

# Fertilizer market outlook: global trends & disruption risks due to the Middle East conflict

The EU FMO meeting  
31 March 2026

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# Agenda

Fertilizer market outlook: global trends & disruption risks due to the Middle East conflict

**1**

**Fertilizer market trends: prices on the uptrend due to ongoing conflict**

**2**

**Middle East conflict: risks of supply shortages & implications to global value chain**

**3**

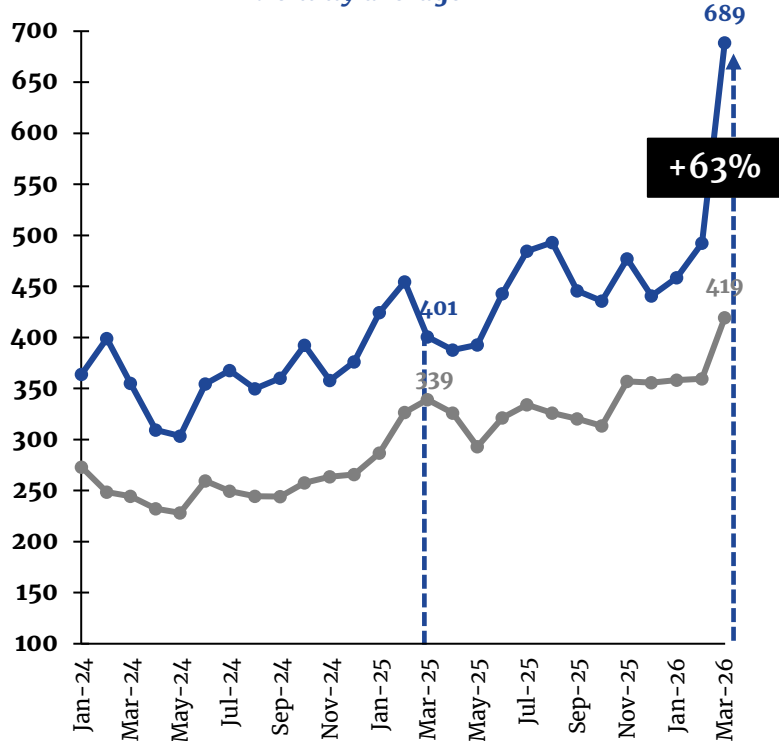
**European fertilizer market: navigating new disruptions**

# Fertilizer prices responding to the risks of supply disruptions due to the ME conflict

CBAM aside, escalating energy costs & supply shortages due to the Middle East conflict are pushing fertilizer prices higher

