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# Overview of the global fertilizer market situation

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XX International Palm Oil Conference

September 2022



Market Reporting  
Consulting  
Events

illuminating the markets

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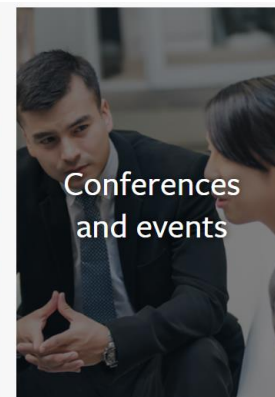
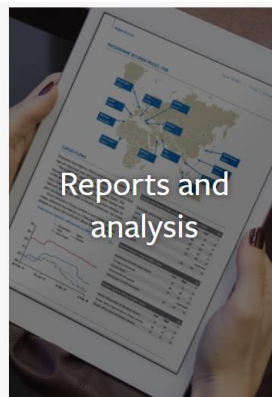
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# Argus fertilizer market subject matter expertise

Current market pricing and news, short to long term market forecasts – nitrogen, phosphates, potash & sulphur

## Daily and weekly news and market pricing



**Argus Nitrogen**  
Formerly Argus FMB Nitrogen

Issue 22-38 | Thursday 22 September 2022

**EXECUTIVE SUMMARY**

**Thin liquidity weighing on prices**  
Activity was muted in the global urea market this week, with buyers in most markets on the sidelines. A cargo of Chinese granular urea traded at \$630-640/t fob shipment to a regional market, but otherwise import demand from southeast Asia remained subdued because of high prices. Fob levels in southeast Asia moved up from last week, with trades at \$675-690/t fob for granular urea. But higher prices levels were achieved for tonnage likely to ship for Europe, which is attracting increasingly more urea from non-traditional sources. European buyers stepped back following a wave of buying over the past few weeks, leading to lower offers for Turkmen and Azeri urea at \$700-720/t fob. Price ideas for north African material also fell, but no new sales took place. Activity in Brazil remained thin, and prices drifted lower to \$680-720/t cfr. US prices also sank as demand retreated.

**MARKET DRIVERS**

**India**  
India is expected to issue a new tender to buy urea in the second half of October.

**European plant closures**  
Plant closures across Europe have fuelled trader purchases of a multitude of exotic origins to make up the balance. But the buying has largely paused for now as participants examine demand for the coming months.

**30-60 DAY OUTLOOK**

**Volatile**  
Prices are under pressure in the short-term amid limited liquidity. But the outlook for the fourth quarter remains positive, with demand from India, Europe and Brazil expected to support higher levels.

**PRICES**

Key nitrogen prices	22 Sep	15 Sep	\$/t
Drifted urea - bulk			
Baltic fob	580-680	573-680	-
China fob	600-630	580-610	-
Granular urea - bulk			
Middle East fob non-EU	625-670	625-620	+
Egypt (Damietta) fob	650-670	670-900	+
Baltic fob	600-700	600-700	+
US Gulf fob, 50%r	630.0-640.0	640.0-687.0	-
Southeast Asia cfr	670-680	670-680	+
Brazil cfr	680-720	680-700	-
French Atlantic fca, 6%r	675-900	675-900	+
Ammonium sulphate - bulk			
China fob (standard capricorn)	220-220	220-215	-
Brazil cfr (compacted/granular)	310-320	310-315	-
Ammonium nitrate - bulk			
Baltic fob	330-500	330-500	+
Phosphate			
Baltic fob (non-Russia)	497-702	495-717	-

**Granular urea: US Gulf cfr vs Egypt fob** \$/t



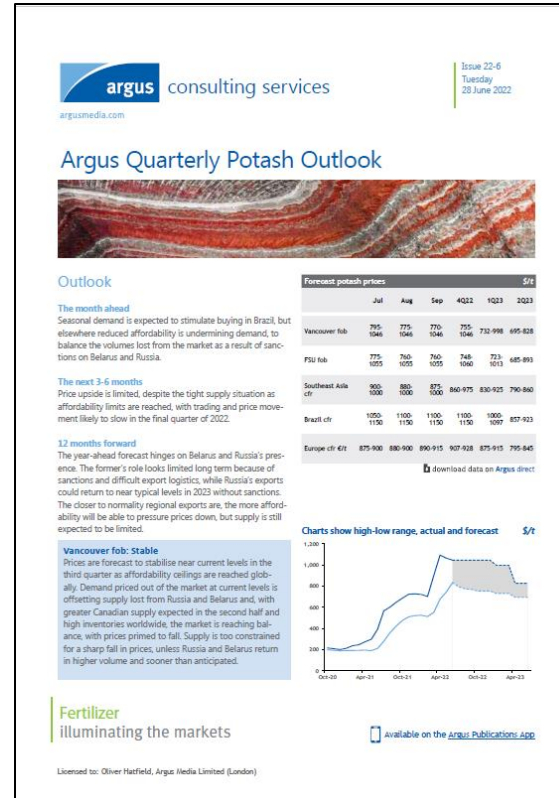
**DATA & DOWNLOAD INDEX**

- India urea supply and demand
- Ukraine and Turkmenistan export line-ups
- US and Brazil urea import line-ups
- India urea tenders
- Brazilian annual vessel lineup
- Global annual tradeflow

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## Monthly short term outlooks



**Argus consulting services**

Issue 22-6  
Tuesday 28 June 2022

**Argus Quarterly Potash Outlook**

**Outlook**

**The month ahead**  
Seasonal demand is expected to stimulate buying in Brazil, but elsewhere reduced affordability is undermining demand, to balance the volumes lost from the market as a result of sanctions on Belarus and Russia.

**The next 3-6 months**  
Price upside is limited, despite the tight supply situation as affordability limits are reached, with trading and price movement likely to slow in the final quarter of 2022.

**12 months forward**  
The year-ahead forecast hinges on Belarus and Russia's presence. The former's role looks limited long term because of sanctions and difficult export logistics, while Russia's exports could return to near typical levels in 2023 without sanctions. The closer to normality regional exports are, the more affordability will be able to pressure prices down, but supply is still expected to be limited.

**Vancouver fob: Stable**  
Prices are forecast to stabilise near current levels in the third quarter as affordability ceilings are reached globally. Demand priced out of the market at current levels is offsetting supply lost from Russia and Belarus and, with greater Canadian supply expected in the second half and high inventories worldwide, the market is reaching balance, with prices primed to fall. Supply is too constrained for a sharp fall in prices, unless Russia and Belarus return in higher volume and sooner than anticipated.

**Fertilizer illuminating the markets**

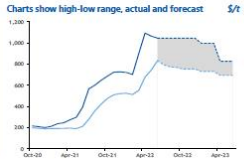
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**Forecast potash prices** \$/t

	Jul	Aug	Sep	4Q22	1Q23	2Q23
Vancouver fob	795-1045	775-1045	770-1045	755-1045	712-998	695-828
FSU fob	775-1055	765-1055	760-1055	748-1040	721-1010	685-893
Southeast Asia cfr	800-1000	800-1000	875-1000	840-975	830-925	790-860
Brazil cfr	1070-1150	1100-1150	1100-1150	1050-1080	1007-1057	957-923
Europe cfr 6%r	875-900	880-900	890-915	907-928	875-915	795-840

Charts show high-low range, actual and forecast \$/t



## Analytics services – medium to long term outlooks

**0 Executive Summary**

**1 Demand incl. Environmental Policy & Regulation Special Focus**

**2 Supply**

**3 Costs and Inputs**

**4 Trade**

**5 Balance and Prices**

**6 Green Ammonia Supply**


**7 Green Wolverine Project Review**

**SPECIAL FOCUS: Environmental regulation and legislation**  
European and Canadian emissions targets may result in reduced fertilizer usage and lower food output

**Introduction to environmental regulation and legislation**  
In this section we will explore and lay out policies that have the potential to cause disruption or significant alterations within the fertilizer market as a whole that can translate directly to the nitrogen fertilizer markets in many instances. It is important to point out that the original reports covering environmental regulation and legislation discussed in the following slides are proposals that have not yet been adopted, legally endorsed or even, in some instances, clearly defined. Therefore, we are not able to quantify the impact on the wider fertilizer market and specifically the nitroque market. Instead, we are using this Special Focus to highlight that these policies are in development and have the potential to change the market. The policies covered in this Special Focus are:  
• A Carbon Border Adjustment mechanism (CBAM)  
• The EU Farm to Fork (F2F) strategy  
• Healthy Environment Healthy Economy (HEHE)

This Special Focus explores the options in the various policy documentation relating to the above three policies and attempts to cover a more general scenario analysis on the impacts on the fertilizer market from the perspective of policymakers and market participants. There is an increasing shift towards reducing greenhouse gas (GHG) emissions from carbon-intensive sectors such as fertilizers. The focus is generally aimed at nitrogen and nitrous oxide emissions. There will continue to be growing adoption of efficiency improving methods and technologies to comply with regulatory requirements to prevent the exploitation of the current EU emissions trading system (ETS) and avoid carbon-intensive production moving to areas with less stringent regulations (carbon leakage).

**Countries directly affected by the proposed regulation and legislation**



**Direct potential impact on fertilizer market**


Policy	Location	Key points
CBAM	EU	Equalize the price of carbon between domestic products and imports from outside the EU
F2F	EU	Reduce the use of fertilizers by 20% by 2030
HE-E	Canada	Reduce the use of fertilizers by 20% to achieve a national emissions reduction target of 20% below 6% fertilizer usage compared with 2020

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# Presentation overview

1. Quick intro to oil palm and fertilizers 
2. Summary of recent fertilizer developments
3. Potash
4. Phosphate
5. Nitrogen

# At global level, oil palm is relatively insignificant in world fertilizer markets

Crop category	FUBC 2018 Mean nutrient application rate (kg N+P <sub>2</sub> O <sub>5</sub> +K <sub>2</sub> O/ha)	FUBC 2018 Share of total consumption of N+P <sub>2</sub> O <sub>5</sub> +K <sub>2</sub> O (%)
Wheat	156	15
Rice	197	15
Maize	214	19
Other cereals	72	4
Soybeans	103	6
Oil palm	298	3
Other oil crops	88	4
Fibre crops	236	4
Sugar crops	255	4
Roots/tubers	138	3
Fruits/tree nuts	232	5
Vegetables	415	10
Grassland	10	3
Other	86	6
Total	113	100

Source: IFA

# It is more important for potash...

Crop category	FUBC 2018 Mean application rate (kg N/ha)	FUBC 2018 Share of total consumption (%)
Wheat	102	18
Rice	118	16
Maize	123	20
Other cereals	48	5
Soybeans	15	2
Oil palm	92	2
Other oil crops	54	5
Fibre crops	141	4
Sugar crops	132	4
Roots/tubers	65	2
Fruits/tree nuts	110	4
Vegetables	190	8
Grassland	6	3
Other	55	7
Total	61	100

Source: IFA

Crop category	FUBC 2018 Mean application rate (kg P <sub>2</sub> O <sub>5</sub> /ha)	FUBC 2018 Share of total consumption (%)
Wheat	38	15
Rice	46	13
Maize	52	18
Other cereals	15	3
Soybeans	46	11
Oil palm	45	2
Other oil crops	21	4
Fibre crops	63	4
Sugar crops	53	3
Roots/tubers	37	3
Fruits/tree nuts	63	5
Vegetables	126	11
Grassland	2	3
Other	17	5
Total	29	100

Source: IFA

Crop category	FUBC 2018 Mean application rate (kg K <sub>2</sub> O/ha)	FUBC 2018 Share of total consumption (%)
Wheat	16	8
Rice	33	12
Maize	39	17
Other cereals	9	2
Soybeans	43	13
Oil palm	161	9
Other oil crops	13	3
Fibre crops	33	3
Sugar crops	70	5
Roots/tubers	36	3
Fruits/tree nuts	60	6
Vegetables	99	11
Grassland	2	2
Other	14	5
Total	23	100

Source: IFA

# ...And it is of great importance in two countries

4C

		Cereals				Oil crops						Fruit/treenuts/veges				Total
Region/country	Nutrient	Wheat %	Rice %	Maize %	Oth cer %	Soybeans %	Oil palm %	Other OC %	Fibre %	Sugar %	R&T %	F+T %	Vege %	Grass %	Other %	Total %
Malaysia	N	NA	13	0	NA	NA	80	NA	NA	0	0	3	2	NA	1	100
	P2O5	NA	12	0	NA	NA	77	NA	NA	0	0	6	3	NA	1	100
	K2O	NA	5	0	NA	NA	94	NA	NA	0	0	0	0	NA	1	100
	N+P2O5+K2O	NA	7	0	NA	NA	89	NA	NA	0	0	2	1	NA	1	100
Indonesia	N	NA	28	19	NA	0	40	0	0	1	2	3	4	NA	2	100
	P2O5	NA	19	11	NA	1	56	1	0	1	1	3	4	NA	2	100
	K2O	NA	5	4	NA	0	83	0	0	1	1	2	3	NA	1	100
	N+P2O5+K2O	NA	19	12	NA	1	57	0	0	1	1	3	4	NA	2	100

