Australian Fertilizer Corporation
FOOD SECURITY

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Media Release

Weekly Update – Global Fertiliser Markets – w/e 21.08.2026

- **Urea prices higher following India tender; North African producers lead rally.**
- **Granular processed phosphate producers struggle to maintain prices; poor affordability suppresses demand.**
- **Potash prices ease as major buying seasons wind down; abundant supply.**
- **Ammonia pricing divided; West of Suez values supported by high European gas costs; East of Suez prices under pressure from weak demand and ample supply.**

UREA
Indicative Market View: Firming, with North Africa leading
Indicative Range: Granular Urea USD 380 – 420/t FOB, selected origins
India's Tender reawakens the Market

The international urea market has come alive following India's latest tender. Higher European gas prices, disruption around the Strait of Hormuz, renewed Brazilian Safrinha demand and India's substantial purchase have tightened nearby availability and lifted sentiment across prilled and granular markets.

RCF accepted offers totaling 1,779,500 tonnes: 746,500 tonnes for India's East Coast at USD 390.25/t CFR and 1,033,000 tonnes for the West Coast at USD 393.65/t CFR. Most volume is expected from China at USD 350-365/t FOB. Freight from northern China is indicated in the mid-USD 20s/t to the East Coast and around USD 30-32/t for 50,000-tonne West Coast cargoes.

Baltic participation is likely to remain limited. West Coast tender netbacks are only slightly above USD 320/t FOB, while producers now seek USD 340-350/t FOB for new prilled business. Granular values are stronger as Brazilian demand returns, re-establishing a two-tier market with granular urea carrying a clear premium.

North Africa is setting the pace. Algeria's AOA reportedly sold September product on an open-destination basis at USD 467/t FOB, up USD 12/t from the previous high. Abu Qir in Egypt achieved USD 475/t FOB, up from USD 450/t, although still below its USD 555/t sale on 23 July.

Brazil is moving into its Safrinha purchasing period. Non-Chinese offers reached USD 450/t CFR without attracting buyers. Latest Russian business was reported at USD 413/t CFR, with replacement offers near USD 435/t. Chinese granular offers have risen to USD 400-410/t FOB, while concluded sales remain in the mid-USD 380s/t.

China exported 907,000 tonnes in January-July, up 41% year on year, with increased volumes to Brazil, South Asia and India. Iranian offers remain lower near USD 345/t FOB, but evidence of physical shipments is limited.

“The immediate outlook depends on Brazil, European buying and the Strait of Hormuz,” said Australian Fertilizer Corporation’s CEO Stein Haugan.

“North Africa will show whether this rally can be sustained through the remainder of August,” he said.

PROCESSED PHOSPHATES
Indicative Range: MAP USD 850-860/t CFR Brazil - Stable to Soft
Affordability, Not Availability, Remains the Constraint

Processed phosphate producers are struggling to defend prices despite restricted supply and exceptionally high input costs. Latest Brazilian MAP business concluded at USD 850/t CFR, with the broader range at USD 850-860/t. September demand remains weak and importers expect further downward pressure.

Brazilian MAP has fallen roughly USD 30/t in three weeks, yet remains USD 185/t above the beginning of 2026 and USD 110/t above last year. January-May phosphate fertiliser imports declined 7.1% year on year to 1.67 million tonnes P_2O_5. Domestic production has also weakened, with larger falls reported into the third quarter.

China remains the principal supply uncertainty. DAP and MAP demand is sluggish, NPK producers have not begun meaningful autumn raw-material purchases and operating rates remain near 35-40% of capacity. High sulphur costs have forced output cuts. Export restrictions remain, with little expectation of meaningful allowances during the remainder of 2026.

Indicative Chinese DAP export values are USD 850-905/t FOB, while reported production costs equate to USD 950-1,100/t FOB. Fresh tenders underline the affordability problem: Pupuk Indonesia received the lowest DAP offer of USD 950/t CFR; NFL India awarded at USD 928/t CFR with 90 days’ credit; and Bangladesh received lowest offers of USD 978.89/t CFR for DAP and USD 767/t CFR for TSP.
“Supply is tight, but buyers are resisting prices that crop economics simply cannot absorb,” said Mr Haugan.

POTASH
Indicative Range: MOP USD 390-403/t CFR Brazil - Softening
Seasonal Demand Fades as Supply Remains Ample

Potash prices eased marginally as granular demand slowed across Europe and Southeast Asia. Brazilian values remain at USD 390-403/t CFR, but the market is beginning to correct. Much of the Safrinha requirement was purchased in April, imports reached 8.8 million tonnes by June and only around 10% of soybean-season needs may remain uncovered.

“With demand easing in Brazil, China and Southeast Asia while supply remains abundant, potash prices are expected to decline further in the short term,” Mr Haugan said.
October indications of USD 370-380/t CFR point to clearer weakness ahead. Southeast Asian granular values have also fallen as the regional buying season closes.

AMMONIA
Indicative Market View: West of Suez - Firm | East of Suez - Soft
European Gas Costs Deepen the Regional Divide

The ammonia market continues to operate as two regions. Northwest European prices remain above USD 700/t CFR, supported by Dutch TTF gas at EUR 63.93/MWh, or approximately USD 21.50/MMBtu, on 20 August. Cargoes from Trinidad and Algeria are moving to the UK, while another Algerian cargo has been linked to Poland.

East of Suez, sentiment remains bearish. Chinese offers near USD 430/t FOB anchor the regional floor. Southeast Asian assessments eased to USD 420-500/t FOB, while Malaysian material reportedly sold into India at USD 450/t CFR. Regional inventories remain sufficient and meaningful new buying has not emerged.

The US market was quiet ahead of the September Tampa settlement. Expectations centre on a reduction from August's USD 635/t CFR towards USD 600/t.

"Europe should remain firm," said Mr Haugan, "while values elsewhere face further pressure".

Recent analyses from CoBank and JPMorgan suggest fertiliser prices may remain structurally elevated through 2027 and 2028, despite the prospect of near-term corrections in some markets.

"Short-term price corrections should not be mistaken for a return to pre-conflict conditions," Mr Haugan said. "Affordability is limiting demand today, but Middle East shipping constraints, reduced ammonia operating rates, high energy costs and tightening phosphate availability remain material risks."

ENDS

A Divided Market – West of Suez fertiliser values are supported by high European gas costs, while East of Suez prices are under pressure from weak demand and ample supply.

For Further Information:

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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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