## Nitrogen: monthly prices in 2024/2026

Monthly average

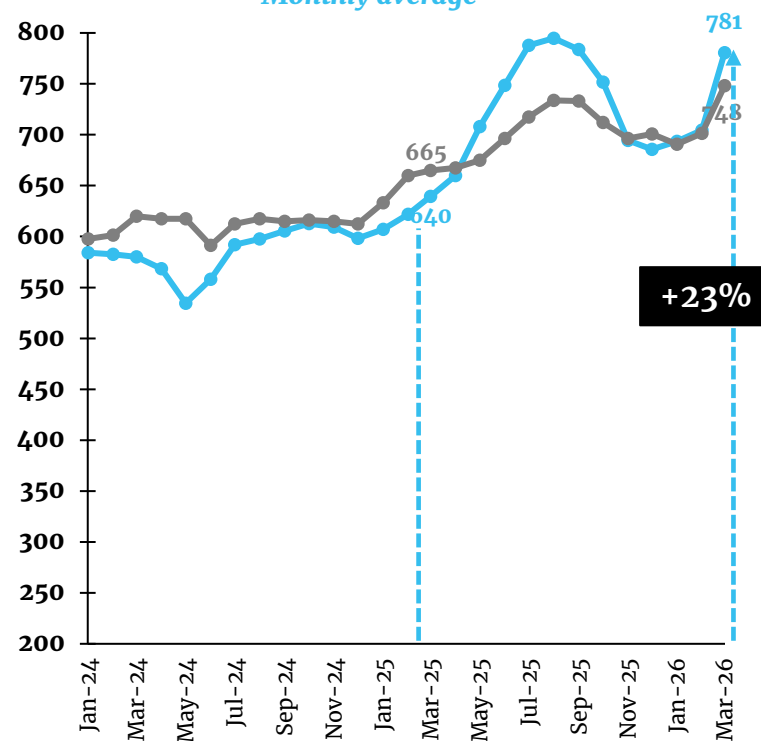


Mar'26 vs Mar'25

- +63% Urea fob Egypt, \$/t
- +24% UAN-30 fca France, €/t

## Phosphates: monthly prices in 2024/2026

Monthly average

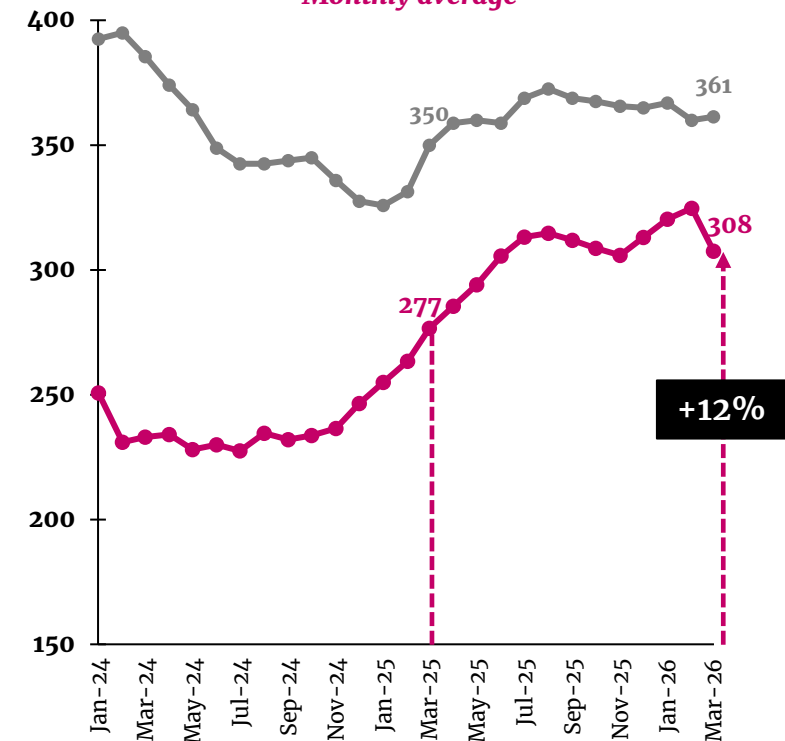


Mar'26 vs Mar'25

- +23% DAP fob Morocco, \$/t
- +12% DAP fca France, €/t

## Potash: monthly prices in 2024/2026

Monthly average



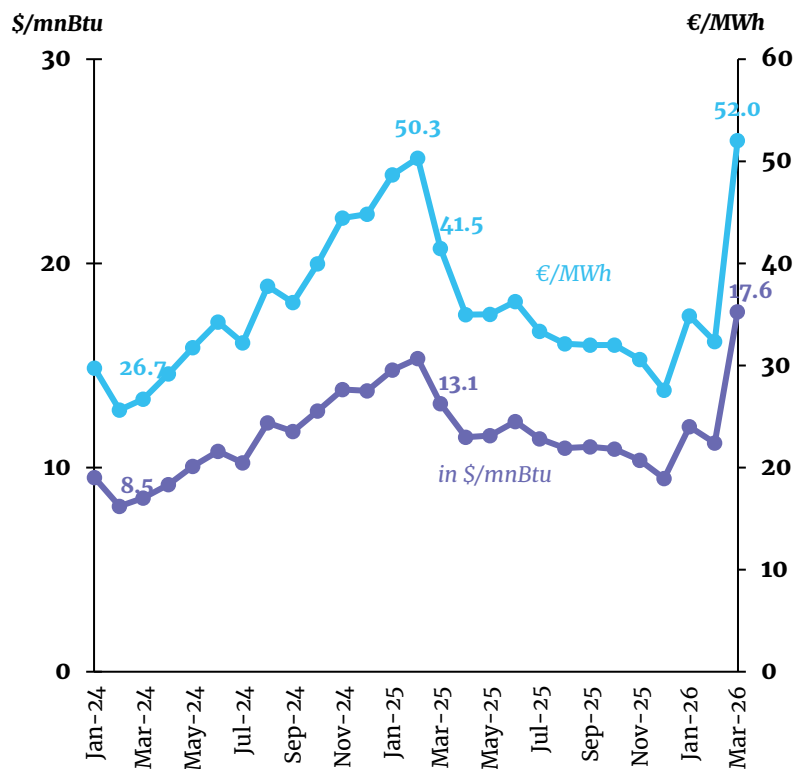
Mar'26 vs Mar'25

- +12% MOP (s) fob Vancouver, \$/t
- +3% MOP (g) fca France, €/t

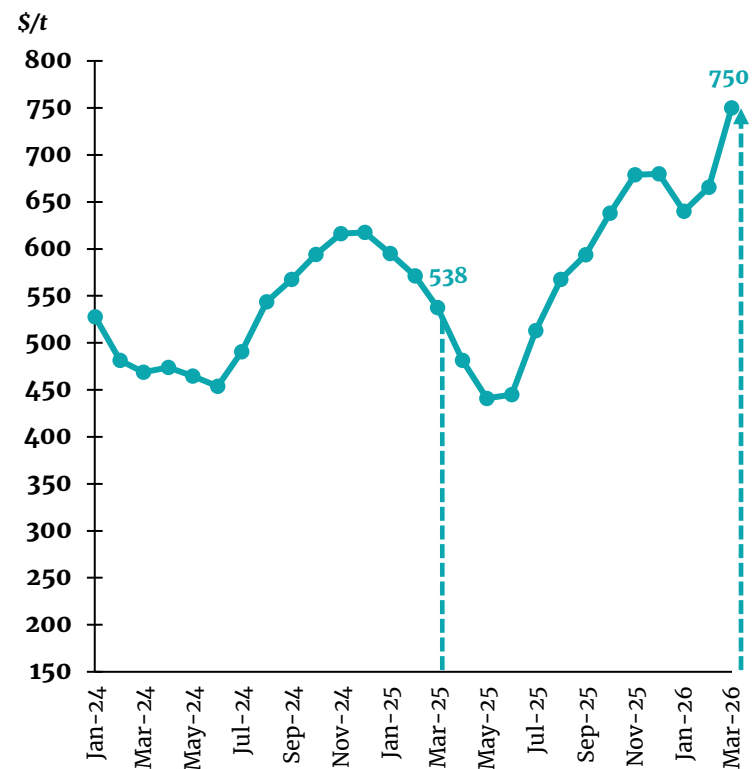
# Fertilizer raw materials prices (upstream drivers): natural gas, sulphur and ammonia

Elevated (and recently escalated) raw materials prices have been driving the firmness of fertilizer values

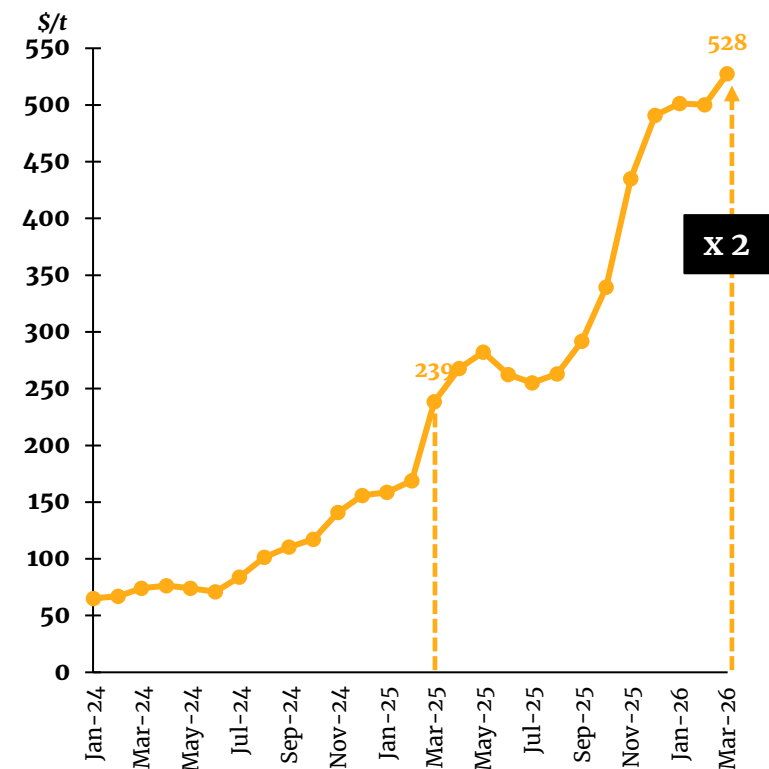
## Natural gas: monthly prices in 2024/2026