Source: IFA

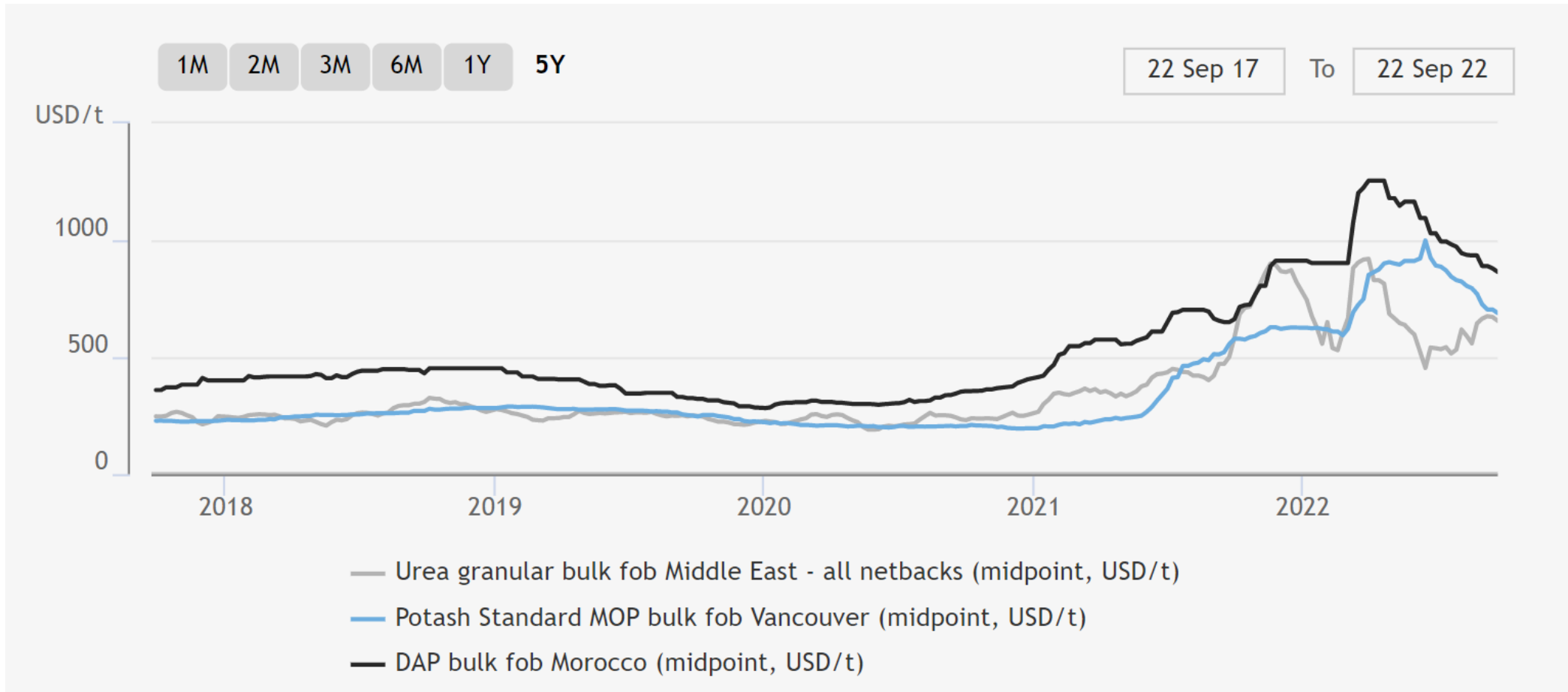


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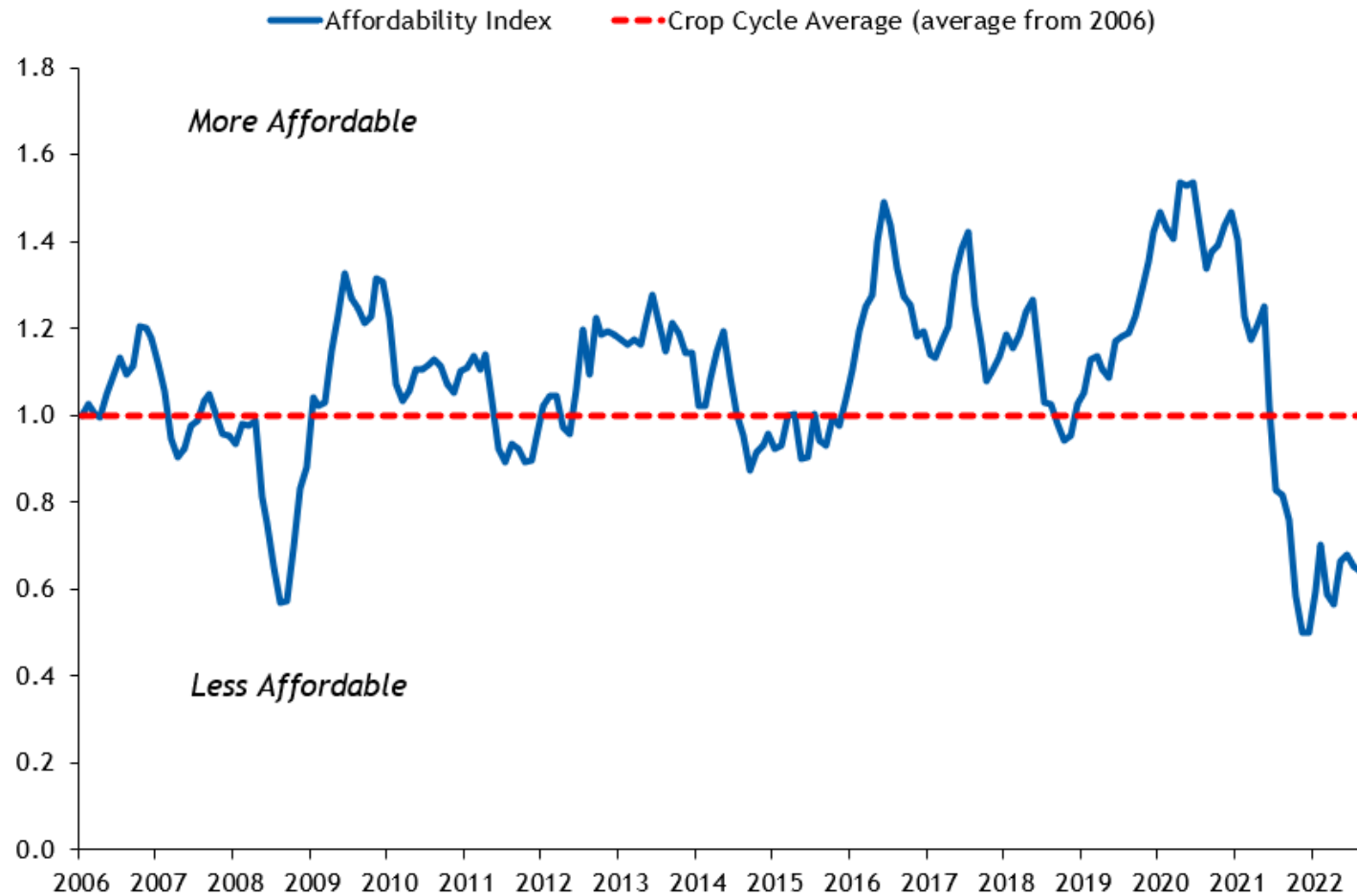


# Summary of recent price developments




Source: Argus Direct

# Global affordability is weak compared to historic levels



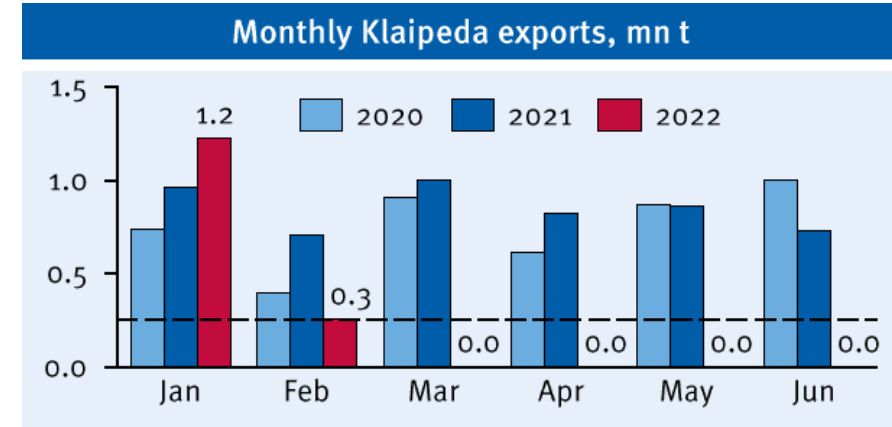
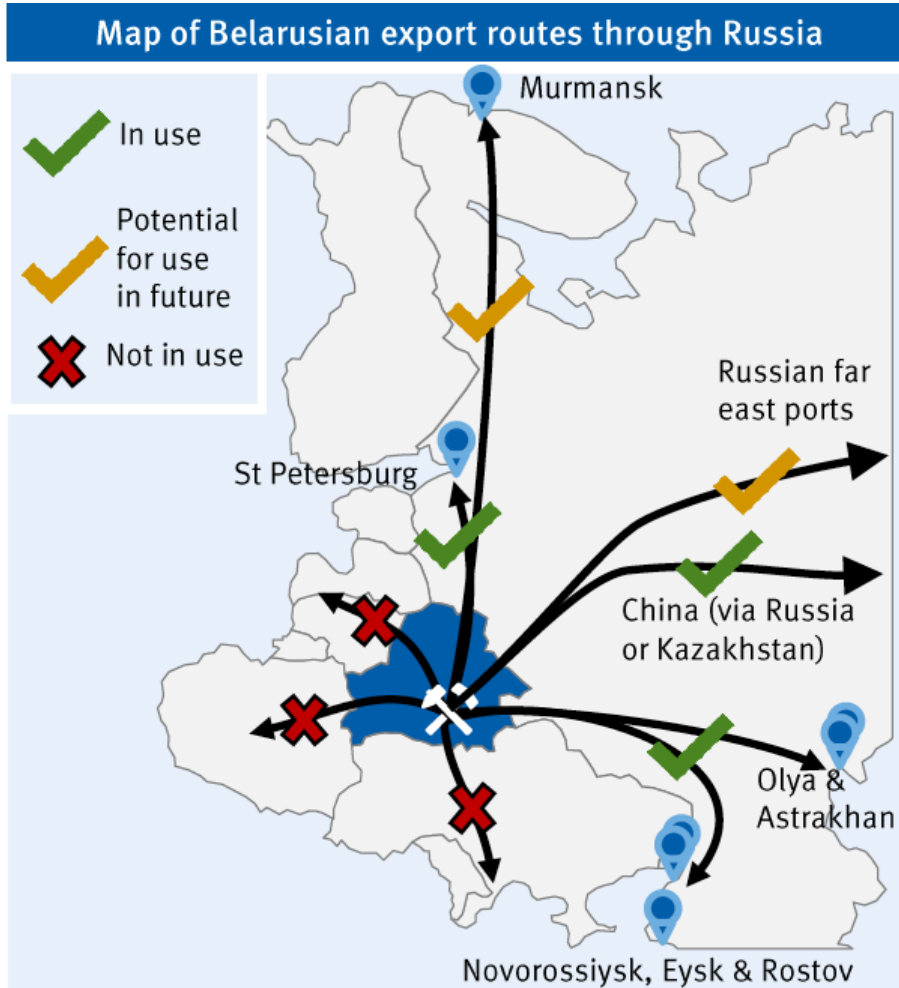
Source: Argus Direct

