The Global Fertilizer Market

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AMIS webinar: Fertilizer markets in turmoil - A risk for global food security?
Fertilizers are exposed to many geopolitical drivers

(Production by country, Mt product, 2020)

Energy-intensive
Marginal producers in Europe
Crop price inelastic

Exposed to energy-derived products
Use correlated with affordability

40% of global trade from sanctions countries
Use correlated with affordability, capped by availability

Source: IFA
Poor affordability has implications for fertilizer use

Fertilizer prices, 2006-2022

Global fertilizer demand change, 2007/08 - 2021/22 (N + P<sub>2</sub>O<sub>5</sub> + K<sub>2</sub>O)

Source: CRU, World Bank
Fertilizers are caught between sanctions and food security

International response to war in Ukraine

- **Explicit support**
- **No explicit condemnation**

Growing concern over impacts on food security

- **Condemnation with sanctions**
- **Condemnation**

Source: IFA, news sources

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**United Nations**

Global Crisis Response Group

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Global Crisis Response Group on Food, Energy and Finance

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Treasury Releases Fact Sheet on Food and Fertilizer-Related Authorizations Under Russia Sanctions; Expands General License Authorizing Agricultural Transactions

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EU SANCTIONS DO NOT RESTRICT EU AND THIRD COUNTRIES’ TRADE IN AGRIFOOD PRODUCTS

Source: IFA, news sources
Potash capability is forecast to be most constrained, followed by nitrogen, and then phosphate.

### Nitrogen
Wide-spread scenarios based on gas economics and ability to trade with “friendly” countries.

### Phosphate
Narrow-spread scenarios with more upside in the medium-term from capacity expansions.

### Potash
Scenarios skewed to the downside based on sanctions and likely ability to export.

Source: IFA, May 2022
South Asia & East Asia are forecast to contribute the most to the global fertilizer use decline in FY 2022.

But Africa could experience the sharpest drop in fertilizer use.

Source: IFA, May 2022
Global nitrogen capability forecasts underpinned by gas economics and ability to export to “friendly” countries

Russia capability scenarios, Mt N

Europe capability scenarios, Mt N

Regions with direct capability links to scenario assumptions

Scenario adjustments made in Russia, Belarus, Ukraine, Europe

Source: IFA, May 2022
Global nitrogen capability forecasts underpinned by gas economics and ability to export to “friendly” countries

Source: IFA, September 2022