## Ammonia: monthly prices in 2024/2026



## Sulphur: monthly prices in 2024/2026



— TTF, \$/mnBtu    — TTF, €/MWh

Mar'26 vs Mar'25

**+29%**

**+21%**

— Ammonia, cfr NW Europe

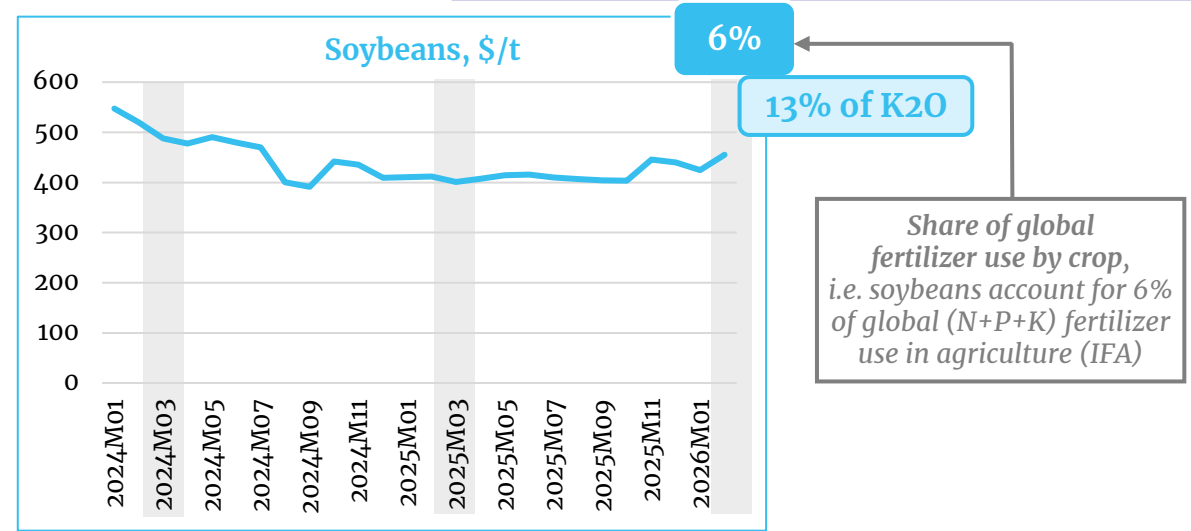
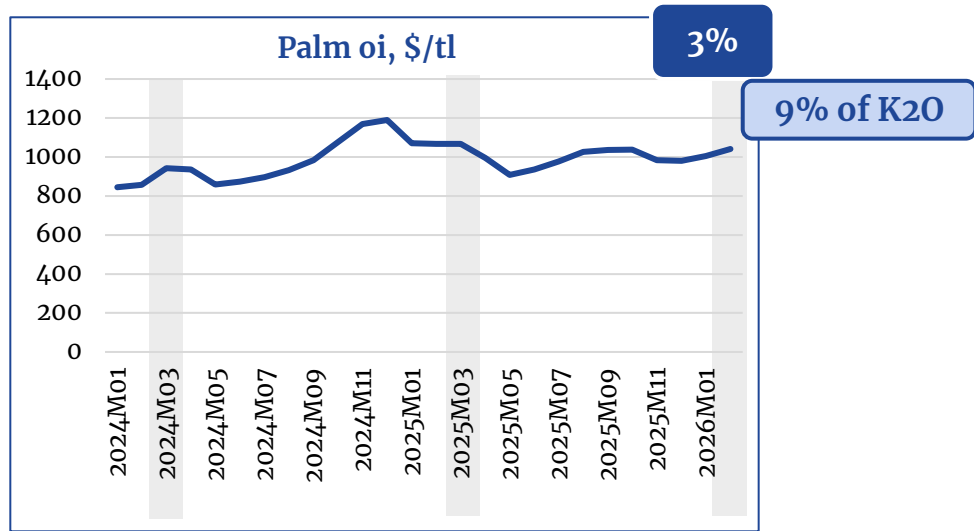
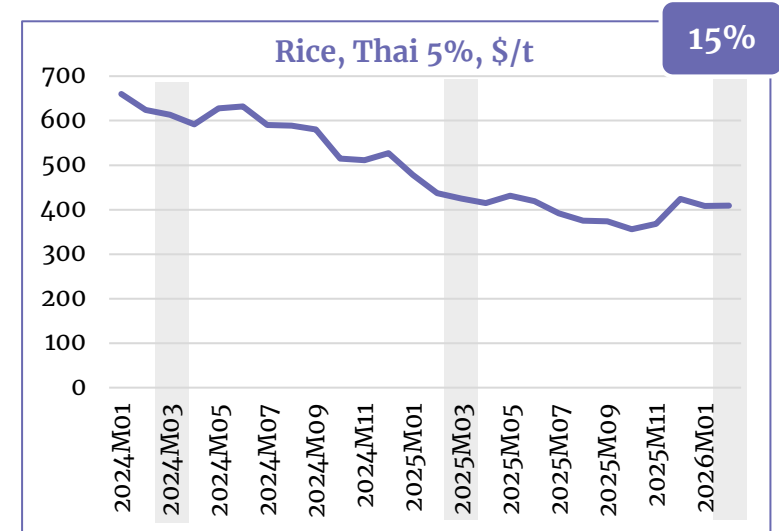
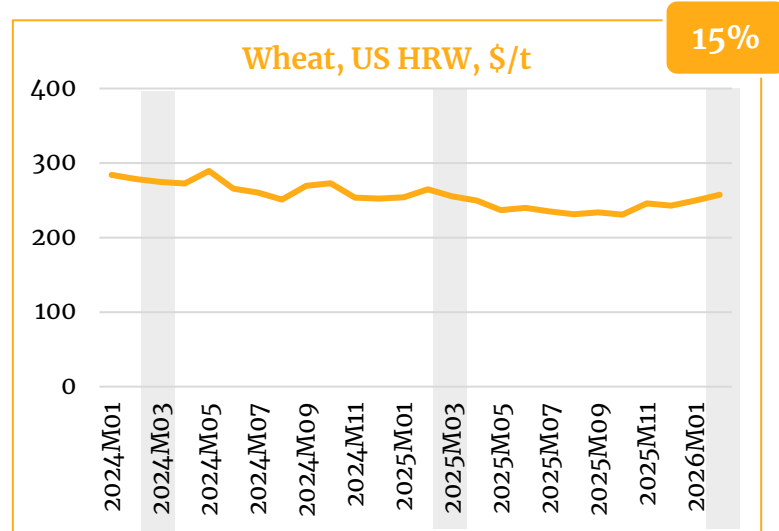
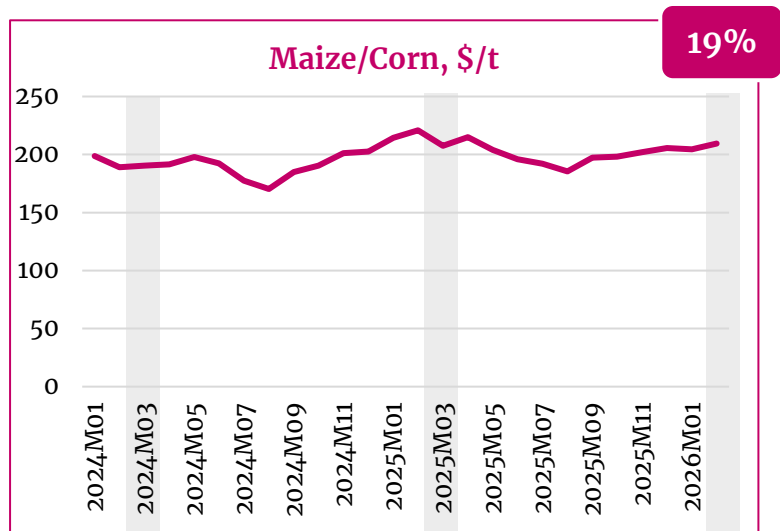
**+37%**

