Australian Fertilizer Corporation
FOOD SECURITY

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Media Release

Weekly Update – Global Fertiliser Markets – w/e 14.08.2026

- **Urea prices drift lower following India tender.**
- **Granular processed phosphate prices remain stable to lower as severe affordability constraints suppress demand.**
- **Potash prices hold steady; weak liquidity and heavy inventories may soften prices in Brazil and China.**
- **Ammonia prices firm west of Suez as European gas costs rise; abundant supply pressures values east of Suez.**
- **The Strait of Hormuz remains the principal geopolitical risk.**

UREA
Indicative Range: USD 390–420/t CFR – Soft

India's Tender Resets International Urea Price Expectations

Urea prices moved lower across the board this week following the results of India's latest tender. Ameropa submitted the lowest offers for both coasts, at USD 390.25/t CFR East Coast and USD 393.65/t CFR West Coast. Although the levels were low, they had been widely rumoured in the days preceding the tender.

A total of 1.336 million tonnes was offered below USD 400/t CFR, including 615,000 tonnes offered into the East Coast below USD 395/t CFR. The lowest offers compare with USD 444.90/t CFR East Coast and USD 449.30/t CFR West Coast in National Fertilizers Limited's 8 June inquiry, under which close to 1.8 million tonnes was booked.

This is the first time since April 2025 that offers for both Indian coasts have fallen below USD 400/t CFR.

Netbacks based on the latest offer levels are below USD 370/t FOB for shipments to India's East Coast, although product is also expected to be confirmed for the West Coast.

Chinese export pricing was reduced to the low USD 360s/t FOB this week for markets outside India, while Chinese domestic urea remained more than USD 100/t below international export values.

Most estimates place Chinese availability at 1.0–1.5 million tonnes. This could restrict opportunities for other suppliers into India. Assuming the tender prices are acceptable to suppliers, logistics and inspection timing are likely to become the principal determinants of the volumes ultimately committed.

For Russian prilled urea suppliers, the lowest West Coast offers imply values comfortably below USD 340/t FOB Baltic, compared with recent seller targets of USD 355–360/t FOB. Suppliers in Oman, Africa and Southeast Asia are not expected to show significant interest at these levels. However, the near-term response in granular urea markets, particularly Brazil, may influence suppliers' marketing plans.

Markets elsewhere were subdued as participants awaited the Indian tender results. Downward pressure was most acute for prilled urea suppliers. Baltic netbacks from the tender were calculated as low as USD 325–335/t FOB. Granular prices also declined but retained a modest premium, assessed at USD 355–390/t FOB.

In the Middle East, regional prices that had been around USD 400/t FOB are now under pressure, with Indian tender netbacks closer to USD 375/t FOB. Conditions around the Strait of Hormuz remain uncertain, with approximately 556,000 tonnes of product still positioned west of the waterway. In Iran, one sale was concluded at USD 360/t FOB, while other tenders were cancelled.

North African producers in Egypt and Algeria remained reluctant to lower their targets. Seller indications of USD 450–460/t FOB are increasingly disconnected from buyer expectations in a falling market.

Brazilian activity slowed materially as buyers stepped back in anticipation of further post-tender declines. Non-Chinese granular urea was quoted at approximately USD 410–420/t CFR.

The US NOLA market was very quiet, while Midwest values declined for a third consecutive week. Southeast Asian prices previously assessed at USD 400–430/t FOB are now facing pressure from Indian tender netbacks calculated at USD 355–360/t FOB. Australian values were also revised lower after the market exceeded its seasonal import requirements. European markets remained quiet during the summer holiday period, with French prices easing to approximately EUR 500/t FCA.

"We expect prices to stabilise during the remainder of August," said Stein Haugan, CEO of Australian Fertilizer Corporation. "An upward correction is possible in September as fresh demand emerges from Europe and Brazil."

PROCESSED PHOSPHATES
Indicative Range: DAP USD 930–935/t CFR | MAP USD 850–860/t CFR – Stable to Soft

Poor Affordability Forces Sellers to Prioritise Liquidity

Global DAP and MAP benchmarks were stable to lower this week as limited liquidity forced some sellers to reduce offers to free up working capital. This occurred despite exceptionally tight availability and historically high raw-material costs, which had led many market participants to expect further price increases.
Brazilian MAP was assessed lower again at USD 850–860/t CFR, down from USD 860–880/t CFR last week. This followed six weeks at USD 880–900/t CFR and a preceding nine weeks at USD 900/t CFR flat. Suppliers are seeking to shift volumes and improve liquidity as demand remains slow.

Affordability in Brazil remains exceptionally poor. Buyers have little appetite for MAP near USD 900/t CFR, particularly given restricted credit access and high interest rates. The current assessment is the lowest since March, although it remains well above the USD 630–640/t CFR range recorded at the beginning of the year.

Sentiment towards DAP in South Asia has remained comparatively bullish because of India's substantial outstanding requirements and Bangladesh's long-awaited tender. Even so, spot DAP cargoes into India were assessed slightly lower at USD 930–935/t CFR, compared with USD 935/t CFR flat last week, with business reported near the bottom of the range and further results awaited.

Indian DAP prices have risen by approximately 40% from USD 668–669/t CFR at the beginning of the year, reaching their highest level since July 2022.

Global availability remains constrained by Chinese export restrictions, logistical limitations in Saudi Arabia, and production cuts in the US, Morocco and Brazil. Tight availability and persistently high sulphur prices continue to support bullish sentiment, but suppliers are increasingly under pressure to generate liquidity, clear inventory and release cash flow.

