With vessels already unable to move through the Strait of Hormuz, Saudi Arabia is diverting phosphate fertiliser shipments through the Red Sea,” Mr. Haugan said.

“Any direct action affecting the Bab al-Mandab Strait would therefore have serious consequences for global fertiliser supply.”

“India and Australia are particularly exposed, with Saudi Arabia supplying significant volumes of DAP and MAP to both markets. Shipment times from Saudi Arabia to India could increase by as much as one month, and potentially even longer for Australia, if both the Strait of Hormuz and the Bab al-Mandab Strait were disrupted,” Mr. Haugan said.

Mr Haugan said China, traditionally an important supplier of granular phosphate products to Australia, was also operating at less than 50% capacity because of exceptionally high sulphur prices.

“Sulphur is a critical raw material in the production of granular phosphate fertilisers.”

“The principal alternative would be to source additional product from Morocco,” said Mr. Haugan, “However, Morocco is itself a major importer of sulphur, while freight costs from Morocco to Australia are also a significant consideration.”

Longer-Term Outlook Remains Positive

Despite the immediate supply risks, Mr Haugan said the longer-term outlook for global fertiliser supply remained encouraging.

QatarEnergy continues progressing one of the world's largest fertiliser expansion projects. JPMorgan has arranged approximately US$1.6 billion in financing for a new nitrogen fertiliser complex in Basra, Iraq. Yara has expanded its North American footprint through the acquisition of a 1.3 million tonne-per-annum facility in Texas.

Kazakhstan has approved a US$1.6 billion fertiliser project near Aktau, while Petrobras has recommenced development of Brazil's UFN-III nitrogen complex, expected to produce approximately 1.2 million tonnes of urea annually.

"Collectively, these investments demonstrate that governments, banks and global industry leaders are already positioning for structural growth in food production well into the next decade," Mr. Haugan said.

"There are, however, two important counterpoints."

"Australia has now issued Level 3 travel advisories for Jordan, Oman and Saudi Arabia."

"In addition, the European Union Aviation Safety Agency has advised operators to avoid Gulf airspace."

"The broader geopolitical picture is also sending important signals."

"In recent weeks, Poland overtook China as the world's largest sovereign purchaser of gold. While not directly related to fertiliser markets, developments such as these provide valuable insight into how governments and global capital are assessing geopolitical risk."

"One lesson global capital markets have taught us over the years is this—the world's largest pools of capital rarely announce their intentions."

"They do, however, leave a trail of footprints through the assets they quietly accumulate and the projects they quietly finance."

"Those prepared to follow that trail often gain a clearer understanding of where markets are heading."

"We should also remember that Australia imports 100% of its urea and sulphur requirements."

I remain confident about the long-term outlook for global fertiliser supply. My concern is the period between now and when that additional capacity comes online," Mr. Haugan said.

ENDS


*"It is important to remember that fertiliser markets do not operate in isolation. They are part of a much larger global ecosystem," says AFC CEO Stein Haugan.*

## For Further Information:

Stein C. Haugan, CEO
AFC – Australian Fertilizer Corporation
e s.haugan@ausfertcorp.com
m +65 8328 7681

## Australian Fertilizer Corporation (AFC)

Australian Fertilizer Corporation (AFC) is a Brisbane-based fertiliser company focused on strengthening Australia's domestic nutrient supply. The Company is progressing the development of a large-scale ammonia and granular urea facility in Gladstone, Queensland, utilising established gasification technology in combination with circular carbon economic principles to produce nitrogenous fertilisers at scale.

In parallel, AFC is advancing downstream capability including a proposed AdBlue-grade urea production facility. AFC's strategy is to reduce reliance on imported fertilisers while supporting long-term supply security for the Australian agricultural sector.

https://ausfertcorp.com/