— Sulphur, fob Vancouver, \$/t

**+171%**

# Downstream drivers: recent developments in crop prices

Crops prices determine fertilizer affordability and strength of fertilizer purchasing activity (demand)

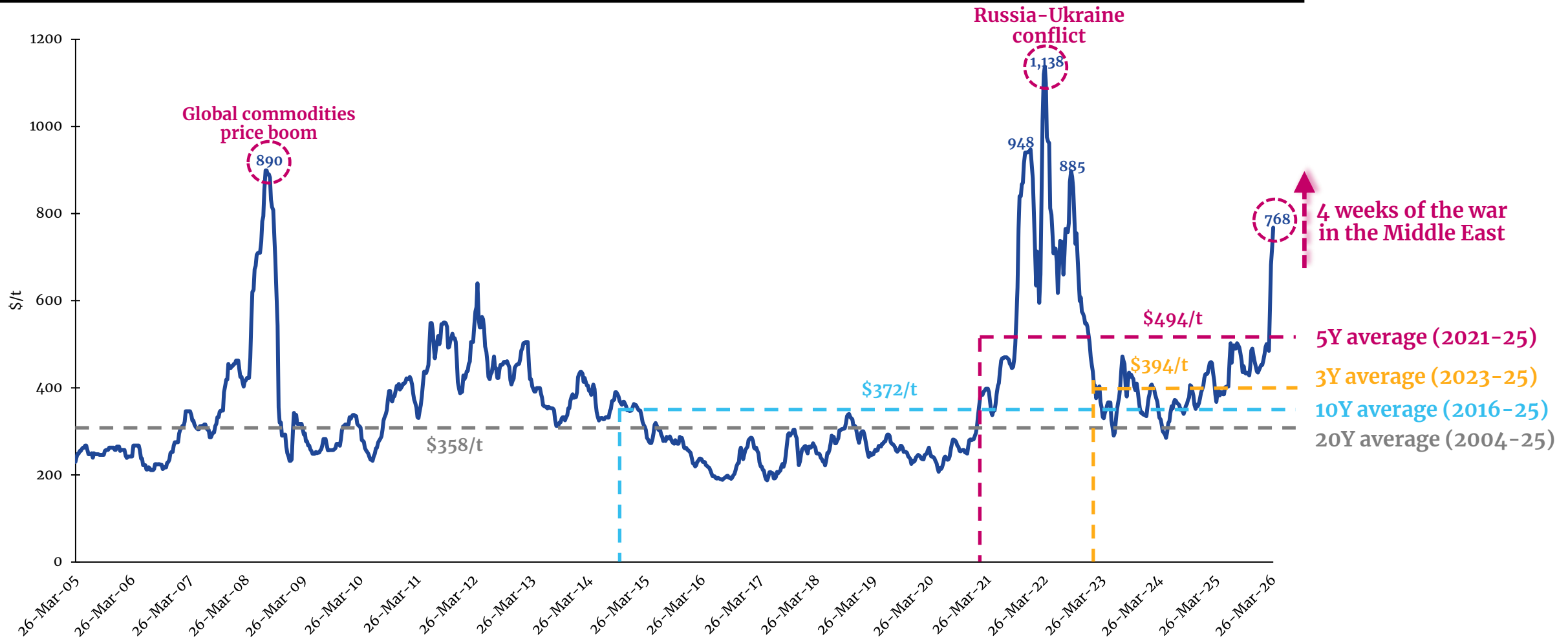


Share of global fertilizer use by crop, i.e. soybeans account for 6% of global (N+P+K) fertilizer use in agriculture (IFA)

# Urea prices responded immediately to the ME conflict. Market sentiment firm.

Historical perspective & price response to the previous macroeconomic and geopolitical shocks

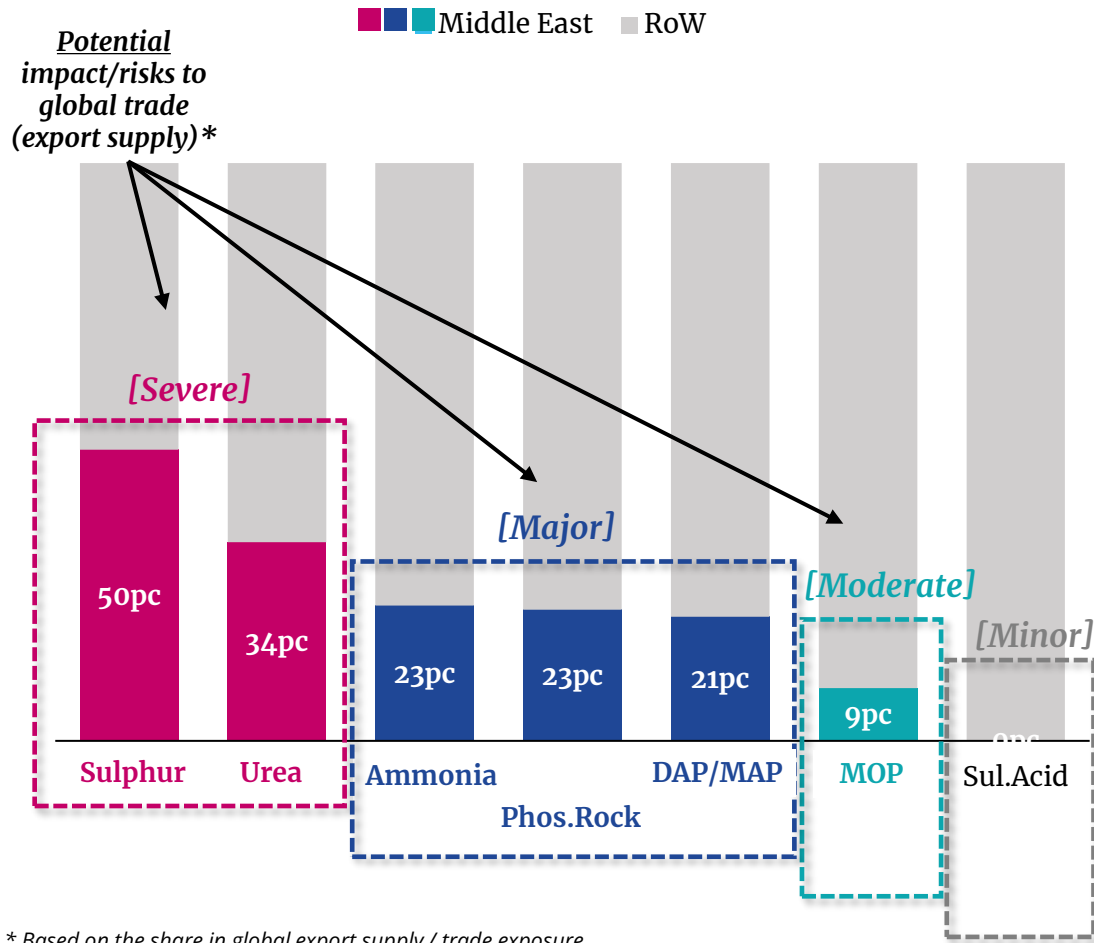
Urea granular bulk fob Egypt to Europe, Argus weekly prices, \$/t