“A return to price increases, particularly for DAP into South Asia, cannot be ruled out over coming weeks,” said Mr Haugan. “Any further declines, however, are likely to remain limited and gradual while Chinese exports remain absent.”

POTASH

Indicative Range: MOP USD 390–403/t CFR – Stable to Soft

High Inventories and Weak Liquidity Begin to Test Price Stability

Potash suppliers concluded the second-quarter earnings season reporting record sales, with several also lifting full-year guidance. Performance was supported by firmer demand in China, Brazil and other Asian markets, together with higher potash prices.

This week, however, MOP prices were only broadly steady. Brazilian values rose marginally to USD 390–403/t CFR following the sale of 30,000–40,000 tonnes of Russian-origin MOP for September delivery, while Chinese port prices declined by RMB 115/t, equivalent to approximately USD 17/t, as oversupply and exceptionally high inventories weighed on the market.

Brazil’s principal potash-buying season is now close to completion, with farmers increasingly reprioritising budgets towards nitrogen. Offers for September loading and October delivery were heard as low as USD 370–380/t CFR, signalling potential downward pressure despite the modest rise in the assessed spot range.

Chinese inventories stood at approximately 3.5 million tonnes in July. Preliminary estimates indicate monthly imports of 1.25–1.30 million tonnes, which would take January–July imports to approximately 10 million tonnes, up 47% year on year. Despite these volumes, buying interest among agricultural and industrial end users remained limited in mid-August.

“Overall, MOP values remain relatively stable,” said Mr Haugan. “Signs of demand weakness are becoming increasingly visible in Brazil and China.”

“Southeast Asian imports also remain below last year’s levels, suggesting 2026 may not produce a record result for the region.”

AMMONIA

Indicative Market View: West of Suez – Firm | East of Suez – Soft

European Gas Costs Drive a Sharper East–West Divergence

The ammonia market was defined by two contrasting dynamics this week: firming values in northwest Europe, driven by rising TTF gas prices, and continued softening across much of the rest of the world as weak demand met abundant supply.

TTF moved back above EUR 60/MWh, equivalent to approximately USD 20.27 / MMBtu, on 13 August after Iran attached broad conditions to reopening the Strait of Hormuz. This reversed the brief relief recorded the previous week. European ammonia production margins have consequently moved from negative to briefly positive and back into negative territory, sustaining import inquiries from European buyers seeking supply certainty.

Northwest European discussions firmed amid constrained North African availability and a broadly balanced US Gulf market. EU gas storage stood at 57.15% of capacity, its lowest level for this time of year since at least 2009. Competition with Asia for LNG cargoes provides little prospect of near-term relief from elevated gas prices.

East of Suez, the correction continued largely unchecked. Chinese FOB offers were reported across a wide USD 430–500/t range, with ample supply but limited regional buying interest. Indian buyer expectations fell below USD 500/t CFR, with some interest closer to USD 450/t CFR, although no confirmed trades were reported even at those levels.

Sulphur constraints, high port inventories and reduced phosphate production continue to suppress Indian ammonia demand.

Trade data released this week illustrates the structural changes underway. UK ammonia imports fell by 31% in the first half of the year, with the US replacing Algeria as the largest supplier. Re-exports fell to almost zero as imported material was retained for downstream production.

Malaysian exports halved following the Petronas outage. New flows to Mexico, Australia and Vietnam partially offset sharp reductions in shipments to traditional buyers.

India received 211,349 tonnes of ammonia in July, with China accounting for 39%. Chinese material represented 76% of the early-August vessel line-up, and five vessels were scheduled at Chinese ports in a single week. The spread between Chinese domestic values and international prices is continuing to narrow as global values ease. The export incentive remains intact for now, but the pace of shipments could slow if that compression continues.

“The east–west divergence is expected to persist,” said AFC CEO Mr Stein Haugan. “West of Suez, volatility and constrained supply options should continue to support northwest European values. Any renewed escalation around the Strait of Hormuz could push gas prices and ammonia indications higher.”
“East of Suez, values are expected to continue drifting lower until demand recovers.”

INDICATIVE MARKET VIEW

Urea: Soft, with stabilisation expected later in August
Processed Phosphates: Stable to Soft
Potash: Stable to Soft
Ammonia: Firm west of Suez | Soft east of Suez

“India’s tender has reset international urea price expectations,” said Australian Fertilizer Corporation CEO Stein Haugan.

“The scale of sub-USD 400/t offers demonstrates the influence of Chinese availability and the pressure now facing higher-cost suppliers. The tender results are already flowing through to markets including Brazil, Southeast Asia and Australia, although fresh demand from Europe and Brazil could support a correction during September.”

“Across the broader fertiliser market, affordability is becoming as important as availability. Phosphate supply remains exceptionally tight, but buyers are resisting historically high prices. Potash is holding for now despite heavy inventories, while ammonia has split into two distinct markets — firming west of Suez because of European gas costs and weakening east of Suez under the weight of abundant supply.”

“The Strait of Hormuz remains the principal geopolitical risk. Any further escalation would place renewed pressure on European gas and ammonia values, even as Asian markets continue to soften.”

India’s tender has established a materially lower benchmark for global urea, while affordability constraints and divergent regional supply conditions continue to shape phosphate, potash and ammonia markets.

ENDS

India’s latest urea tender has reset global price expectations, with more than 1.3 million tonnes offered below USD 400/t CFR and downward pressure spreading across major international markets.

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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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