

6 July 2026

Media Release

Weekly Update – Global Fertiliser Markets – w/e 03.07.2026

- **Urea nearing bottom of price curve**
- **Phosphate - affordability stalls demand**
- **Potash prices steady**
- **Ammonia prices under pressure from increased supply**

UREA

Indicative Range: USD 410–440/t CFR

Market Searching for a Floor as Brazilian Demand Begins to Stir

There are early indications the international urea market may finally be finding a pricing floor after several weeks of persistent declines. While buying activity remains subdued across most regions, Brazilian importers are beginning to re-enter the market ahead of the Safrinha purchasing season, providing the first meaningful signs of renewed demand.

The dominant theme at this week's International Fertilizer Association (IFA) Annual Conference in Monaco remained global supply security following the continuing disruption to shipping through the Strait of Hormuz. Producers located west of the Strait continue to offer export tonnes, but elevated freight costs, prohibitive war-risk insurance premiums and ongoing navigational risks continue to restrict normal trade flows.

Market activity elsewhere remains seasonally quiet. Europe and North America have largely entered their traditional off-season, leaving trading volumes thin. Argentina has reportedly secured cargoes around USD 430-440/t CFR, while offers into Brazil are now being heard around USD 410-420/t CFR as buyers cautiously begin evaluating forward requirements.

Attention also remains firmly focused on India following the recent NFL tender. Approximately twenty vessels have now been nominated, although further nominations are still required to complete the awarded volume. Persistent market rumours continue regarding several Chinese cargoes potentially reaching India despite Beijing's ongoing export restrictions. Meanwhile, China has effectively established new export floor prices around USD 420/t FOB for prilled urea and USD 430/t FOB for granular product into destinations other than India.

Australia continues to experience a highly unusual two-tier domestic market following the introduction of the Export Finance Australia guaranteed pricing program covering several major importers. While growers without forward commitments have benefited from sharply lower replacement costs, many wholesalers and distributors remain locked into significantly higher-priced inventory purchased during the market peak. Domestic urea prices have now fallen from around A\$1,450/t in April to below A\$900/t, with daily declines of up to A\$20/t recently recorded.



“Sentiment remains cautiously bearish,” said AFC CEO Mr. Stein Haugan. “The emergence of Brazilian buying, combined with any improvement in Middle East shipping conditions or another significant Indian tender, could provide the catalyst for market stabilisation in the coming weeks.”

PROCESSED PHOSPHATES

Indicative Range: DAP USD 920–935/t CFR | MAP USD 880–900/t CFR

Tight Supply Meets Severe Affordability Constraints

Global processed phosphate markets remained largely unchanged this week as exceptionally tight supply continued to collide with increasingly constrained buyer affordability.

Despite record-high sulphur prices and ongoing production constraints, liquidity remains limited across most major importing regions. Discussions throughout the IFA conference reflected growing expectations that phosphate prices may soften modestly in coming weeks, not because supply is improving, but because buyers are increasingly unwilling or unable to transact at current price levels.

DAP into India remained steady at USD 920-935/t CFR after reaching its highest levels since mid-2022. Similarly, Brazilian MAP prices held around USD 880-900/t CFR, although buying interest remains weak as high financing costs, restricted credit availability and deteriorating affordability continue to suppress demand.

Rumours circulating during the week suggest Morocco's OCP may temporarily reduce MAP production during July until sulphur prices moderate. Those rumours emerged as ADNOC increased its sulphur benchmark to a record USD 1,000/t FOB, highlighting the extraordinary cost pressures currently flowing through the phosphate supply chain.

“Exceptionally tight raw material availability continues to support phosphate prices, although poor affordability is limiting any further upside ” said AFC’s Mr. Haugan.

POTASH

Indicative Range: USD 390–405/t CFR

Global potash markets remained broadly stable this week, although regional performance continues to diverge.

Brazilian prices eased by around USD 5/t to USD 390-405/t CFR as procurement for the safrinha season winds down and elevated inventories continue weighing on buyer sentiment. Most purchasing requirements were completed earlier in the season, leaving suppliers struggling to generate additional sales.

Conversely, Southeast Asia continues to provide the strongest source of demand. Suppliers remain optimistic following healthy buying activity across Southeast Asia, Japan, Bangladesh and Australia, while expectations are building around a forthcoming regional tender of between 125,000 and 145,000 tonnes.

“Overall potash fundamentals remain supportive,” said Mr. Haugan.

“Suppliers remain largely committed through August, limiting availability, while stronger demand across some Asian markets is expected to underpin prices, despite weaker conditions in Brazil,” he said.

AMMONIA

Indicative Range: USD 650–750/t CFR

Increased Chinese Exports Continue to Pressure Prices

Global ammonia markets remained under pressure this week as improving supply, subdued seasonal demand and increasing Chinese export activity combined to reinforce bearish sentiment.

The week's clearest pricing indicator came from Morocco, where OCP reportedly secured a 25,000-tonne cargo for end-July delivery at approximately USD 650/t CFR.

China continues to emerge as an increasingly influential regional exporter, with vessel activity into South Korea and wider Northeast Asia reinforcing expectations that additional Chinese tonnes will remain available throughout the coming months. Spot prices across East Asia softened further, with Taiwan and South Korean values both trending lower amid growing supply competition.

Demand remains relatively subdued across most importing regions, including India, where weaker phosphate production has also reduced ammonia consumption.

“The market outlook remains soft,” commented Haugan. “Unless meaningful new demand emerges or Middle East shipping disruptions materially reduce available supply, ammonia prices are expected to remain under pressure through July.”

Commenting on the market outlook, AFC’s CEO Stein Haugan commented:-

“The fertiliser market is increasingly being driven by geopolitics rather than traditional agricultural fundamentals. While urea is beginning to show tentative signs of stabilising, affordability remains the dominant issue in phosphates, potash continues to demonstrate resilience and ammonia remains well supplied. Until shipping through the Strait of Hormuz returns to normal, freight costs, insurance premiums and supply chain uncertainty will continue to shape global fertiliser markets.”

ENDS



The principal wildcard in fertiliser markets remains the Strait of Hormuz. Continued disruption could prolong supply chain uncertainty well into the second half of 2026.

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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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