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Media Release

Weekly Update – Global Fertiliser Markets – w/e 07.08.2026

- **Urea price trajectory now rests heavily on the scale of Chinese participation in India's 1.7 million tonne tender.**
- **Granular phosphate demand weakens as poor affordability forces producers to compete for limited business.**
- **Potash prices hold despite sluggish demand across Brazil, China and Southeast Asia.**
- **Ammonia prices remain under pressure as abundant supply meets limited demand on both sides of Suez.**
- **Strait of Hormuz disruption continues to distort global fertiliser trade flows and availability.**

UREA
Indicative Range: USD 420–475/t CFR – Stable to Firm

China Holds the Key to Urea's Next Move

The international urea market remains heavily influenced by the continuing disruption to shipping through the Strait of Hormuz, severely restricting access to Middle Eastern supply outside Oman. Saudi Arabia's efforts to redirect exports through the Red Sea have also been complicated by the threat of military action from Yemen's Houthis.

Against this backdrop, China is emerging as the critical factor ahead of India's 1.7 million tonne RCF urea tender closing on 11 August.

Market sources suggest Chinese suppliers could potentially cover the entire tender following reports of a further 2–2.5 million tonnes of export quota being made available for shipment by the end of November. Combined with approximately 2 million tonnes previously released, this could see close to 5 million tonnes of Chinese urea enter international markets.

Chinese production remains above 200,000 tonnes per day while domestic demand is subdued. Domestic values are equivalent to below USD 280/t FOB, compared with current export indications of approximately USD 410/t FOB for prilled urea and USD 420/t FOB for granular product. The substantial export premium provides Chinese producers and traders with a strong incentive to participate aggressively in the Indian tender.

Elsewhere, Southeast Asian export activity remains subdued. Brunei Fertilizer Industries reportedly conducted a tender covering several granular urea parcels, although market indications suggest offers were substantially below sellers' expectations. Egyptian exports have also slowed as European demand remains in its seasonal summer lull, with traders reportedly offering below USD 500/t FOB against producer expectations closer to USD 530–540/t FOB.

Brazilian buyers meanwhile continue to resist higher prices. Non-Chinese granular urea is being offered at approximately USD 470–475/t CFR, principally from Algeria and Oman, with bids more than USD 10/t lower. Chinese product continues to cap the market, with offers around USD 455–460/t CFR.

The US/NOLA market remains comparatively weak, with CFR-equivalent values below USD 420/t. US urea imports for the July 2025–June 2026 campaign totalled approximately 4.76 million tonnes, broadly unchanged year-on-year. Russia supplied close to 2 million tonnes, followed by Qatar at approximately 1.1 million tonnes.

Australia has meanwhile become a significantly larger destination for Indonesian urea. Pupuk Indonesia exported approximately 285,000 tonnes to Australia during January–June, compared with 124,000 tonnes in the corresponding period last year.

The short-term outlook for urea remains stable to firm, but price direction now rests heavily on two factors: developments surrounding the Strait of Hormuz and, most immediately, the volume of Chinese urea offered into India's tender. Current expectations suggest the Indian L1 price could settle around USD 420/t CFR.

PROCESSED PHOSPHATES
Indicative Range: DAP USD 935/t CFR | MAP USD 860–880/t CFR – Stable to Soft

Poor Affordability Finally Tests Exceptionally Tight Supply

Global DAP and MAP benchmarks were mostly stable this week, although weakening demand is beginning to exert downward pressure on some markets despite exceptionally tight product availability.

Brazilian MAP prices declined to USD 860–880/t CFR following six weeks at USD 880–900/t CFR. Affordability remains the principal problem, with buyers showing little appetite for MAP around current levels amid restricted access to credit and high interest rates.

Despite the recent decline, Brazilian MAP remains substantially above the USD 630–640/t CFR range recorded at the beginning of the year.