# The ME conflict could disrupt availability of sulphur and urea in particular

Sulphur & urea supply chains might experience the strongest upside price impact due to significant exposure in trade

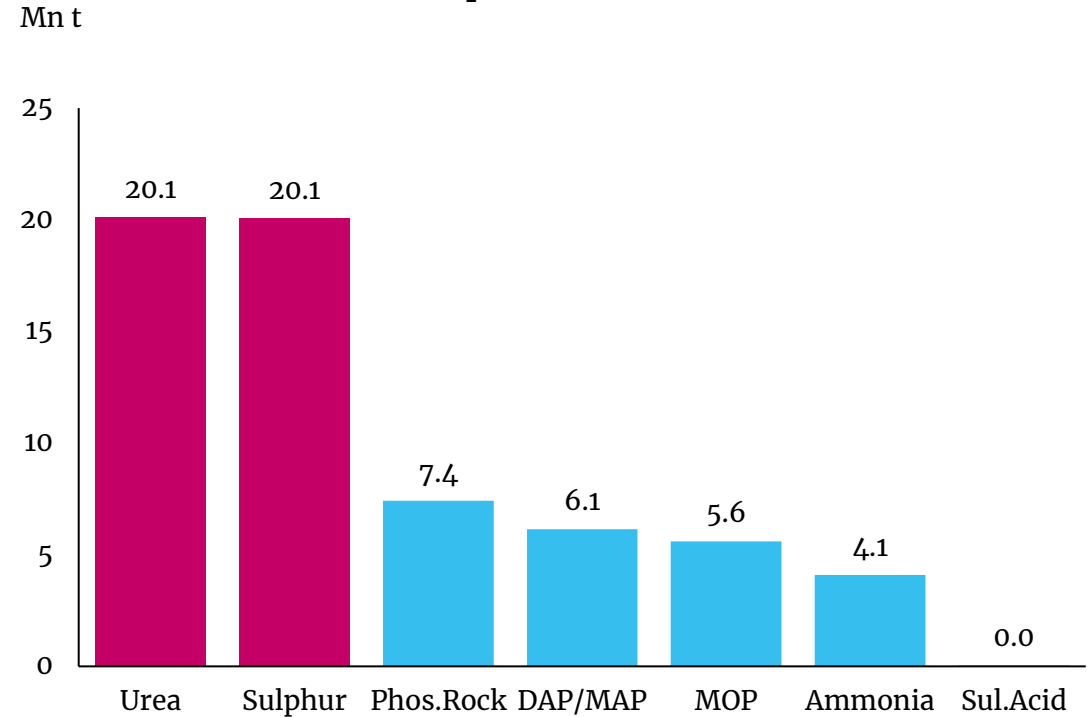
Exports (2025): percentage share of the ME in the global trade



\* Based on the share in global export supply / trade exposure

Exports (2025): ranking by product exported by the ME suppliers

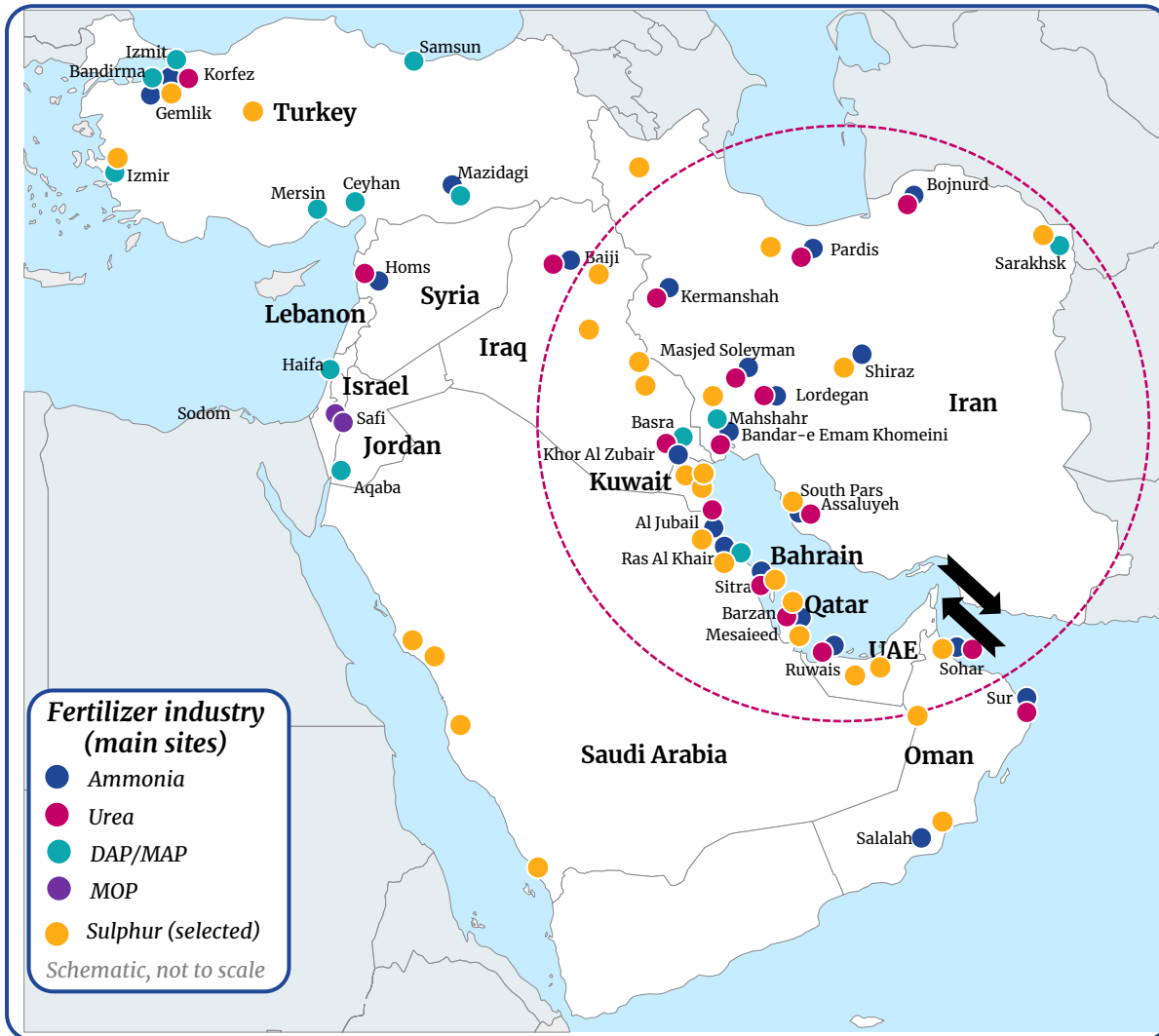
60+ mn t main fertilizers & fertilizer raw materials are exported out of the ME