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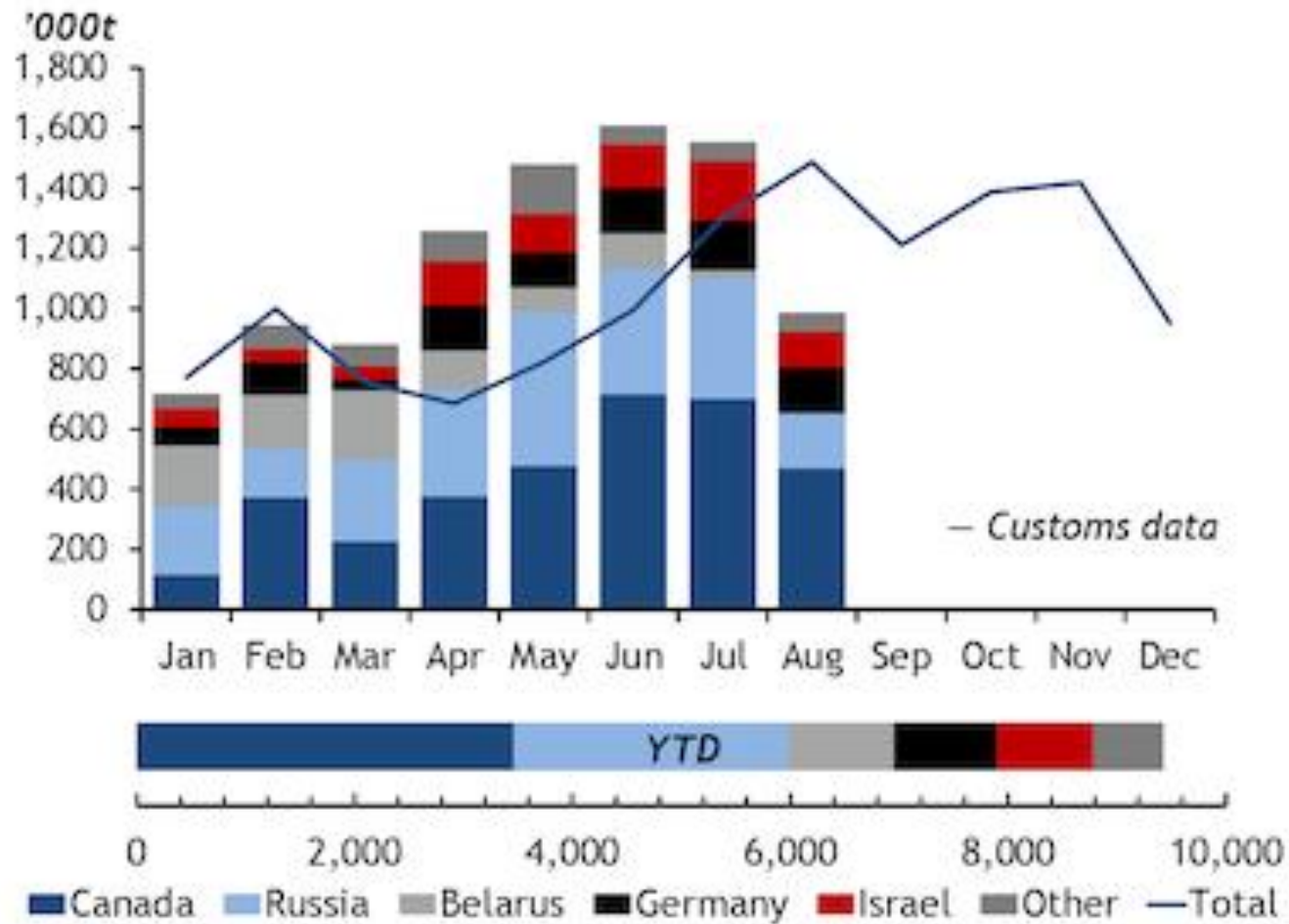
1. Quick intro to oil palm and fertilizers
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# Tracking Belarus exports since February

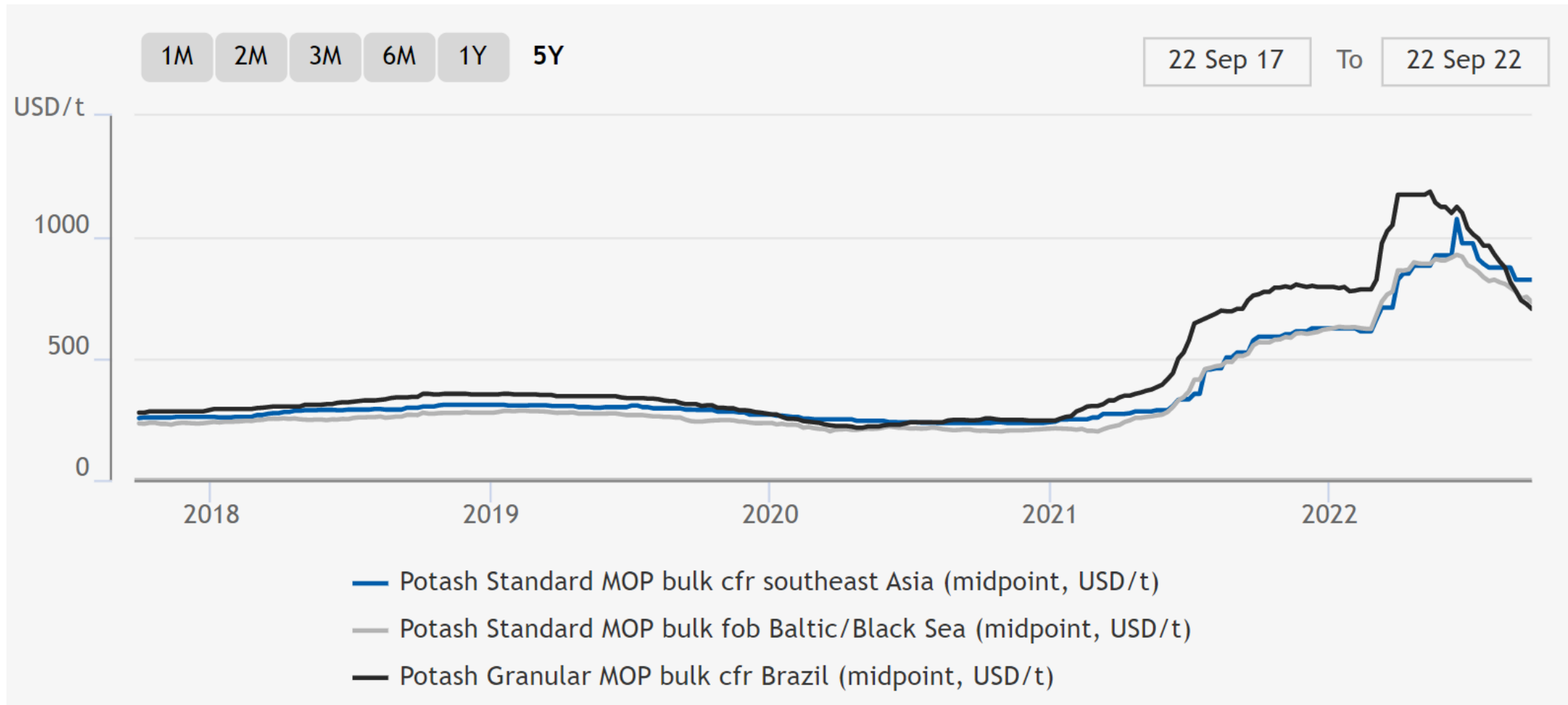
Exports primarily through St Petes and to China by rail, but still far below Klaipeda level



# Brazilian monthly potash imports show buying ahead, then reversal



# Price differentials

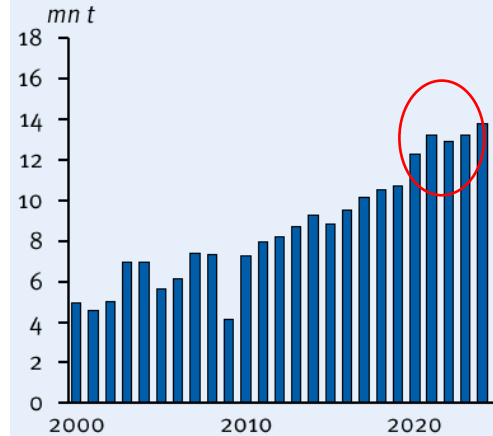


# Significant contraction in global demand in 2022

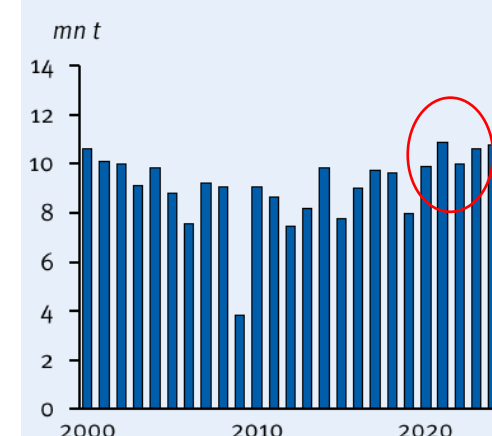
Supply constraints and decline in affordability in key regions

Global MOP demand forecast			
	2020	2021	2022
<b>Global</b>	<b>72.60</b>	<b>72.20</b>	<b>63.40</b>
<b>Northeast Asia</b>	<b>18.40</b>	<b>16.20</b>	<b>15.00</b>
– China	16.90	14.70	13.60
<b>Latin America</b>	<b>15.30</b>	<b>15.90</b>	<b>15.10</b>
– Brazil	12.30	13.20	12.90
<b>North America</b>	<b>11.20</b>	<b>12.40</b>	<b>11.30</b>
– US	9.90	10.90	10.00
<b>Southeast Asia</b>	<b>6.90</b>	<b>7.60</b>	<b>5.90</b>
– Indonesia	3.00	3.40	2.80
– Malaysia	1.70	2.00	1.40
<b>South Asia</b>	<b>6.30</b>	<b>4.00</b>	<b>3.40</b>
– India	5.40	3.20	2.90
<b>Western Europe</b>	<b>5.30</b>	<b>5.60</b>	<b>4.20</b>
– France	0.60	0.70	0.60
<b>Russia &amp; C Asia</b>	<b>2.60</b>	<b>3.70</b>	<b>3.00</b>
<b>C&amp;E Europe</b>	<b>3.10</b>	<b>2.90</b>	<b>2.40</b>
<b>Africa</b>	<b>1.60</b>	<b>1.70</b>	<b>1.30</b>
– Morocco	0.30	0.40	0.40
<b>Middle East</b>	<b>1.10</b>	<b>1.30</b>	<b>1.10</b>
<b>Australasia</b>	<b>0.70</b>	<b>0.80</b>	<b>0.70</b>

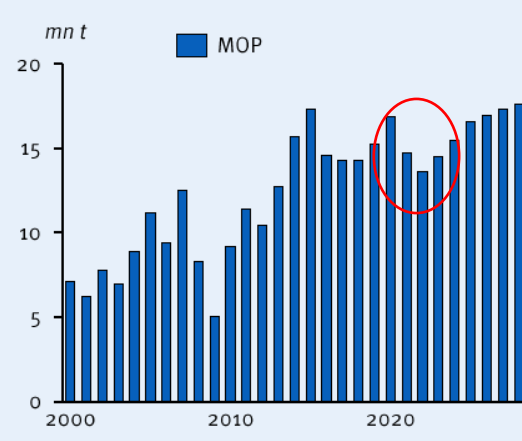
Brazil MOP demand, 2000-36



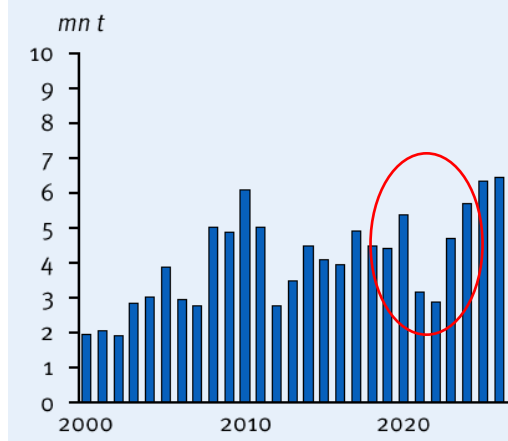
US MOP demand, 2000-36



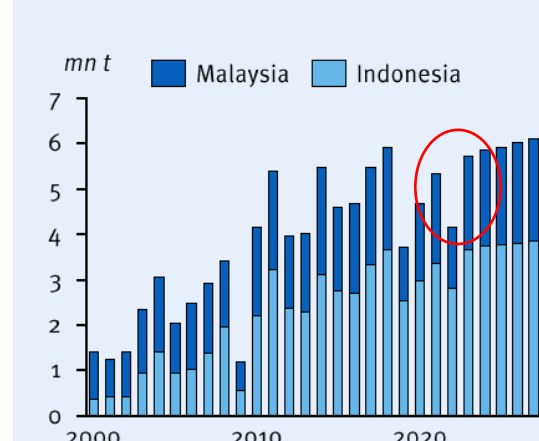
MOP consumption in China, 2000-36



India potash consumption, 2000-36



MOP demand in Malaysia & Indonesia



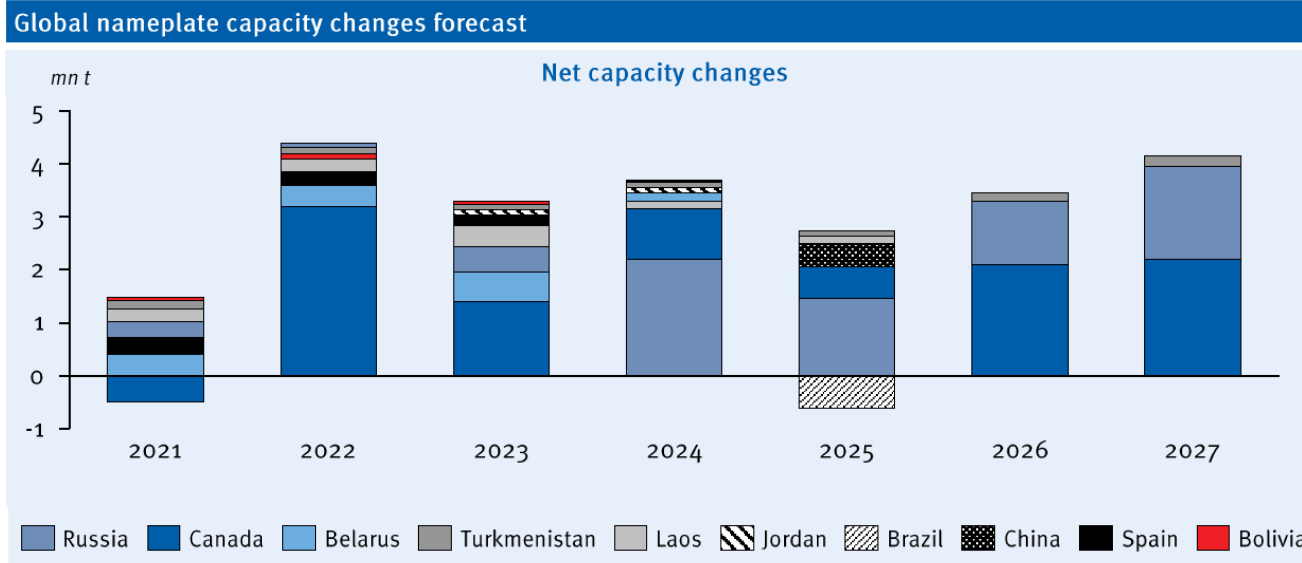
Source: Argus Analytics




# Market expected to continue to soften

Affordability questions remain; new capacity is coming but with questions on timing and effectiveness