Sentiment towards DAP remains firmer in South Asia. Indian DAP prices held at approximately USD 935/t CFR as importers resisted higher offers while continuing to face substantial second-half requirements. Bangladesh's long-awaited tender has added further potential demand to an already tight regional supply picture.

India will ultimately need to return to more active purchasing if ambitious second-half import targets are to be achieved, even with a potential supply agreement with Morocco's OCP.

Granular phosphate prices should remain relatively well supported by restricted availability, particularly with Chinese exports expected to remain scarce. However, poor affordability is increasingly placing a ceiling on prices, and producers may need to compete more aggressively for limited demand.

POTASH

Indicative Range: MOP USD 390–400/t CFR – Stable

Comfortable Inventories Begin to Weigh on Demand

Potash prices remained broadly stable this week, although demand across several major importing regions continues to weaken.

Brazil remains well supplied ahead of the October soybean planting season, with little indication that purchasing activity will increase materially over coming months. Inventories remain comfortable and vessel line-ups are relatively thin, while farmers increasingly appear to be prioritising nitrogen purchases over additional potash requirements.

China is showing similar characteristics. Potash inventories stood at approximately 3.5 million tonnes in July, while imports increased 40% year-on-year to 8.9 million tonnes during the first six months of the year. Agricultural buying interest remains limited and industrial demand from NOP and SOP producers has also weakened.

Southeast Asian MOP prices were broadly unchanged as the market assessed the potential impact of El Niño. Granular demand remains weak as Thailand concludes its buying season, while Pupuk Indonesia has yet to award its recent tenders.

While prices have remained resilient, the near-term outlook has softened. Comfortable inventories and weakening demand across Brazil, China and Southeast Asia are increasingly likely to place downward pressure on MOP prices.

AMMONIA

Indicative Range: USD 500–550/t CFR – Soft

Abundant Supply and Weak Demand Drive Prices Lower

Ammonia prices continued to ease on both sides of Suez this week as abundant availability coincided with subdued demand across most major importing regions.

East of Suez, spot offers into East Asia slipped below USD 550/t CFR for late-August and September delivery, while Chinese FOB values remained in the low USD 500s/t. Southeast Asian offers are reported around USD 500–530/t FOB, although some market participants believe levels closer to USD 480/t FOB better reflect current conditions.

Demand remains particularly weak. Indian requirements are being constrained by sulphur shortages and high port inventories, while South Korean stocks are reportedly full and buyers in Taiwan and China appear adequately covered for the near term. Yara’s Pilbara facility entering its restart phase on 1 August adds further supply to an already well-supplied regional market.

West of Suez, declining European gas prices have removed some support from ammonia production economics, allowing the previously pronounced east-west price divergence to narrow.

Prices are expected to continue easing across most regions. East of Suez remains particularly exposed to abundant Chinese supply and weak demand, while European price direction will remain sensitive to movements in natural gas costs.

Any meaningful improvement in shipping through the Strait of Hormuz could add further supply to international markets and accelerate the downward correction.

Indicative Market View

Urea: Stable to Firm
Processed Phosphates: Stable to Soft
Potash: Stable to Soft
Ammonia: Soft

“The next move in international urea prices is increasingly in China’s hands,” said Australian Fertilizer Corporation CEO Stein Haugan.

“India’s 1.7 million tonne tender provides substantial underlying demand, but China has both the production capacity and the export incentive to supply a significant proportion of that requirement. The volume ultimately offered on 11 August will be critical in determining whether international prices move higher or remain contained.”

“Across the broader fertiliser market we are seeing very different dynamics. Phosphate availability remains exceptionally tight, but prices have reached levels that many buyers simply cannot afford. Potash remains comparatively stable despite weakening demand, while ammonia continues to face significant downward pressure from abundant supply.”

“The Strait of Hormuz remains the major geopolitical wildcard, but over the coming week all eyes will be on India — and particularly on how China responds.”

ENDS

With India seeking 1.7 million tonnes of urea, the scale of Chinese participation in the 11 August tender could determine the next direction of global prices.

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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.

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