Note: Middle East (ME) includes Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria and UAE

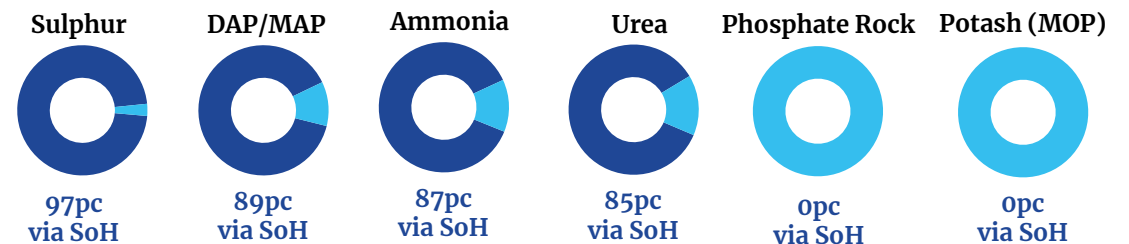
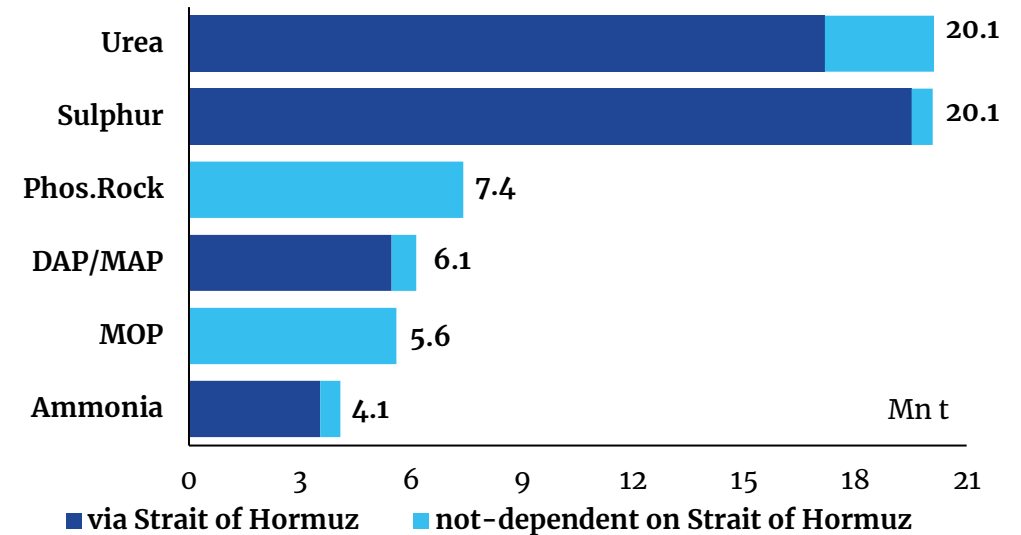
# Middle East is home to 50pc of sulphur and over 30pc of the global urea exports

Production of sulphur, ammonia and urea has already been disrupted. Closure of Strait of Hormuz continues for several weeks.



