

11 May 2026

Media Release

Weekly Update – Global Fertiliser Markets – w/e 08.05.2026

Global urea markets cool as affordability pressure builds across nutrients

Global fertiliser markets softened this week as affordability constraints, geopolitical uncertainty, and diverging regional supply conditions continued to reshape nutrient pricing and trade flows.

Nitrogen markets, particularly urea, showed signs of cooling following recent Indian tender activity, while phosphates remain fundamentally tight despite growing buyer resistance to higher prices. Potash prices continued to edge higher in key markets, and ammonia remained well supported by supply outages and east of Suez tightness.

“Affordability is now becoming one of the defining forces in global fertiliser markets,” said Stein Haugan, CEO of Australian Fertilizer Corporation.

“Supply remains constrained across several nutrients, but buyers are increasingly resisting elevated pricing levels, particularly in phosphates and urea.”

Urea

Indicative Range: USD 705 – 850/t FOB/CFR

Global urea sentiment weakened this week amid increasing uncertainty surrounding Middle East logistics and softer buyer participation following recent Indian procurement activity.

The Strait of Hormuz remains a key concern for global nitrogen markets. According to reports, approximately 20 fully loaded urea vessels destined for Australia remain stranded in the Arab Gulf, representing an estimated combined cargo volume of up to 600,000 tonnes.

Broader shipping disruption also appears to be escalating, with reports indicating approximately 1,600 vessels and more than 20,000 seafarers remain affected in the region.

Following the recent Indian tender, trading activity across major markets slowed considerably, with affordability concerns increasingly influencing purchasing decisions. Market participants are also monitoring the potential impact of El Niño conditions across the southern hemisphere, which could affect agricultural demand in key consuming markets including Australia and Thailand.

India is expected to issue another urea import tender in late May or early June. Total Indian urea imports for the April 2025 to March 2026 campaign reportedly reached a record 10.38 million tonnes, up 4.73 million tonnes year-on-year, while domestic production declined due to reduced LNG availability.

Iranian urea exports continue despite ongoing geopolitical tensions, with several cargoes reportedly arriving into Southeast Asia at values significantly below prevailing international prices. Official Iranian FOB urea values have reportedly fallen to approximately USD 705/t FOB, down from USD 770/t FOB previously.

Market participants continue to closely monitor discussions between the United States and Iran regarding sanctions and regional stability. Any meaningful easing of sanctions could materially alter global trade flows, given Iran's estimated export potential of approximately 9 million tonnes annually.

In the United States, NOLA urea values continued to soften amid strong import volumes and weak weather-driven demand conditions. March imports reportedly reached 1.3 million tonnes, up 25% year-on-year.

China remains absent from the export market despite elevated international pricing, with no clarity yet emerging around the timing of any policy change.

"The global urea market is currently being driven as much by geopolitics as by agricultural fundamentals," Mr Haugan said.

"Until logistics through the Strait of Hormuz normalise and China clarifies its export position, volatility is likely to remain elevated."

Phosphates

Indicative Range:

DAP: USD 930 – 1,000/t CFR

MAP: USD 920 – 1,000/t CFR

Global phosphate markets remain fundamentally tight, though buyer resistance is becoming increasingly evident as affordability pressures intensify.

India's IPL issued an unprecedented tender this week for 1.2 million tonnes of DAP and 400,000 tonnes of TSP, drawing offers from 18 suppliers for more than 2.3 million tonnes of DAP.

Lowest DAP offers were reported at approximately USD 930/t CFR West Coast India and USD 935/t CFR East Coast India, substantially above previous business concluded near USD 865/t CFR.

Despite the unusually large volume offered, uncertainty remains as to whether Indian importers will accept pricing at current levels.

Supply-side concerns continue to dominate the phosphate market. China's ongoing restrictions on DAP, MAP and NP exports continue to underpin bullish sentiment, while elevated sulphur costs are also impacting operating rates and affordability.

Rumours of a potential easing in Chinese export restrictions emerged during the week, though no official confirmation has been provided. Market participants are closely monitoring upcoming meetings between Chinese authorities and major phosphate producers.

Raw material availability also remains exceptionally tight, contributing to expectations that phosphate pricing could remain elevated in the near term despite weakening affordability.

"Phosphate markets are increasingly confronting a disconnect between physical availability and commercial affordability," Mr Haugan said.

"Even where supply exists, many buyers are simply struggling to absorb current pricing levels."

Potash

Indicative Range: USD 400 – 450/t CFR

Potash prices continued to strengthen modestly this week, supported by tighter supply conditions and resilient demand in key markets.

Brazilian MOP values widened slightly to approximately USD 400-410/t CFR, although resistance above the upper end of the range is becoming increasingly apparent as distributors and farmers moderate purchasing activity.

A significant portion of potash demand for Brazil's upcoming Safrinha season has already been secured, leading some market participants to anticipate slower field demand in the near term.

In China, post-holiday buying activity increased despite the conclusion of the spring application season, supporting firmer domestic wholesale pricing.

Elsewhere across Southeast Asia, market activity remained subdued, with prices broadly stable for both standard and granular MOP grades.

Relative affordability compared to nitrogen and phosphates continues to support potash demand globally, with many buyers seeking to build inventory buffers ahead of potential further price increases.

Ammonia

Indicative Range: USD 750 – 915/t CFR

Global ammonia markets remained firm this week, although trading activity in the Atlantic basin was subdued due to European holidays.

The May Tampa ammonia settlement between Yara and Mosaic concluded at USD 825/t CFR, representing a USD 50/t increase from April and confirming that global ammonia markets remain structurally tight despite moderating month-on-month increases.

East of Suez markets continue to experience greater volatility due to supply outages and seasonal demand.

India's IPL consortium launched an unprecedented tender for 521,000 tonnes of ammonia, highlighting ongoing procurement urgency ahead of the Kharif planting season.

At the same time, several major production facilities remain offline or under maintenance, including Indonesia's PAU facility, Petronas, and Yara's Pilbara operation in Western Australia.

Spot ammonia offers into Taiwan and China reportedly reached as high as USD 850/t CFR, while South Korean values remain lower due to access to Chinese spot material.

The ongoing closure of the Strait of Hormuz continues to support elevated delivered pricing across east of Suez markets.

Outlook

Global fertiliser markets are entering an increasingly fragmented phase, with affordability pressures now emerging alongside supply disruption as a major pricing driver.

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 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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