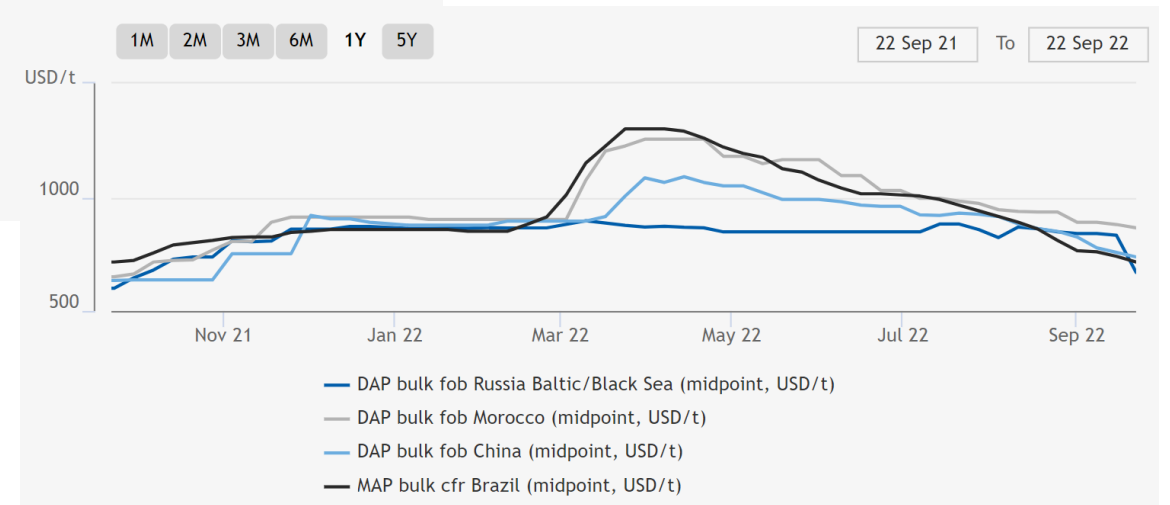
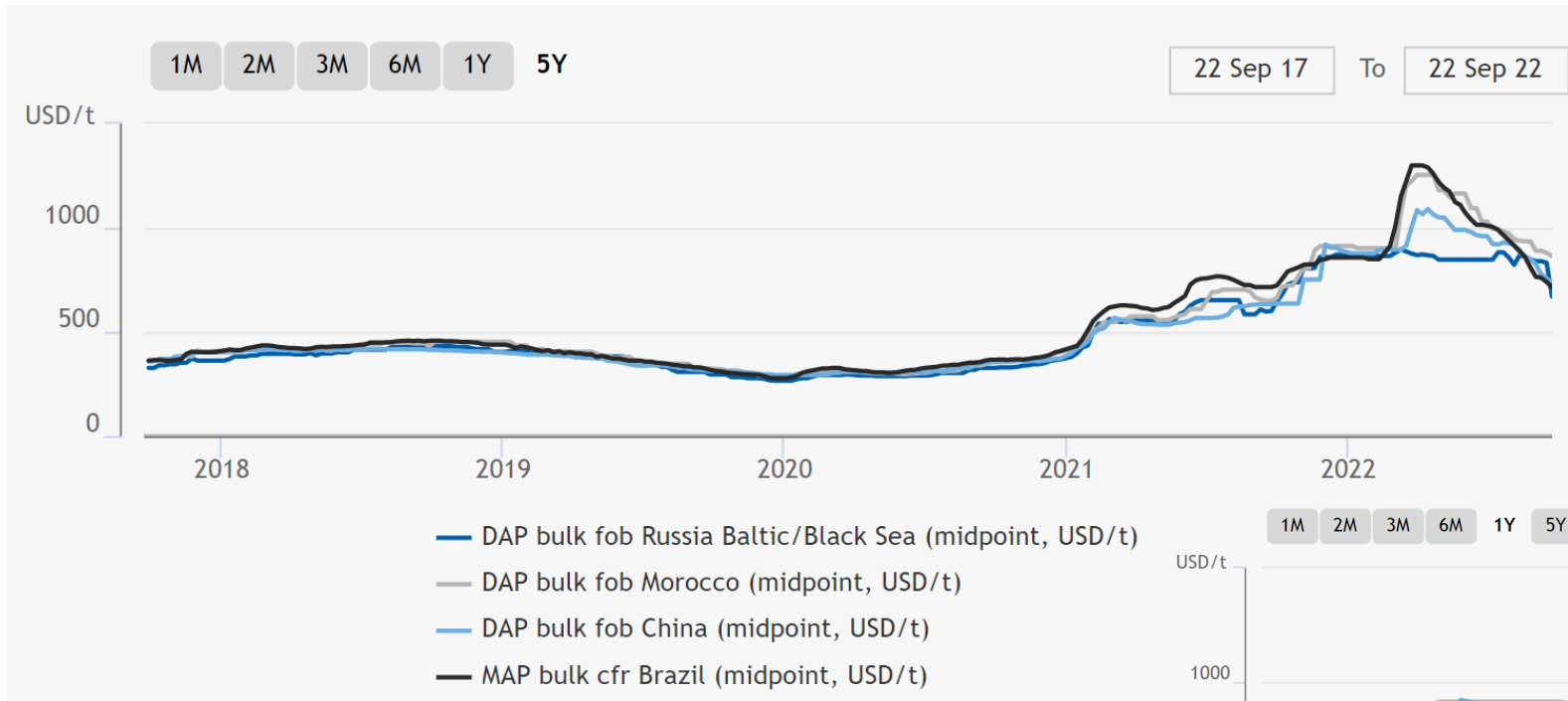
2022 potash price drivers							
Indicator	Value	Δ'21-22	Signal	Indicator	Value	Δ'21-22	Signal
New capacity	6.7mn t	+2.2mn t	Fall	Corn CBOT 1 month	620 c/bsh	+58 c/bsh	Rise
Closures	2.3mn t	-1.3mn t	Fall	Soybean CBOT 1 month	1,496 c/bsh	+137 c/bsh	Rise
Demand growth	-8.8mn t	-8.4mn t	Fall	Palm oil Bursa Malaysia	\$910/t	-\$165/t	Fall
Chinese contract price	\$590/t	+\$243/t	Neutral	India MOP NBS	15,186 Rs/t	+9,116 Rs/t	Rise
Indian contract price	\$590/t	+\$145/t	Neutral	<i>Brazil Rondonopolis barter rates</i>			60kg bags of product/t of NPK
Brazilian exchange rate	R5.18/\$	R-0.15/\$	Rise	• Corn	60.92	+16.5	Fall
Russian exchange rate	Rbs61.42/\$	Rbs-12.1/\$	Fall	• Soybeans	21.79	+2.65	Neutral



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# The war in Ukraine has led to significant changes in price differentials

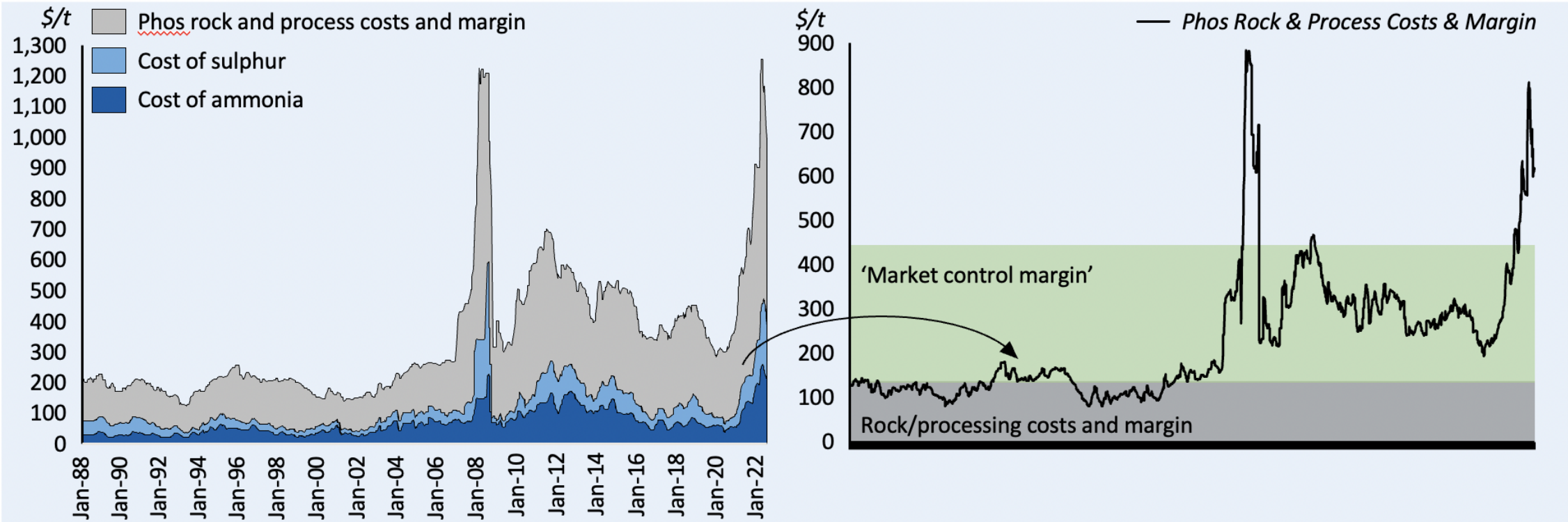


Source: Argus Direct

# Processed phosphate producers have benefited from tight market

Raw material costs have increased, but margins for integrated producers are also up

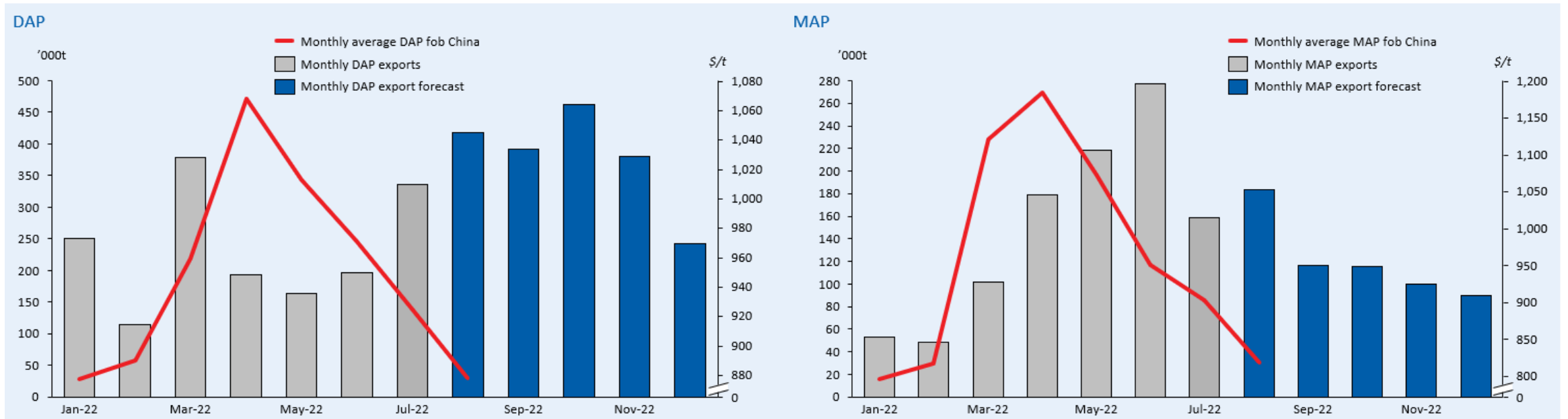
## Breakdown of DAP costs



Source: Argus Analytics

# Chinese export restrictions

Some uncertainty remains around quarterly allowance splits; But MAP will suffer more than DAP