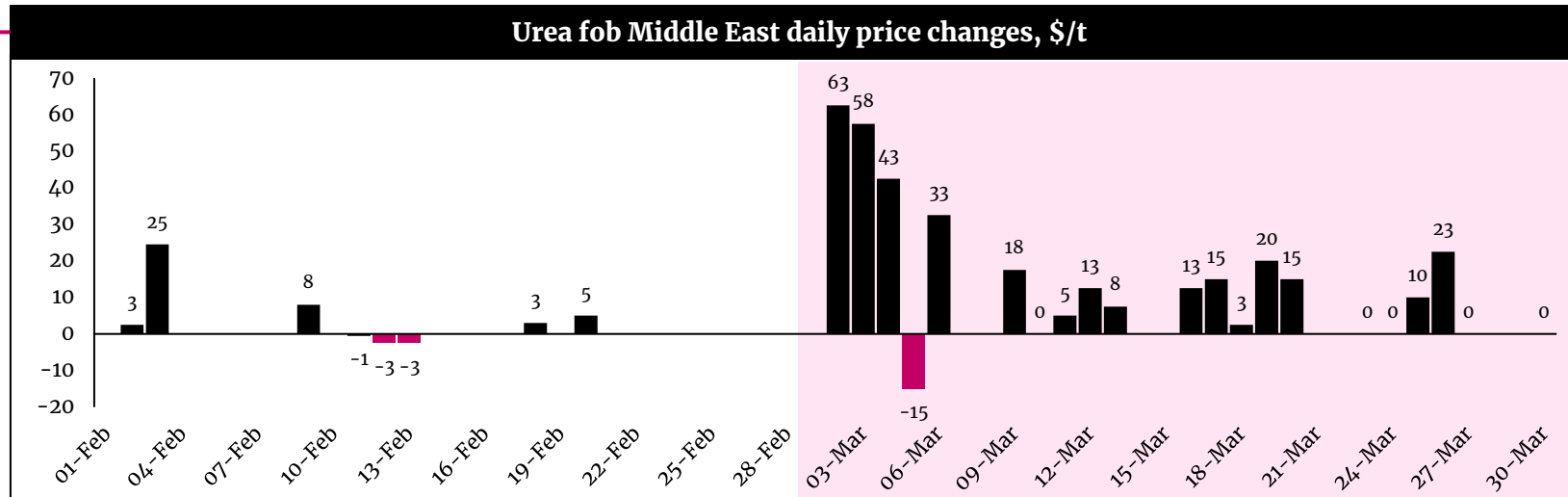
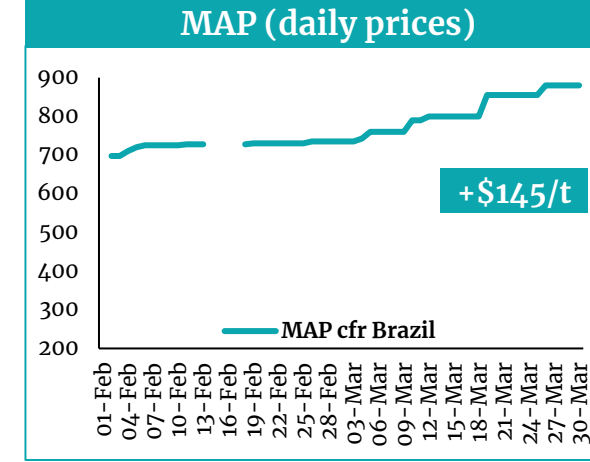
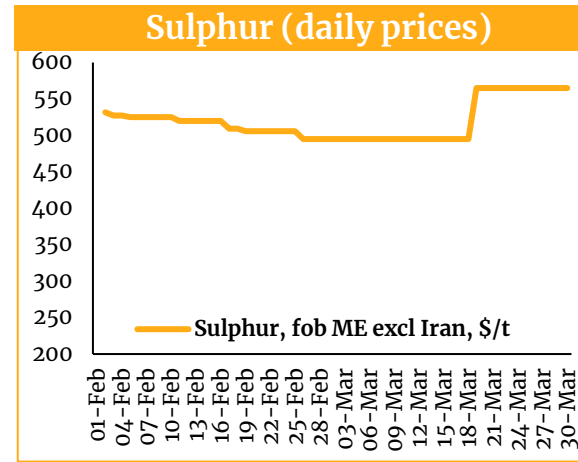
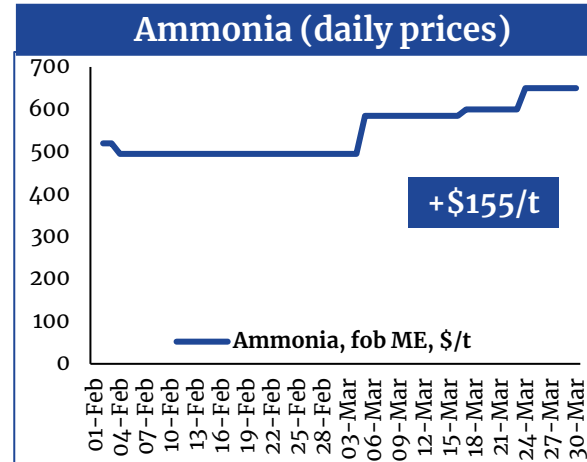
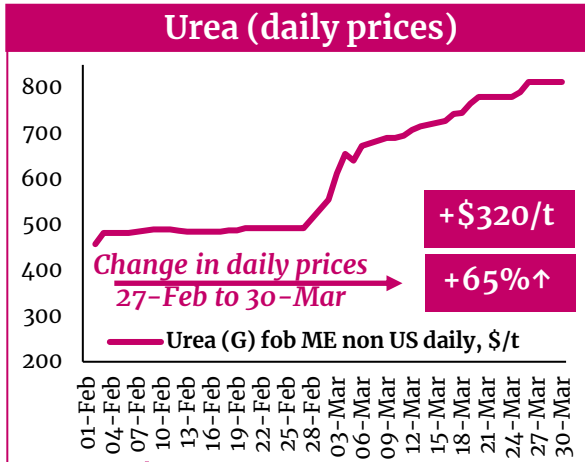
## Exports (2025): ranking by product exported by the ME suppliers

60+ mn t main fertilizers & fertilizer raw materials are exported out of the ME (incl. 45 mn t via Strait of Hormuz)



# Sulphur, urea and ammonia have had the largest supply disruptions so far

Daily urea prices have responded fast, having jumped by 65pc since the start of the war

