Australian Fertilizer Corporation
FOOD SECURITY

31 August 2026

Media Release

Weekly Update – Global Fertiliser Markets – w/e 28.08.2026

- **Urea prices stable to firm, supported by continued constrained passage through the Strait of Hormuz and elevated European gas prices.**
- **Processed phosphate prices remain under pressure but are easing despite limited global availability and historically high sulphur costs.**
- **Brazilian potash prices declining as buying season ends; producers redirecting attention towards Southeast Asian markets including Malaysia and Indonesia.**
- **The Mosaic–Yara September Tampa ammonia contract settled USD 80/t lower at USD 555/t CFR, down from May's peak of USD 825/t CFR as abundant supply meets subdued demand.**

UREA
Indicative Market View: Stable to Firm
Indicative Range: Granular Urea USD 435–460/t CFR Brazil | USD 490–500/t FOB North Africa | Prilled Urea USD 350–400/t FOB Southeast Asia

Urea sentiment is stable to firm. Shipping disruption around the Strait of Hormuz and high European natural gas costs are providing a floor, while the market expects India to return with another tender near the end of September for October shipment. With RCF's 1.7 Mt tender fully subscribed and now largely absorbed, Brazil is being watched for the next signal on price direction.

Brazilian activity remains limited, but bids and offers have moved higher. Granular urea bids are indicated at USD 435–440/t CFR against offers at USD 450–460/t CFR. Ammonium sulphate bids are around USD 220/t CFR, with offers at USD 230–235/t CFR. At the upper end, ammonium sulphate equates to about USD 11.20 per unit of nitrogen, compared with roughly USD 10.00 for granular urea. This reverses the relative value that allowed ammonium sulphate to gain share in recent years. China's introduction of CIQ processing for ammonium sulphate exports is adding further friction.

North African values are also firm. Egypt exported 272,000 t of urea in May, 28% more than a year earlier, with 214,000 t moving to India under the mid-April IPL tender. Even so, January–May shipments totalled 1.22 Mt, down 24% year on year. Reduced shipments to several EU destinations followed the introduction of CBAM, while India became Egypt's largest market at 319,000 t. Producers are targeting up to USD 500/t FOB after recent business near USD 490/t FOB.

Southeast Asian pricing is less consistent. Indonesian prilled urea tenders attracted bids from the USD 370s/t FOB to around USD 400/t FOB, well below initial reserve prices at or above USD 500/t FOB; later indications point to possible business near USD 380/t FOB. Petronas reportedly sold 80,000 t from Malaysia to India at USD 350/t FOB, with similar pricing indicated to Vietnam, while a smaller BFI cargo was rumoured near USD 400/t FOB.

Iranian granular urea base prices have been rolled over at about USD 345/t FOB, but vessel availability and outward passage remain major constraints. Stocks are understood to be building as buyers struggle to secure tonnage. Before the conflict, monthly exports could exceed 450,000 t; Brazil would ordinarily be a major second-half outlet, but logistics presently limit Iran's ability to export.

European production economics continue to support imports. September Dutch TTF traded above EUR 66.50/MWh, equivalent to more than USD 22.70/MMBtu. At that level, indicative break-even costs for an efficient plant, before emissions, approach USD 837/t ex works for ammonia and USD 605/t ex-works for urea.

"The urea market is being supported by cost and logistics rather than a broad demand surge," AFC CEO Stein Haugan said. "India's next move and Brazil's willingness to transact will determine whether the current firmness can be sustained."

PROCESSED PHOSPHATES

Indicative Market View: Softening
Indicative Range: DAP USD 915–935/t CFR India | MAP USD 840–860/t CFR Brazil

Processed phosphate benchmarks eased again as sellers showed greater flexibility to generate liquidity, despite continuing supply constraints. DAP delivered to India was assessed at USD 915–935/t CFR, compared with USD 930–935/t CFR the previous week. The market remains far above the USD 668–669/t CFR level seen at the start of 2026, after reaching a three-year high near USD 935/t CFR.

MAP delivered to Brazil declined to USD 840–860/t CFR from USD 850–860/t CFR, its lowest assessment since March but still well above the USD 630–640/t CFR range at the beginning of the year. Sellers are seeking outlets and cash flow, including potential cargoes for Bangladesh following its recent tender. Counters were not expected before 30 August.

Availability remains restricted by China's export controls, Saudi logistical limitations and production cuts in the United States, Morocco and Brazil. High sulphur costs also limit the scope for a sharp correction. Unconfirmed market talk that China may ease restrictions on NP exports appears inconsistent with current policy signals and should be treated cautiously. The more likely path is a gradual decline from recent peaks, with tight supply preventing a disorderly fall.

"Phosphate prices have reached resistance, but the cost base and lack of readily available tonnes remain important," Haugan said. "Buyers can expect more negotiating room, although a rapid collapse is not our base case."