Source: Argus Analytics

# Demand destruction from high prices and short supply

Imports are down in 2022 for some important countries and regions

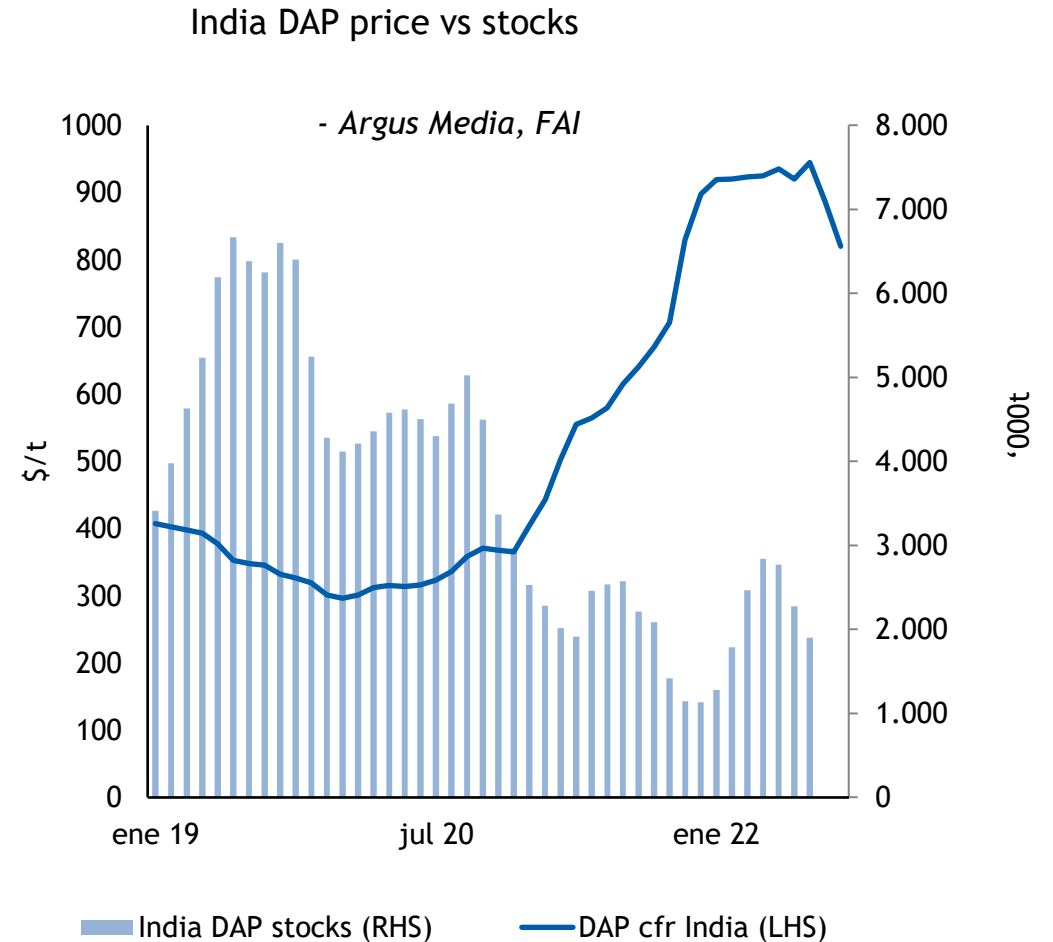
DAP imports ('000t)			
	2021	2022	2023
West Europe	1,814	1,480	1,925
Africa	618	352	409
North America	1,357	982	1,390
South America	1,398	1,295	1,533
<i>Argentina</i>	<i>404</i>	<i>243</i>	<i>331</i>
<i>Brazil</i>	<i>461</i>	<i>437</i>	<i>543</i>
South Asia	7,497	7,298	7,891
<i>India</i>	<i>4,766</i>	<i>5,580</i>	<i>5,695</i>
<i>Pakistan</i>	<i>1,513</i>	<i>628</i>	<i>1,200</i>
SE Asia	1,604	1,468	1,667
<b>World</b>	<b>16,664</b>	<b>14,198</b>	<b>16,187</b>

MAP imports ('000t)			
	2021	2022	2023
North America	2,940	2,437	2,816
South America	6,954	5,531	6,061
<i>Brazil</i>	<i>5,103</i>	<i>4,217</i>	<i>4,651</i>
<b>World</b>	<b>12,202</b>	<b>11,721</b>	<b>12,783</b>

Source: Argus Analytics

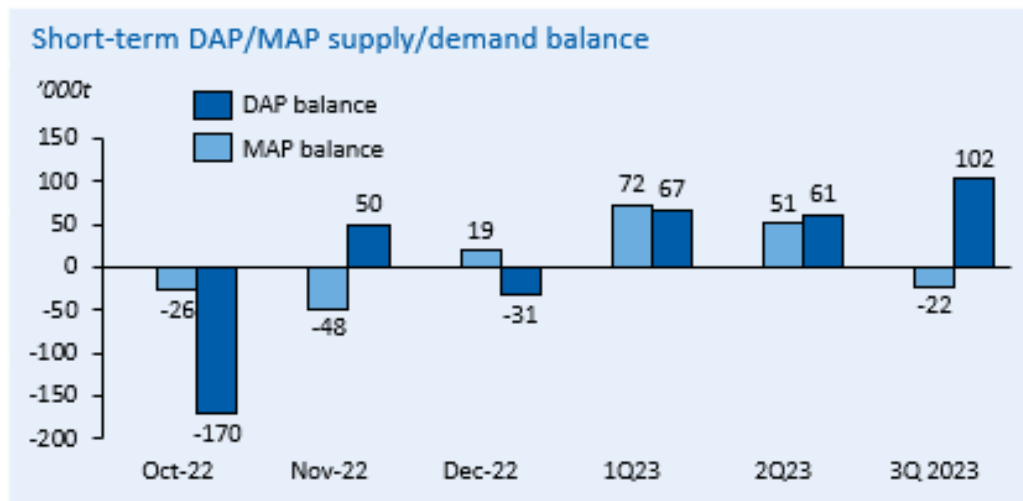
# Phosphate market current situation

- India's DAP stocks crumbled through 2021, but have slowly climbed this year – bolstering importers' negotiating positions
- Significant Indian purchases – 800,000t – last couple of weeks, will ease rabi pressure
- Pakistan demand hit by floods – but buying will come;
  - 250kt for rest of year, vs normal 750kt-1mt
- Nola demand for autumn application has begun to stir - barge prices for MAP and DAP have begun to rise from steep discount
  - Not much buying left in the US, well stocked 80% already, 20% less than in last Autumn (pricing/D destruction)
- Producers will now chase demand elsewhere with OCP mopping up India
- Nola, Europe and Australia will now shift into focus
  - Europe should be buying normal vols, because they skipped spring, but likely to remain lower buying because OCP won't drop price



# Outlook: DAP market surplus on the way, MAP market finely balanced in Q4

↓	PAKISTAN	Severe flooding has reduced our import estimates for Pakistan for the rest of this year. We now expect Pakistan to import just 250,000t of DAP to cover remaining rabi demand.
↓	SE ASIA	Healthy domestic inventories and the imminent end of domestic application seasons has reduced liquidity in Southeast Asian markets, adding more price pressure.
↓	MOROCCO	Morocco's OCP has sold around 880,000t of DAP for shipment to India placing further pressure on prices as India has been the only active buyer in recent weeks.
↓	US	US autumn demand is anticipated to align with pre-pandemic levels, around 10-20pc lower than the season's ammoniated phosphate demand noted in 2021.
=	LITHUANIA	Eurochem's Lifosa facility has shutdown once again, but this time because of a lack of ammonia availability. But, with ammoniated phosphate demand lacklustre, it will have little market impact.
↑	EUROPE	Europe's buying season will commence in November and last until April, this will provide support for top-end DAP prices as the winter months progress and other buyers back out of the market.
=	CHINA	Exporters with quotas in China are said to be committed for the rest of the year. But, this will not provide price support as buyers are also largely covered for the rest of 2022 with low seasons approaching.
↑	AUSTRALIA	Australia's import season has started, and with MAP availability constrained from China, importers will be forced to look to other suppliers such as Saudi Arabia to fill the gap.



## 2022 phosphate price drivers

Indicator	Value	Δ	Signal
P <sub>2</sub> O <sub>5</sub> consumption	33.3mn t	-1.3mn t	CONCERN
Net capacity	114.9mn t	3.5mn t	CONCERN
India DAP imports	4.90mn t	170,000t	SUPPORTIVE
Brazil MAP imports	4.04mn t	-1.01mn t	WARNING
AmmO price: fob ME	\$1,038/t	+\$502/t	SUPPORTIVE
Sulphur price: fob ME	\$247/t	+\$56/t	SUPPORTIVE
Rock: fob Morocco	\$190/t	+\$80/t	SUPPORTIVE

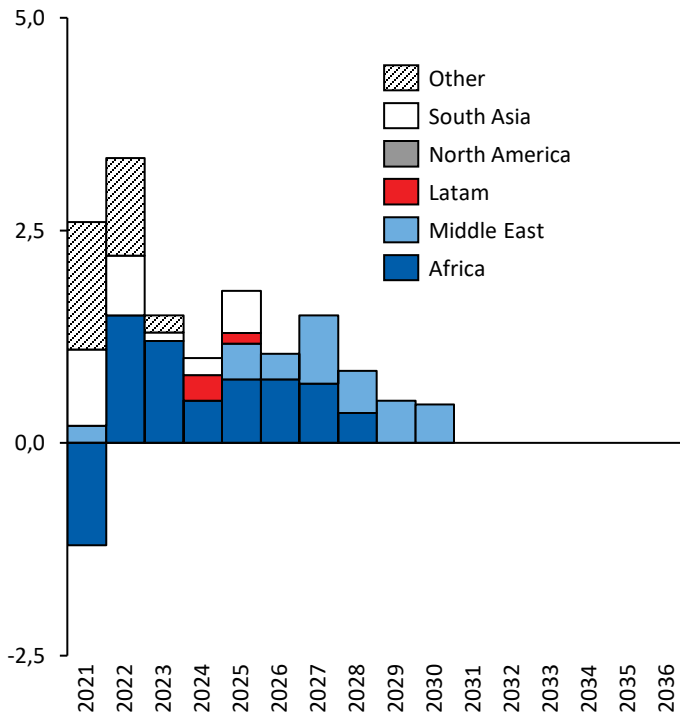
change vs 2021



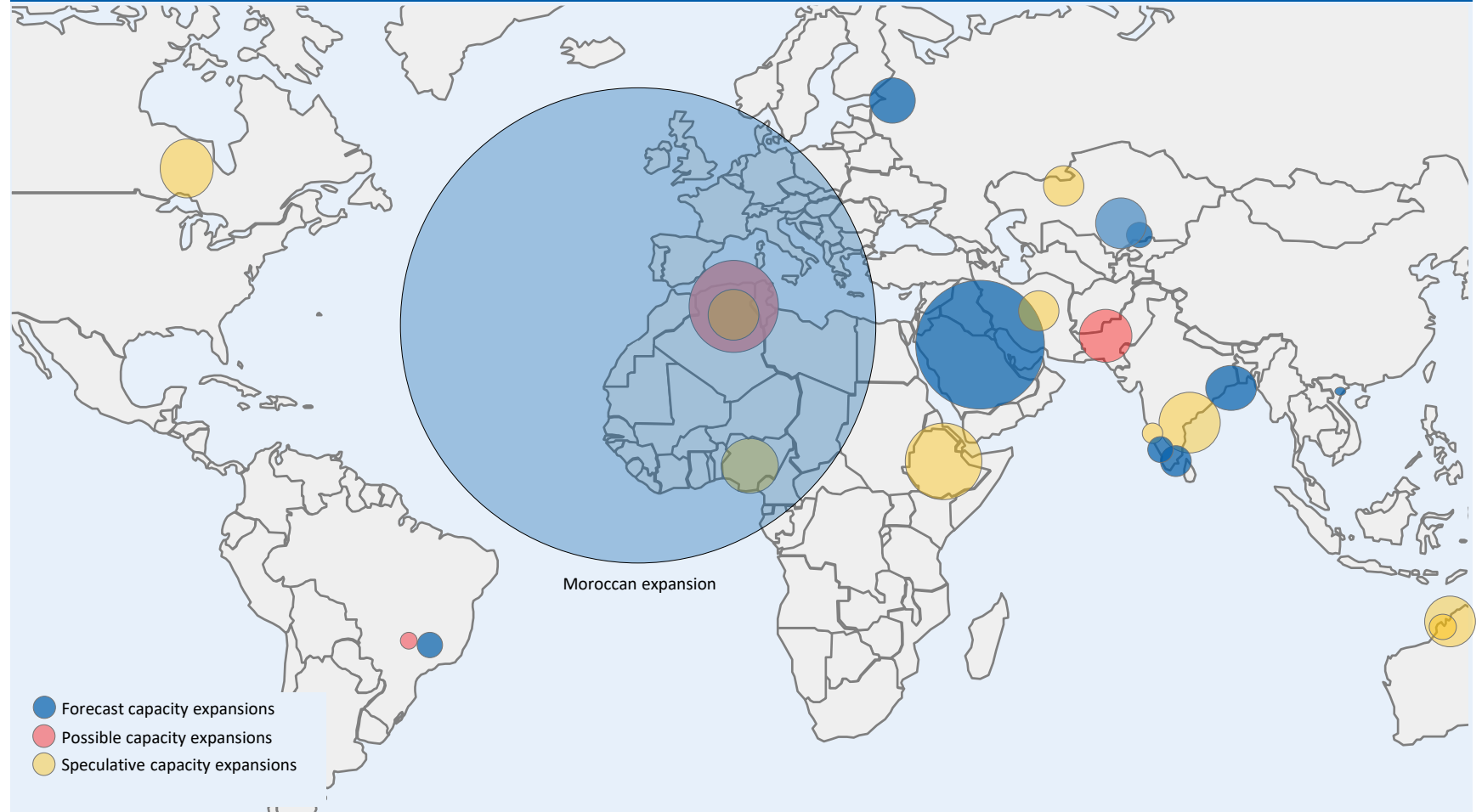
# Global processed phosphates capacity forecast (excl China)

