Fertilizers: Trends and Developments

24th session of the AMIS Global Food Market Information Group

6-7 November 2023, FAO, Geneva
Fertilizer prices are still above pre-crisis levels

Source: World Bank

24th session of the AMIS Global Food Market Information Group, 6-7 November 2023, Geneva
Relative fertilizer cost above average: Rice, Wheat

Deviation of Fertilizer/Crop price ratio from 10 y average

- **Soybean - USA**
- **Maize - Brazil**
- **Rice - China**
- **Wheat - France**

Fertilizer is more expensive than usual compared to crop price

Fertilizer is cheaper than usual compared to crop price

Source: AMIS based on CRU, FPMA, World Bank (Sept 2023 values)
Determining market drivers

Bubble size: Production

↑reliance on imports

↑uses

Source: AMIS

24th session of the AMIS Global Food Market Information Group, 6-7 November 2023, Geneva
Global N balance heavier entering into 2024

Source: AMIS, CRU, CME
Export limitations underpin P market

DAP+MAP, 2021

- West Europe
- West Asia
- Latin America
- North America
- Africa
- EECA
- East Asia (29 Mt)

Import dependence

Agricultural uses

DAP+MAP exports - China

DAP+MAP imports - India

Source: AMIS, CRU

24th session of the AMIS Global Food Market Information Group, 6-7 November 2023, Geneva
K balance still recovering from 2022

Source: AMIS, CRU

Granular Potash – CFR Brazil (USD/mt)

MOP, 2021

Import dependence

-50% 50%

EECA (27 Mt)

North America

West Asia

South Asia

Latin America

East Asia

Agricultural uses

10,000,000

20,000,000

30,000,000

-50%

MOP, 2021

Estimated Variation of MOP exports compared to 2019-2021 average

Russia & Belarus

2022

2023

-8.8

-4.7

Source: AMIS, CRU

MOP imports - China

Q1 Q2 Q3 Q4

3 y av (2019-2021) 2022 2023

24th session of the AMIS Global Food Market Information Group, 6-7 November 2023, Geneva
Manufacturers face firming production costs

Price of Inputs for fertilizer manufacturing

- Ammonia Bulk FOB Middle East
- Phosphate Rock Bulk FOB Morocco
- Sulphuric Acid Bulk CFR US Gulf
## Conclusions for 2024

### Trend

**Stable to bearish**

- Nitrogen: slightly bearish outlook until return of Northern Hemisphere demand for spring applications
- Phosphate: slowing demand expected to weigh on global trade
- Potash: stable as progressive recovery of supply adjusts to demand signals

### Factors to watch

**Potential shifts in market fundamentals**

- Chinese export patterns (N, P)
- Indian demand on new NBS (P)
- Buying behavior ahead of spring in Northern hemisphere
- USA import taxes on P

### Risks

**Geopolitical tensions**

- Evolution of the crisis in the Middle East (could have implications for N, P, K)
- Russia/Ukraine