POTASH

Indicative Market View: Softening
Indicative Range: MOP USD 385–395/t CFR Brazil | Prompt offers USD 360–370/t CFR | Indonesia USD 440–450/t CFR

Brazilian MOP prices fell about 2% week on week as demand weakened and inventories remained comfortable. Standard MOP was assessed at USD 385–395/t CFR, while some suppliers offered prompt product at USD 360–370/t CFR using rebates or extended credit to clear stocks. Market participants report that USD 400/t CFR is no longer attainable. Most requirements were covered before soybean planting, and limited credit availability is constraining fresh purchases despite otherwise favourable affordability.

The regional divergence is becoming clearer. Brazil and China are moving into softer demand phases, while producers are looking towards Southeast Asia. Pupuk Indonesia, which accounts for around 30% of Indonesian standard MOP demand, has issued its third 75,000 t tender of the year for September shipment. First-round offers were reported at USD 440–450/t CFR. Regional prices are broadly stable, although buyers are cautious as they assess possible El Niño conditions; granular demand is seasonally quiet.

Near-term potash values are expected to soften as comfortable supply meets reduced demand in Brazil and China. Southeast Asian tenders may provide an outlet, but they are unlikely to offset the broader loss of momentum immediately.

AMMONIA
Indicative Market View: West of Suez – Mixed | East of Suez – Soft
Indicative Range: Tampa USD 555/t CFR | India USD 450–460/t CFR | China around USD 400/t FOB | Southeast Asia low USD 400s/t FOB

Ammonia prices declined west of Suez, led by the September Tampa contract settlement at USD 555/t CFR. The USD 80/t monthly fall was the steepest of four consecutive declines from May's USD 825/t CFR peak. The scale of the correction surprised the market and appears to reflect reduced ammonia offtake from Mosaic's phosphate operations rather than a uniform repricing across the Atlantic basin.

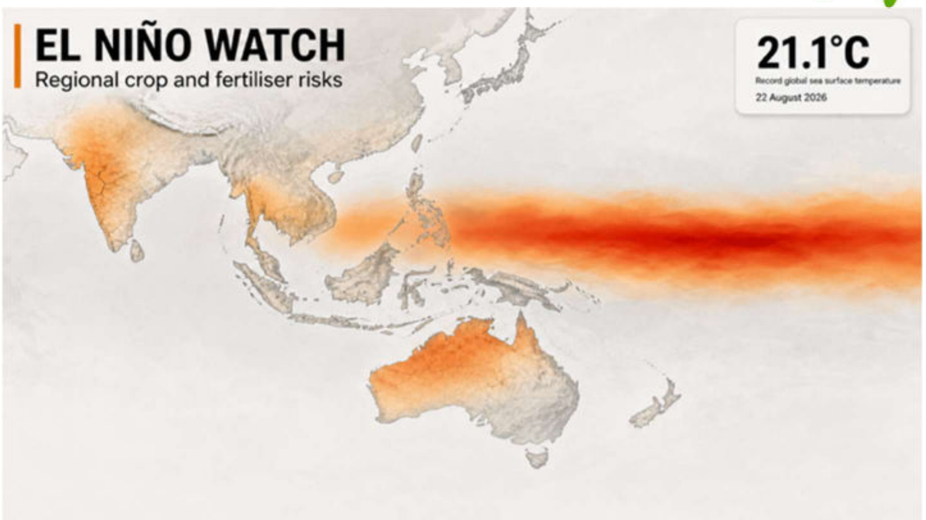
Northwest Europe remains comparatively firm because of high production costs, not stronger demand. TTF held near EUR 65–68/MWh, keeping domestic ammonia expensive and supporting import interest, while slow nitrate demand limited actual buying. This cost support has preserved a premium over markets east of Suez.

In Asia, the correction continues. Small Indian trades were reported at USD 450–460/t CFR, but buyers are debating whether this represents a floor. A decision on subsidy support for sulphur and sulphuric acid procurement may be needed before downstream phosphate output—and ammonia demand—recovers. Chinese offers held near USD 400/t FOB for September and continued to weigh on Southeast Asian values in the low USD 400s/t FOB. South Korean inventories are reportedly full, while Taiwan and China are well covered.

Trade data show how supply routes have adjusted. Morocco's first-half imports fell 34% year on year as Saudi shipments declined from 241,000 t to 75,795 t, while China and Indonesia supplied more replacement tonnes. India's August arrivals show a similar shift towards Chinese material.

"The east–west split should persist in the near term," Haugan said. "European gas costs support Atlantic values, while abundant Asian supply and limited downstream demand keep pressure on the east. A sustained recovery requires inventories to draw down and Indian phosphate production to lift."

ENDS



A strong 2026–27 El Niño could bring drier conditions across Asia & Australia, placing crops under pressure. Global agricultural output may remain broadly resilient, but regional crop stress could affect fertiliser demand.

Sources: FAO, ING Research & Copernicus C3S/ECMWF.

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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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