Our firm forecast is led by Moroccan capacity additions; there are some temporary closures in China


Firm capacity changes, 2019-36, mn t/yr



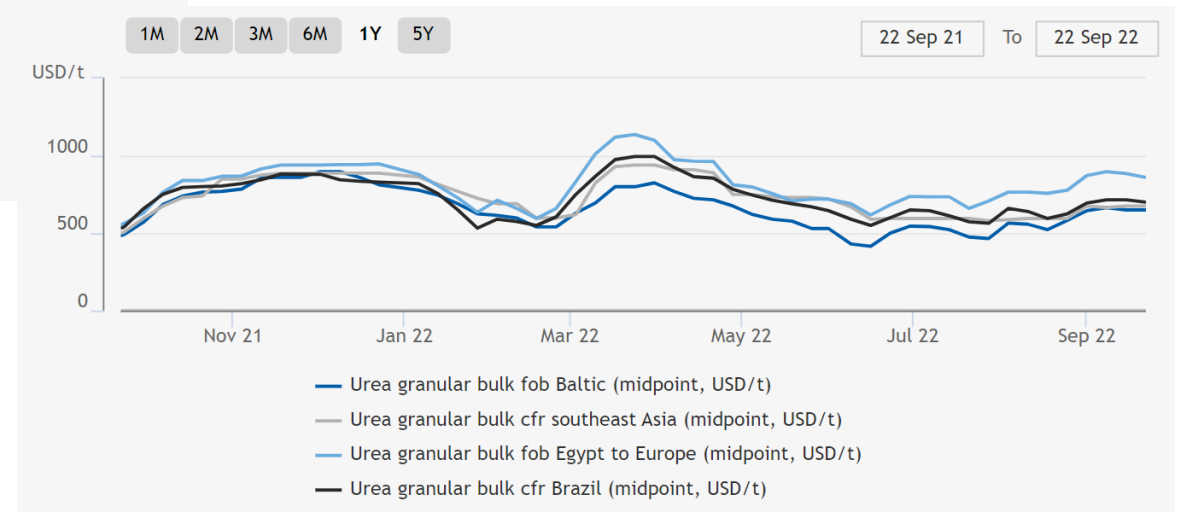
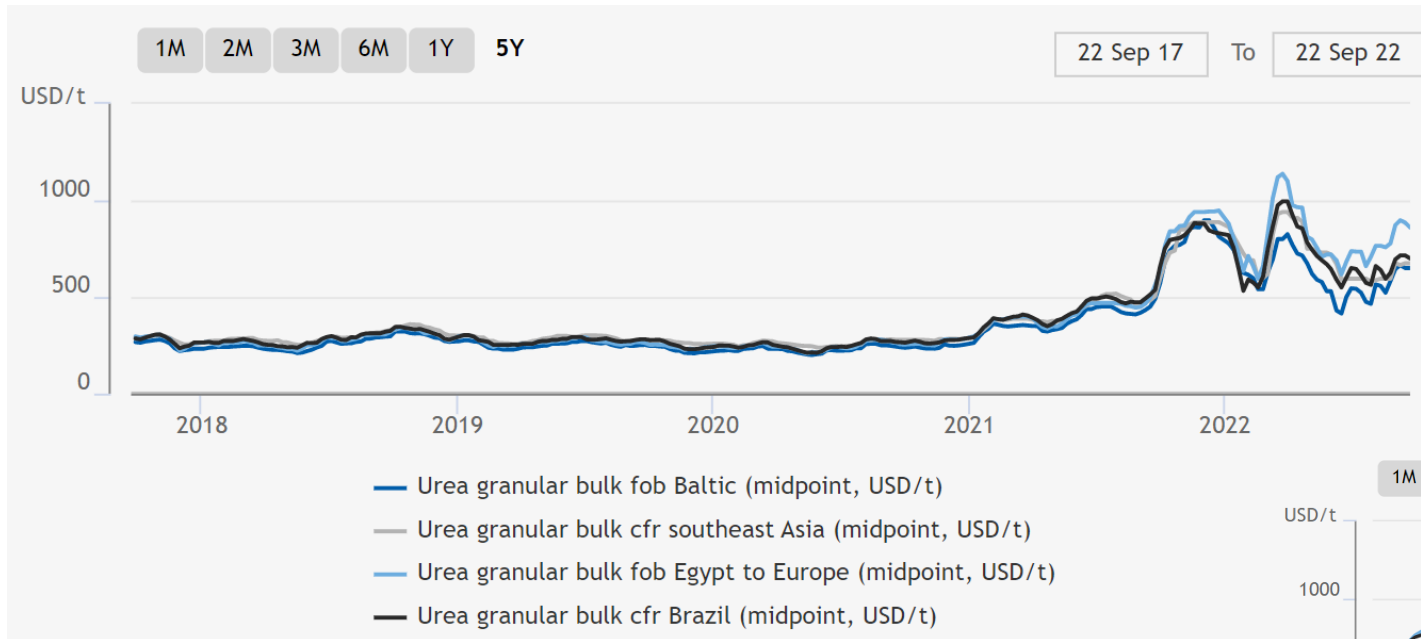
Global DAP/MAP/TSP capacity expansions (phosphoric acid capacity changes not shown)



# Presentation overview

1. Quick intro to oil palm and fertilizers
2. Summary of recent fertilizer developments
3. Potash
4. Phosphate
5. Nitrogen ← 

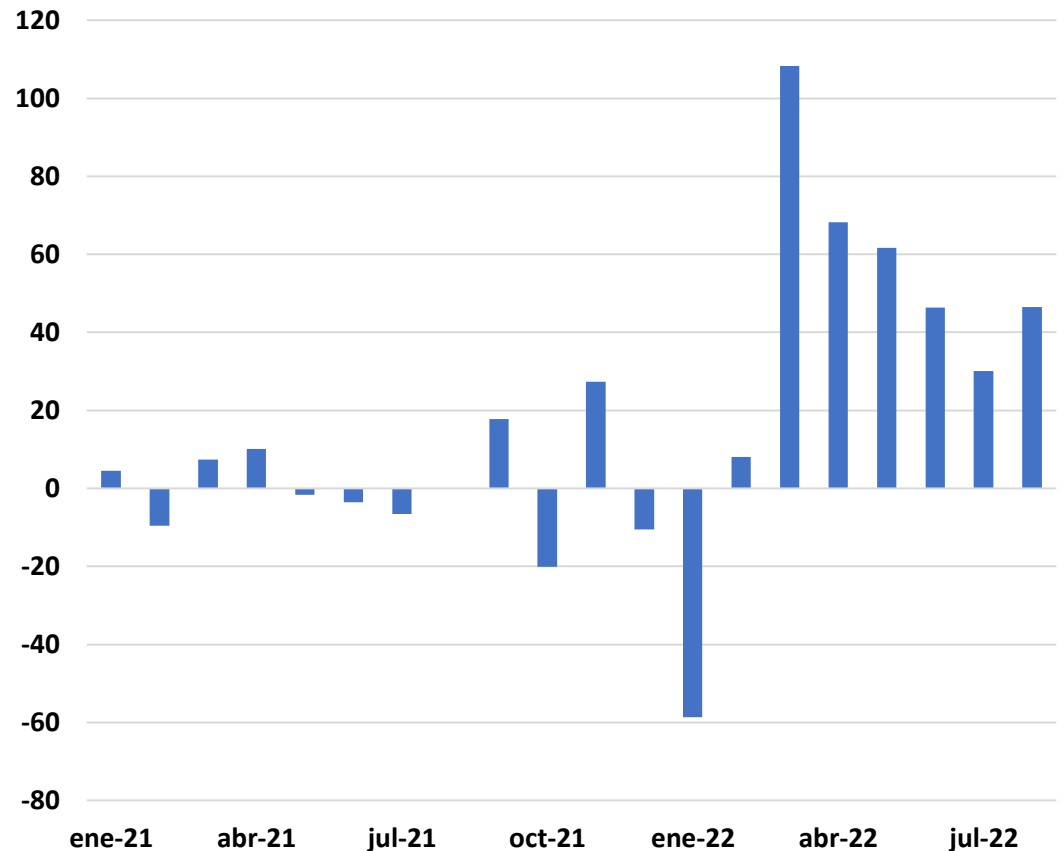
# Urea price volatility amplified after war in Ukraine



# Russia urea prices discounted

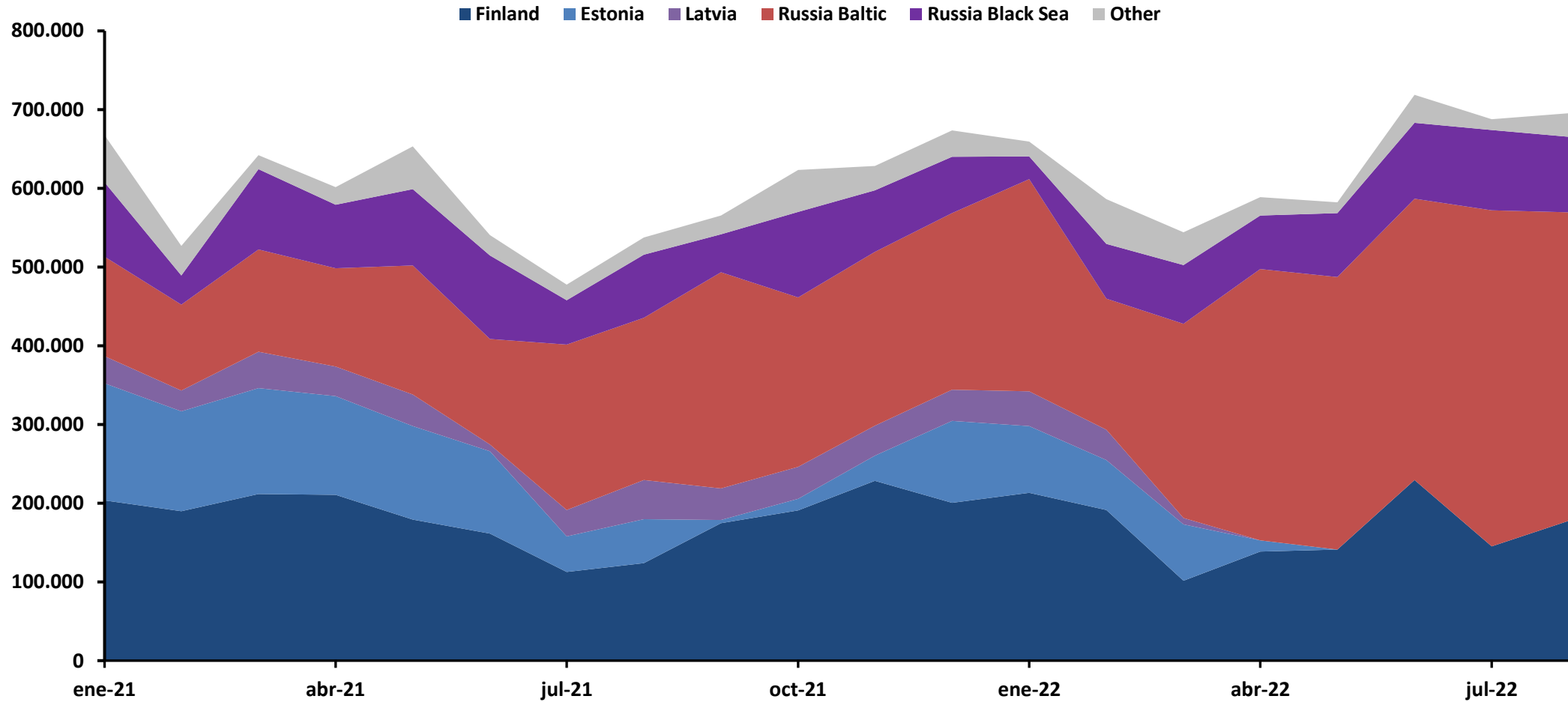
- Big discounts for Russian urea producers but these have reduced as market adapts to US and EU sanctions
- Many producers only had options for sales to Americas, Africa, Turkey and India for several months
  - But now, crisis in EU and clarification of sanctions policy giving Russia producers more access to Europe
- Ship chartering still expensive and time-consuming for Russia, hurting fob levels

