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Media Release

Weekly Update – Global Fertiliser Markets – w/e 04.09.2026

USS ABRAHAM LINCOLN SUFFERS FOOD AND SUPPLY SHORTAGES

- **Urea prices continue to rise on Brazilian and European buying; a Chinese export quota could temper further gains.**
- **Processed phosphate prices continue to decline; muted demand in India and Brazil outweighs restricted global availability.**
- **Potash prices edged lower in Brazil and China; Southeast Asian prices remained stable. El Niño concerns could further weaken regional demand.**
- **High European gas prices continue to support ammonia values west of Suez, while east-of-Suez prices appear to be approaching a floor around USD 450/t.**

UREA
Indicative Market View: Firm
Middle East Granular Urea: USD 450–460 PMT FOB; Brazil Granular Urea: USD 460–470 PMT CFR; Argentina Granular Urea: USD 475–480 PMT CFR; US/NOLA Granular Urea: USD 480–488 PMT CFR equiv.; North Africa Granular Urea: USD 505–530 PMT FOB

Urea prices strengthened across most major markets this week, supported by continued disruption around the Strait of Hormuz and increased buying from Brazil and Europe.

The potentially significant counterweight is China.

Market speculation continues around a possible third Chinese export quota of 1.5–2.0 million tonnes for shipment before year-end. Rumours surrounding Chinese exports have become almost a daily feature of the market, but this latest round appears to have greater substance.

If confirmed, additional Chinese tonnes could temper the current price increases and potentially provide welcome supply ahead of another Indian tender expected for shipment by the end of September.

Brazilian granular urea has edged higher to approximately USD 460–470/t CFR, while Argentina is around USD 475–480/t CFR, approximately USD 20/t higher than earlier in the week. US/NOLA values are equivalent to approximately USD 480–488/t CFR.

In Southeast Asia, BFI Brunei recently tendered 30,000 tonnes of granular urea, with market indications around USD 415/t FOB. Potential destinations include west coast Mexico, Chile, Argentina and Turkey.

Indonesian exports remain unusually low. Pupuk Indonesia exported approximately 369,000 tonnes during January–July, down 55% and its lowest level in many years. Australian volumes increased 45%, while shipments to the Philippines fell 91% and Thailand declined approximately 50%.

European production economics are becoming increasingly critical.

Natural gas has traded around USD 24.50/MMBtu, pushing indicative European ammonia production costs towards USD 900/t ex-works and urea production costs to around USD 650/t ex-works — dramatically above many imported alternatives. European producer AGF Nitrogen is reportedly considering immediate production curtailments.

North African prices have consequently strengthened, with Algerian producers seeking around USD 530/t FOB and recent Egyptian sales around USD 505/t FOB.
The immediate urea outlook therefore remains firm, but another sizeable Chinese export allocation could quickly change the supply equation.

PROCESSED PHOSPHATES
Indicative Market View: Softening
India DAP: USD 900–920 PMT CFR; Brazil MAP: USD 830–850 PMT CFR

Global DAP and MAP prices declined further this week as sellers demonstrated greater flexibility in their search for liquidity.

Indian DAP declined to approximately USD 900–920/t CFR from USD 915–935/t last week, its lowest level since April. The market nevertheless remains substantially above the USD 668–669/t CFR recorded at the beginning of 2026.

Indian buyers remain reluctant to commit while awaiting improved government support, while Bangladesh has yet to provide meaningful support following its recent tender.

Brazilian MAP also weakened to approximately USD 830–850/t CFR from USD 840–860/t last week as limited liquidity continued despite improving agricultural commodity prices.

The counterweight remains tight supply.

Global DAP/MAP availability is still constrained by Chinese export restrictions, logistical limitations in Saudi Arabia and production reductions in the United States, Morocco and Brazil. Historically high sulphur prices also continue to underpin production costs.

Prices therefore remain under downward pressure, but restricted availability and elevated input costs should limit the extent of any correction.

POTASH
Indicative Market View: Softening
Southeast Asia Standard MOP: USD 380–423 PMT CFR; Southeast Asia Granular MOP: USD 410–420 PMT CFR

Potash prices edged lower in Brazil and China as demand softened and supply remained comfortable, while US prices moved marginally higher on tighter availability.

China imported 10.18 million tonnes of MOP between January and July, while port inventories stood at approximately 3.74 million tonnes in late August. High inventories combined with cautious downstream buying are placing pressure on domestic values.

Southeast Asian prices remained broadly unchanged, although concerns about El Niño and potentially weaker fertiliser demand are increasingly influencing sentiment.
Large plantation buyers continue to seek material through tenders, but dry conditions are slowing negotiations and encouraging buyers to purchase only for immediate requirements.

Standard-grade material remained around USD 380–423/t CFR, with granular product around USD 410–420/t CFR.

Near-term prices are expected to remain under pressure as softer demand, substantial Chinese inventories and additional global production capacity outweigh demand.

AMMONIA
Indicative Market View: West of Suez – Firm | East of Suez – Soft
Northwest Europe: USD 680–685 PMT CFR; Southeast Asia: USD 400–450 PMT FOB; East Asia: Approx. USD 450 PMT CFR

European natural gas prices again dominated the ammonia market.
Front-month Dutch TTF reached approximately EUR 75/MWh during the week before easing to around EUR 71.66/MWh. Northwest European ammonia held around USD 680–685/t CFR, substantially below estimated domestic European production costs.

Despite that widening cost differential, European import demand has yet to respond materially, although buyers are beginning to test the market again. Production curtailment risk is increasing if elevated gas prices persist.

East of Suez presents a very different picture.

Oversupply continues to weigh on Southeast Asian ammonia, with FOB values around USD 400–450/t and the lower end increasingly regarded as a potential floor. East Asian values are similarly converging around USD 450/t CFR.

The resulting east-west price divergence may encourage more Asian tonnes westward, although freight costs and lengthy shipping times remain significant constraints.

WHY THE USS ABRAHAM LINCOLN MATTERS TO FERTILISER

Oil dominates almost every discussion about disruption through the Strait of Hormuz.
“What affects an oil tanker also affects a fertiliser carrier,” said AFC’s CEO Stein Haugan.

“The recent experience of the USS Abraham Lincoln provides an extraordinary illustration of what happens when established maritime supply chains are disrupted,” he continued.

After an exceptionally long deployment supporting US operations in the Middle East, reports emerged of food and other supply shortages aboard one of the world's most sophisticated warships.

If the United States Navy can experience supply-chain pressure while operating in the region, the implications for ordinary commercial shipping should not be underestimated.

"For global agriculture, Hormuz is not simply an energy chokepoint. It is also a critical fertiliser supply corridor," said Mr Haugan.

"Significant volumes of urea and ammonia originate in or move through the Middle East."

"Disruption affects vessel availability, freight costs, delivery schedules and ultimately the price and availability of the nutrients required to grow food," said Mr Haugan.

"The Strait of Hormuz story is therefore not just about keeping the world's oil moving. It is also about keeping the world's food production moving."

ENDS

USS Abraham Lincoln CVN 72 after its 286-day deployment. The Strait of Hormuz is a critical supply corridor for both energy and global agriculture.

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 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.

https://ausfertcorp.com/