## Middle East fob premium over Baltic fob



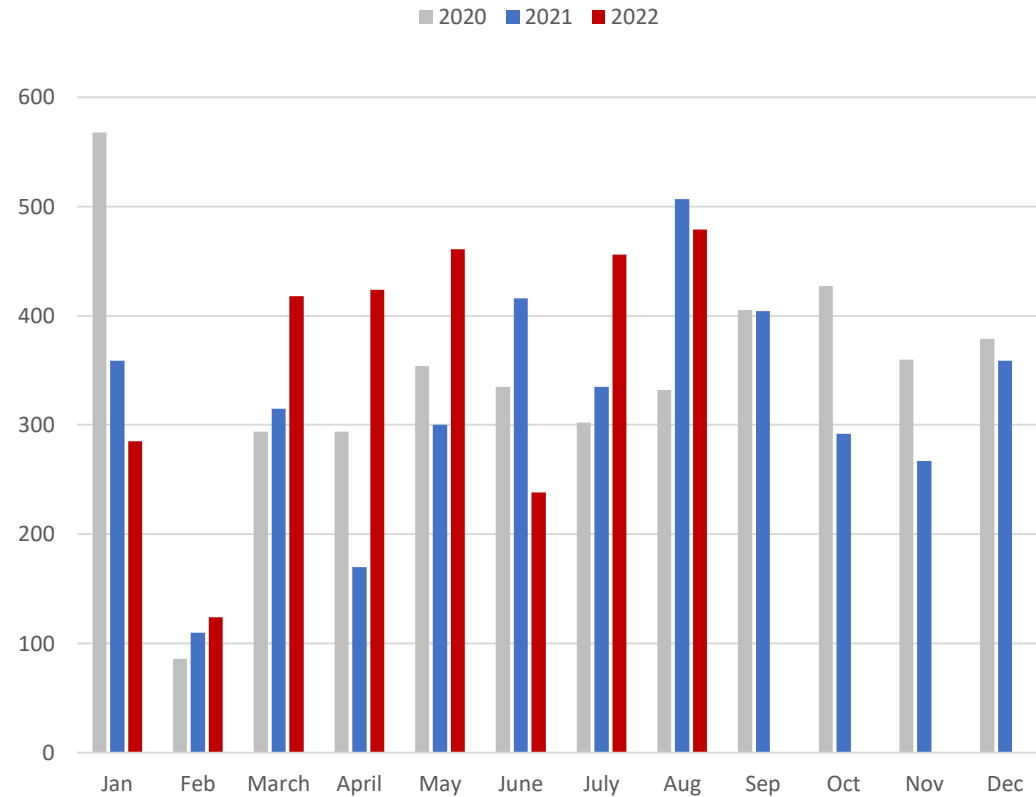
Source: Argus

# Russian urea shipments

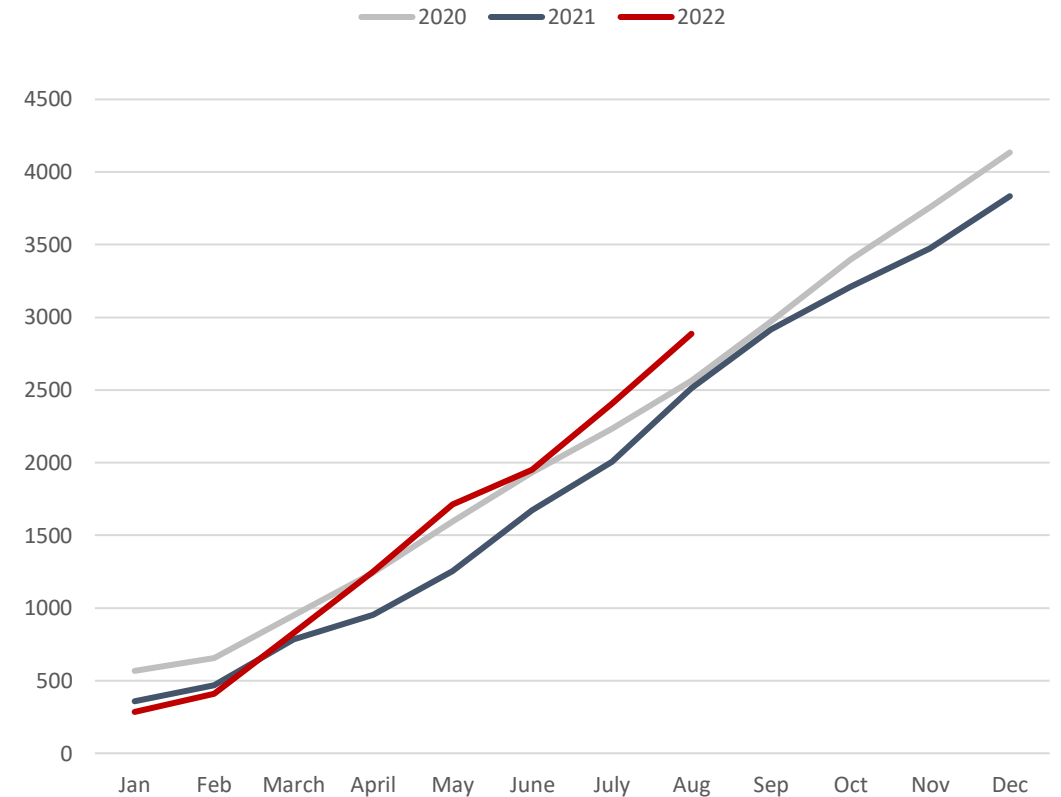


Source: rail data, Argus

# Iran exports – rising because of new production



source: Iran customs, Argus

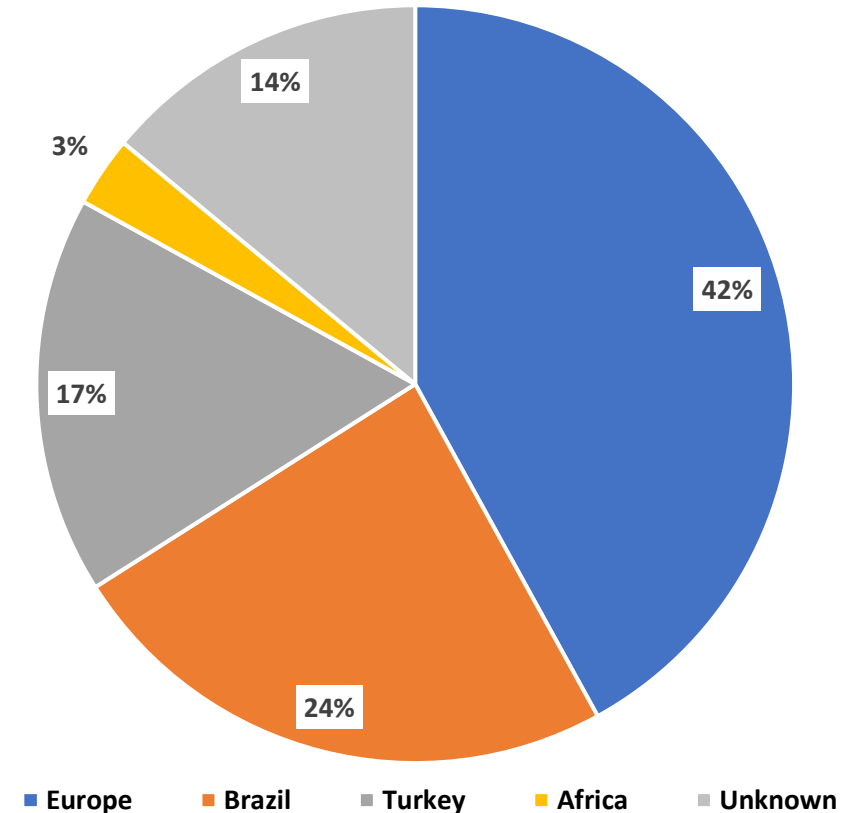


source: Iran customs, Argus

# Iran outlets limited but expanding in Europe

- Major destinations: Turkey, Brazil, Europe
- How it trades:
  - Tenders as the first step in negotiations for most producers, long-term offtakes for Pardis
  - Cash up front to the factory (typically 20-30pc within a week of PI, remaining 70-80pc before loading). Sometimes delivered in person.
- Iran fob prices so far in 2022 about 20% discount to non-sanctioned Middle East product

**August urea exports from Iran**

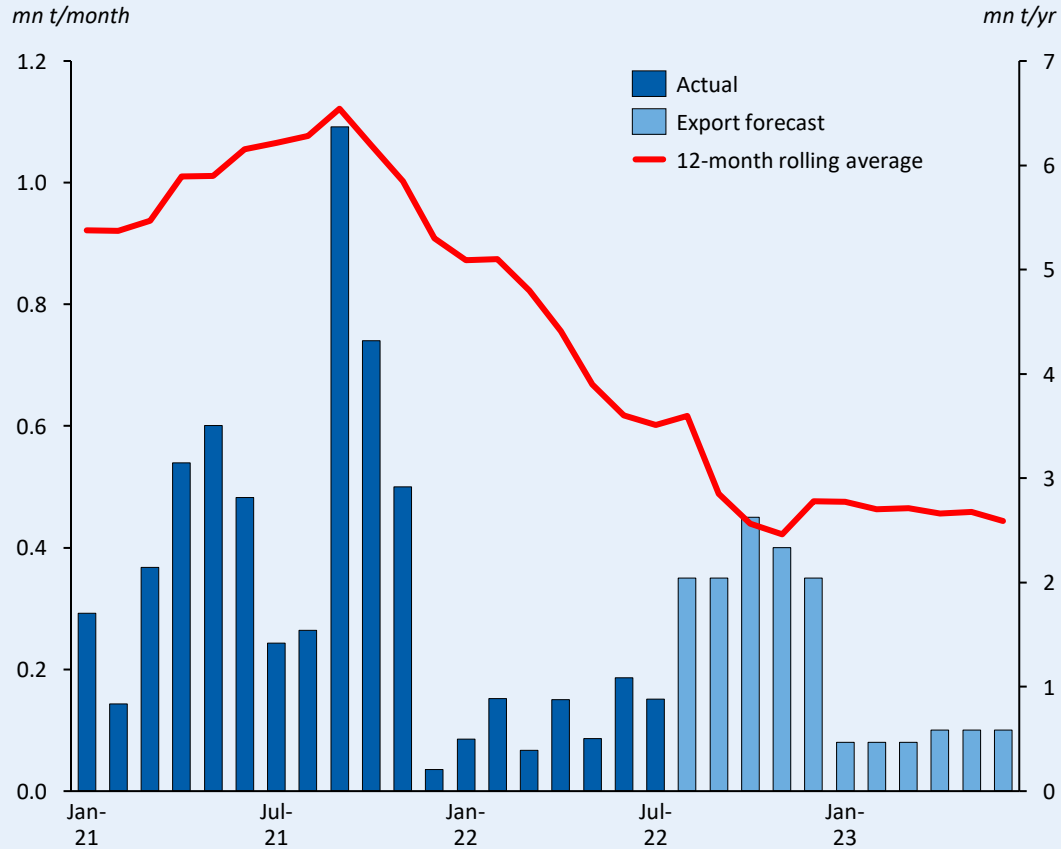


source: Iran customs, Argus

# China's export controls and supply expectations

Exports remain hindered by lengthy customs inspections; controls expected to last until mid-2023 at least

China export forecast



Source: GTT analytics, Argus Urea Analytics

Name	Province	Raw material	Capacity, '000 t/yr	Start-date
Haoyuan	Anhui	Anthracite	(300)	2022
Erdos Wulan	Inner Mongolia	Lignite	800	May-22
Zhongneng	Xinjiang	Bituminous	800	Oct-2022
Haoyuan	Anhui	Bituminous	1,000	2023
Hualu Hengsheng	Hubei	Bituminous	1,000	2024
Yiding	Inner Mongolia	Bituminous	520	2024
Jinkai Yanhua	Henan	Bituminous	800	2025
Total forecast capacity			4,620	

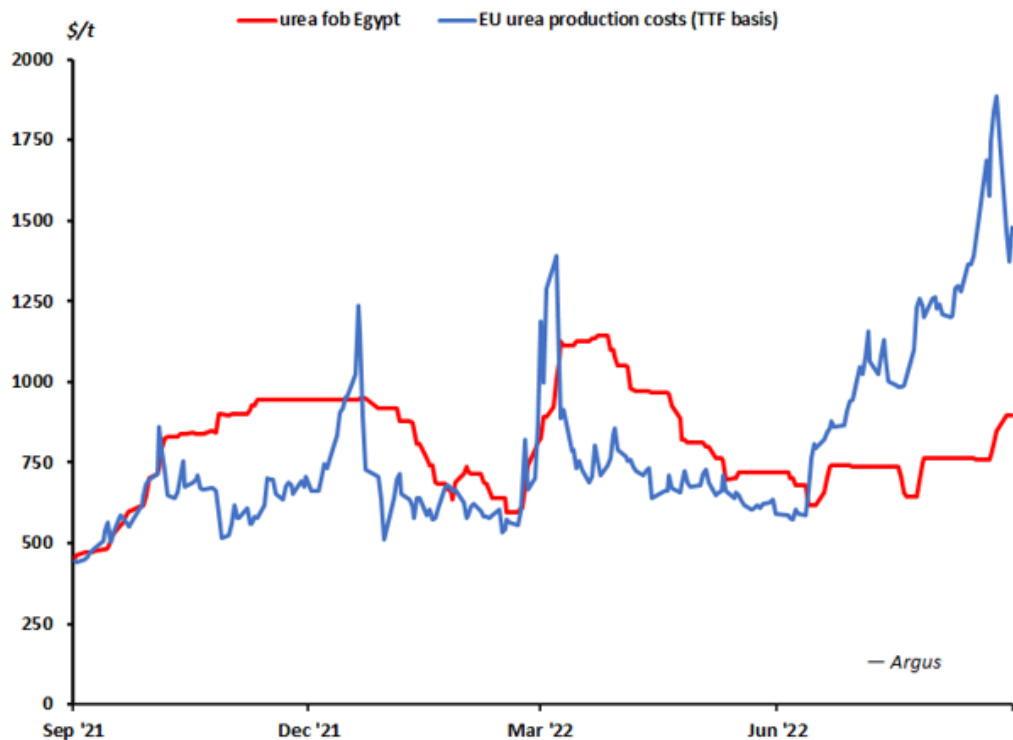
- Export controls expected to remain in place until the end of May 2023 at the earliest
- Producers have reported sending cargoes to seaports in the hope to participate in India's next tender, but inspections reportedly lasting between 60-80 days, longer in some cases, will likely limit participation to 50,000-100,000t



# European N closures likely to boost urea import demand

High gas prices prompt widespread closures, likely leading to higher urea imports to close the supply gap

Spread between EU urea production and import costs \$/t

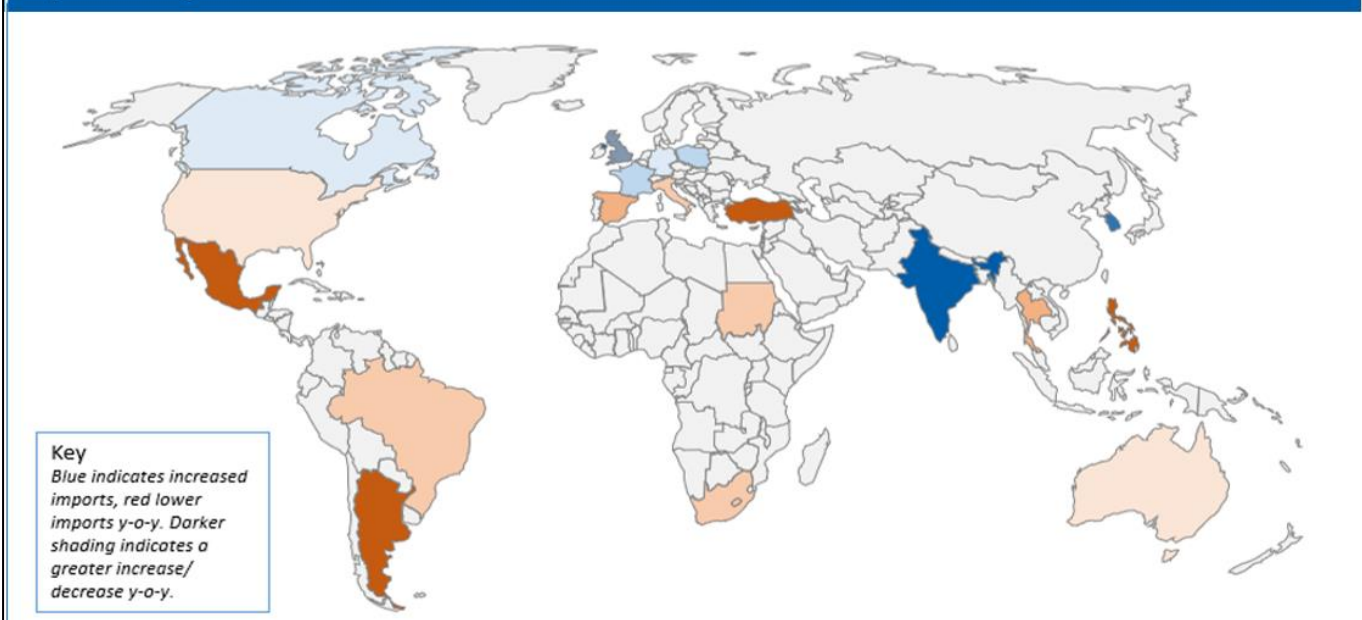


Europe nitrogen fertilizer plant operating status				
Country	Producer	Plant	Product	Total NH3 capacity ('000 t/yr) Status
Austria	Borealis	Linz	CAN	500 reduced rates, appears still producing some CAN
Belgium	Yara	Tertre	AN, CAN	400 awaiting Yara response; probably shutting down
Belgium	Eurochem	Antwerp	CAN	0 running off imported ammonia
Bulgaria	Neochim	Dimitrovgrad	AN, NPKs	450 off line
Bulgaria	Agropolychim	Devnya	AN, UAN, NPKs, DAP, MAP, TSP	0 running off imported ammonia since 2019
Croatia	Petrokemija	Kutina	urea, CAN, NPKs	450 off line since March 2022
Czech Republic	Agrofert	Lovosice	CAN, UAN, AN	350 running at 80pc
France	Yara	Le Havre	urea	400 awaiting Yara response; probably shutting down
France	Yara	Montoir	CAN, NPKs	300 awaiting Yara response; could run in part off imported
France	Yara	Ambes	AN	500 awaiting Yara response; could run in part off imported
France	Borealis	Grandpuits	AN, UAN	350 off line September-October
France	Borealis	Grand Quevilly	AN, CAN	400 reduced rates
France	Borealis	Ottmarsheim	AN	250 reduced rates
Germany	Yara	Brunsbüttel	urea	750 awaiting Yara response
Germany	Yara	Rostock	CAN, UAN, AN	1,100 awaiting Yara response; could run in part off imported
Germany	Agrofert	Piesteritz	urea, CAN, UAN, Adblue	1,100 off line, will aim to restart one ammonia unit in Septe
Greece	Hellenic	Nea Karvali	CAN, NPKs	150 running
Hungary	Nitrogenmuvek	Petfurdo	CAN, urea, NPKs	450 off line
Italy	Yara	Ferrara	urea	600 off line
Italy	Yara	Ravenna	CAN, AN, NPKs	0 running on imported ammonia at 80pc on nitrate, 50pc
Lithuania	Achema	Jonava	UAN, AN, CAN	1,000 will shut down on 1 September
Netherlands	Yara	Sluiskil	urea, CAN, AN, UAN	1,600 awaiting Yara response; could run in part off imported
Netherlands	OCI	Geleen	CAN, AN, UAN	1,000 running partly off imported ammonia, no UAN product
Poland	Grupa Azoty	Tarnow	CAN	300 off line
Poland	Grupa Azoty	Pulawy	urea, AN, UAN, Adblue	1,200 off line
Poland	Grupa Azoty	Police	urea	500 off line
Poland	PK Orlen	Anwil	AN, CAN	500 off line
Poland	Grupa Azoty	Kedzierzyn	CAN, AN	450 reducing to 43pc operating rate
Portugal	Fertiberia	Avercal	AN, CAN	0 running off imported ammonia
Romania	Ameropa	Azomures	urea, AN, CAN, UAN, NPKs	600 off line since June 2022
Romania	Nitroporos	Slobozia	urea, AN	300 off line
Serbia	HIP Azotara	Pancevo	urea, CAN, UAN, NPKs	300 off line
Slovakia	Agrofert	Duslo	urea, AN, UAN, CAN	550 off line until end-September
Spain	Fertiberia	Huelva	urea, DAP, MAP	400 off line
Spain	Fertiberia	Puertollano	AN, CAN, urea, UAN	200 running
Spain	Fertiberia	Aviles	CAN, NPKs	0 running off imported ammonia
Spain	Fertiberia	Sagunto	CAN, adblue	0 running off imported ammonia
UK	CF Industries	Ince	AN, NPKs	250 off line since September 2021
UK	CF Industries	Billingham	AN	550 will run off imported ammonia

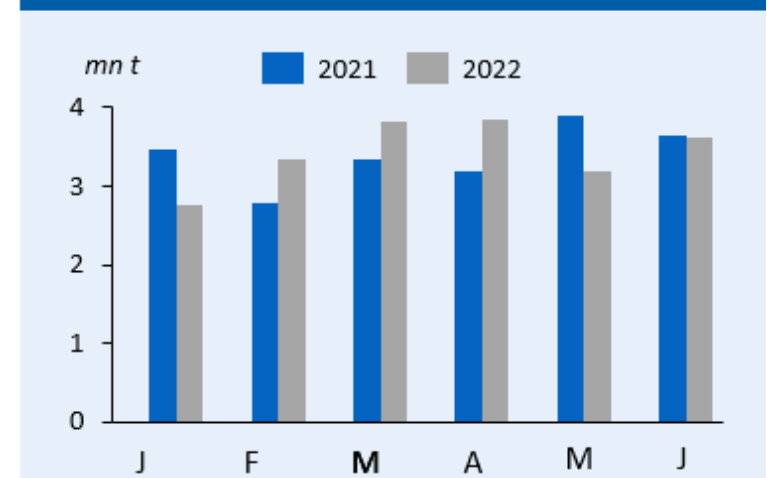
# High prices prompting demand losses or deferrals in many markets

But changed Indian buying patterns maintains global import demand in 1H22

Import changes 1H 2021 vs 1H 2022 – 000t



Grupo 20 urea imports



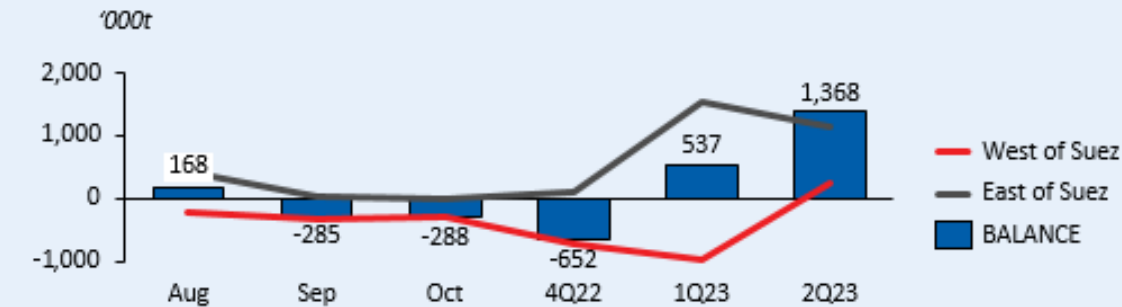
Source: Argus Analytics

# Near term balance shows surplus, but Europe changes that picture

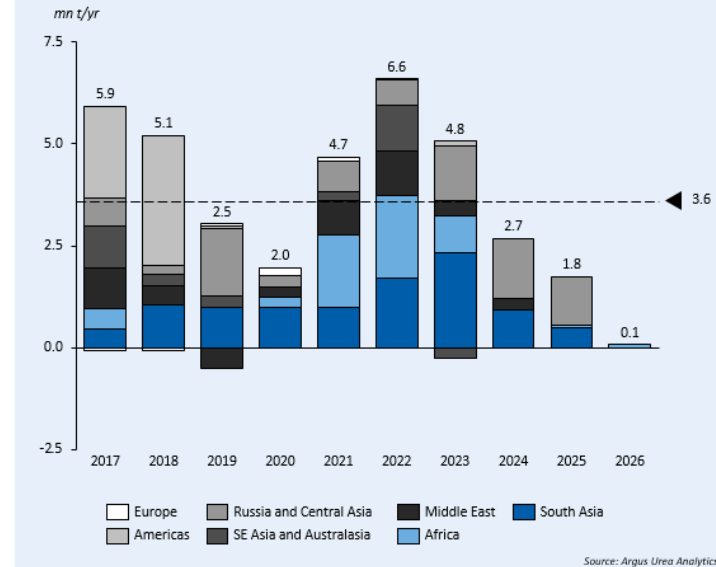
Further out, limited permanent closures, plenty of new capacity, but some risk of delays

- High prices have triggered varying degrees of demand destruction and deferral. Asia (excl. Myanmar, Bangladesh, India, Pakistan, Sri Lanka): ▼ 9pc - 4.48mn t to 4.06mn t  
Latin America: ▼ 21pc, 6.18mn t to 4.22mn t
- China exports ▼ 70pc, 2.4mn t to 0.7mn t and restrictions to remain in place until May 2023 at least

August balance



Argus capacity forecast, pro-rated



Company	Site	Country	Capacity, '000 t/yr	Start-date
MSPC (MIS)	Khuzestan	Iran	1,188	Feb-22
HURL	Gorakhpur	India	1,271	May-22
Dangote	Lekki II	Nigeria	1,328	Jun-22
Metafrax	Gubakha	Russia	578	Q4-22
Koch	Enid	USA	158	Q4-22
HURL	Sindri	India	1,271	Q4-22
ToAz	Togliatti	Russia	726	Q4-22
Incitec Pivot	Gibson Island	Australia	(280)	Dec-22
HURL	Barauni	India	1,271	Q2-23
NCIC	Ain Sokhna	Egypt	380	Q1-23
Kuibyshevazot	Togliatti	Russia	495	H2-23
Gemlik Gubre	Gemlik	Turkey	566	H2-23
Shchekinoazot	Efremov	Russia	700	H2-24
Eurochem	Kingisepp, NW2	Russia	1,320	H2-24
Acron	Novgorod HV	Russia	385	H2-24
BCIC	Polash	Bangladesh	966	H2-24
Abu Qir Fertz.	Abu Qir III	Egypt	148	H2-25
Total forecast capacity			12,471	



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**Sources**

Argus Consulting Analytics Reports; Argus Monthly Outlook reports; IFA; GTT

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