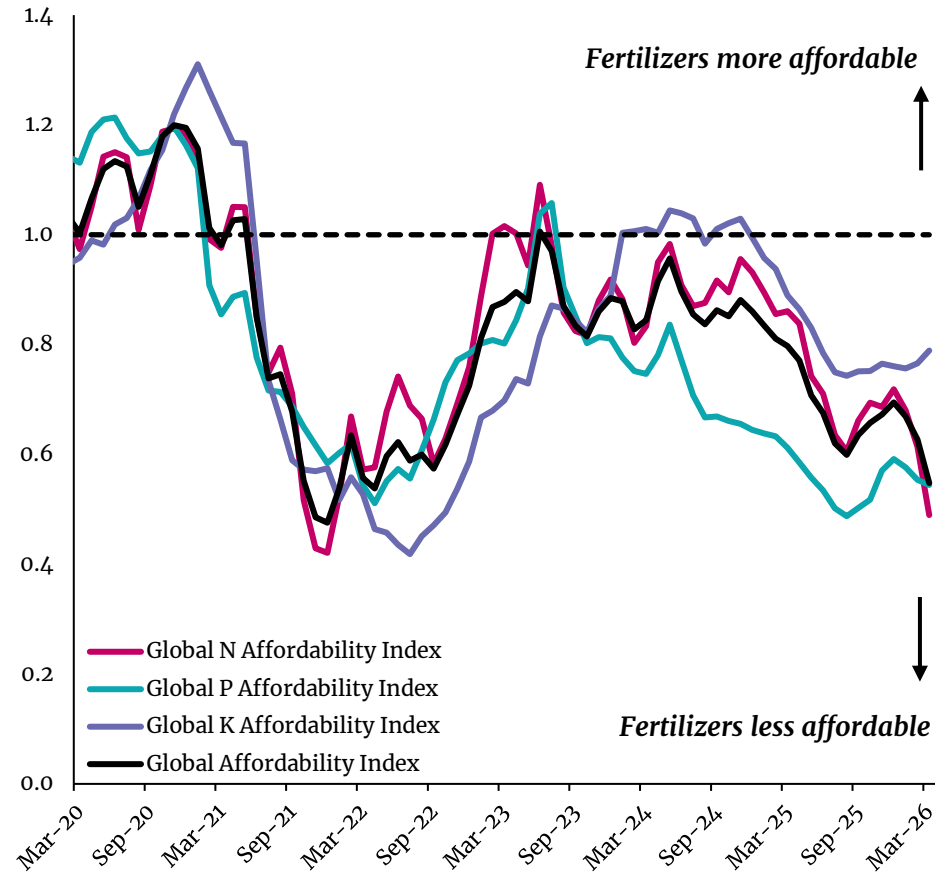


# Fertilizer affordability (=farmer profitability) is worsening

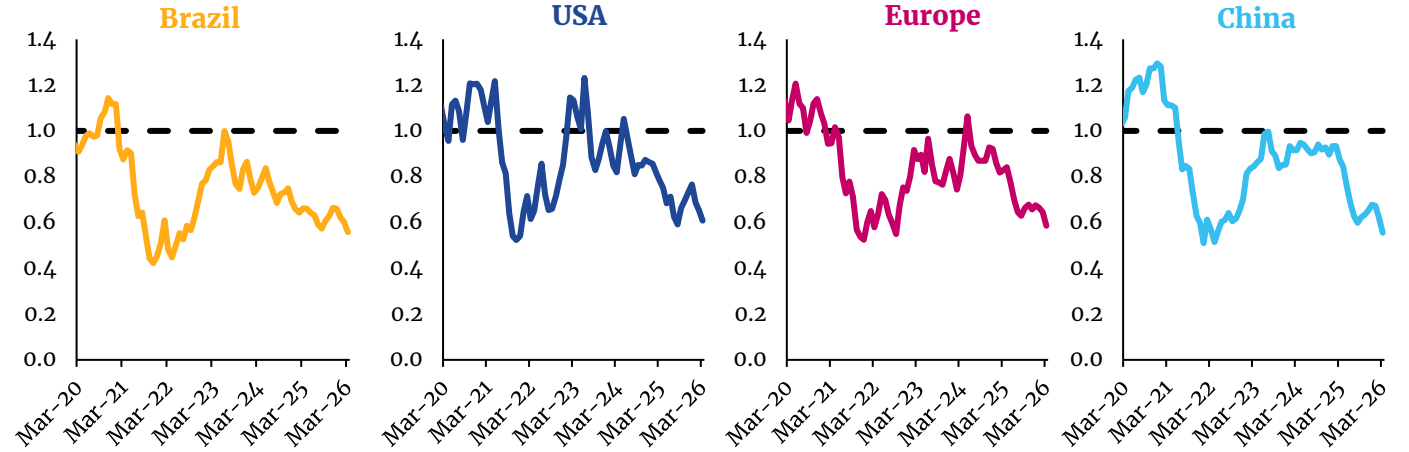
Potash (K) affordability still supported by strength of palm oil prices, but Nitrogen (N) and Phosphate (P) affordability is under pressure

## Argus fertilizer affordability index by nutrient

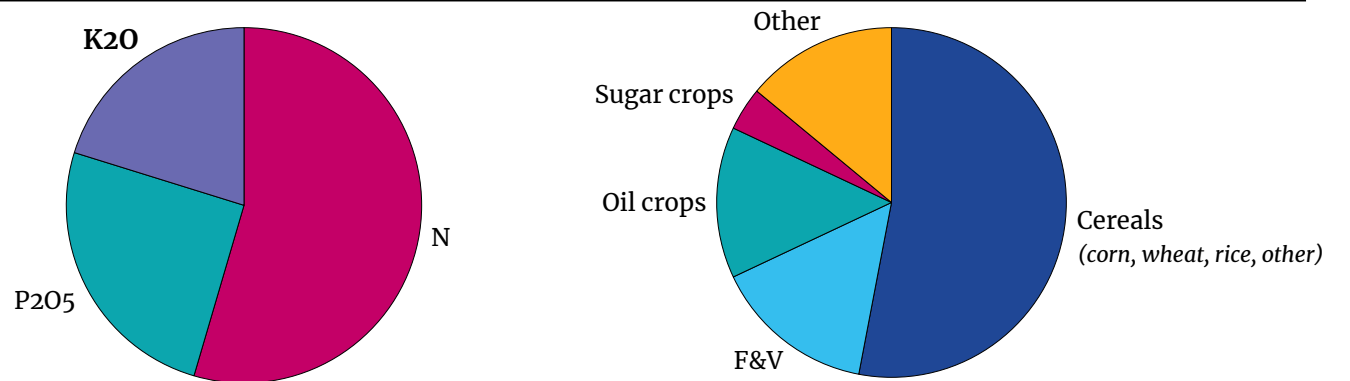
Fertilizer affordability index (1 = Jan 2017)



## Argus fertilizer affordability index by country (key markets)



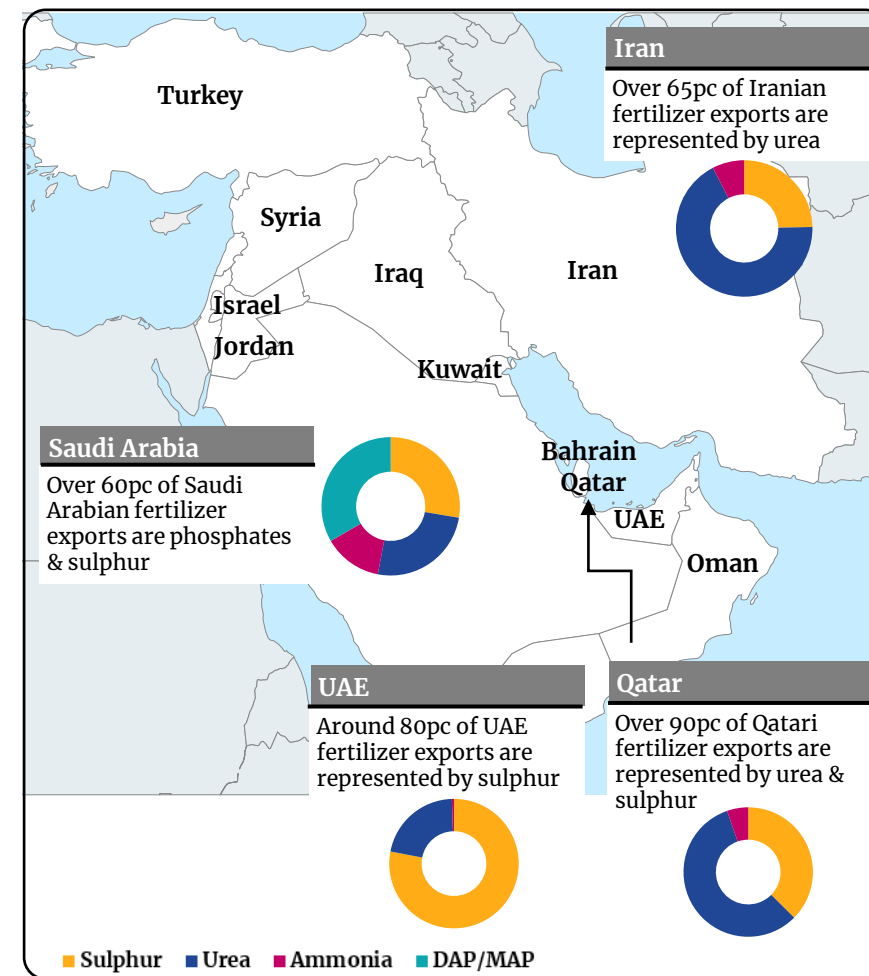
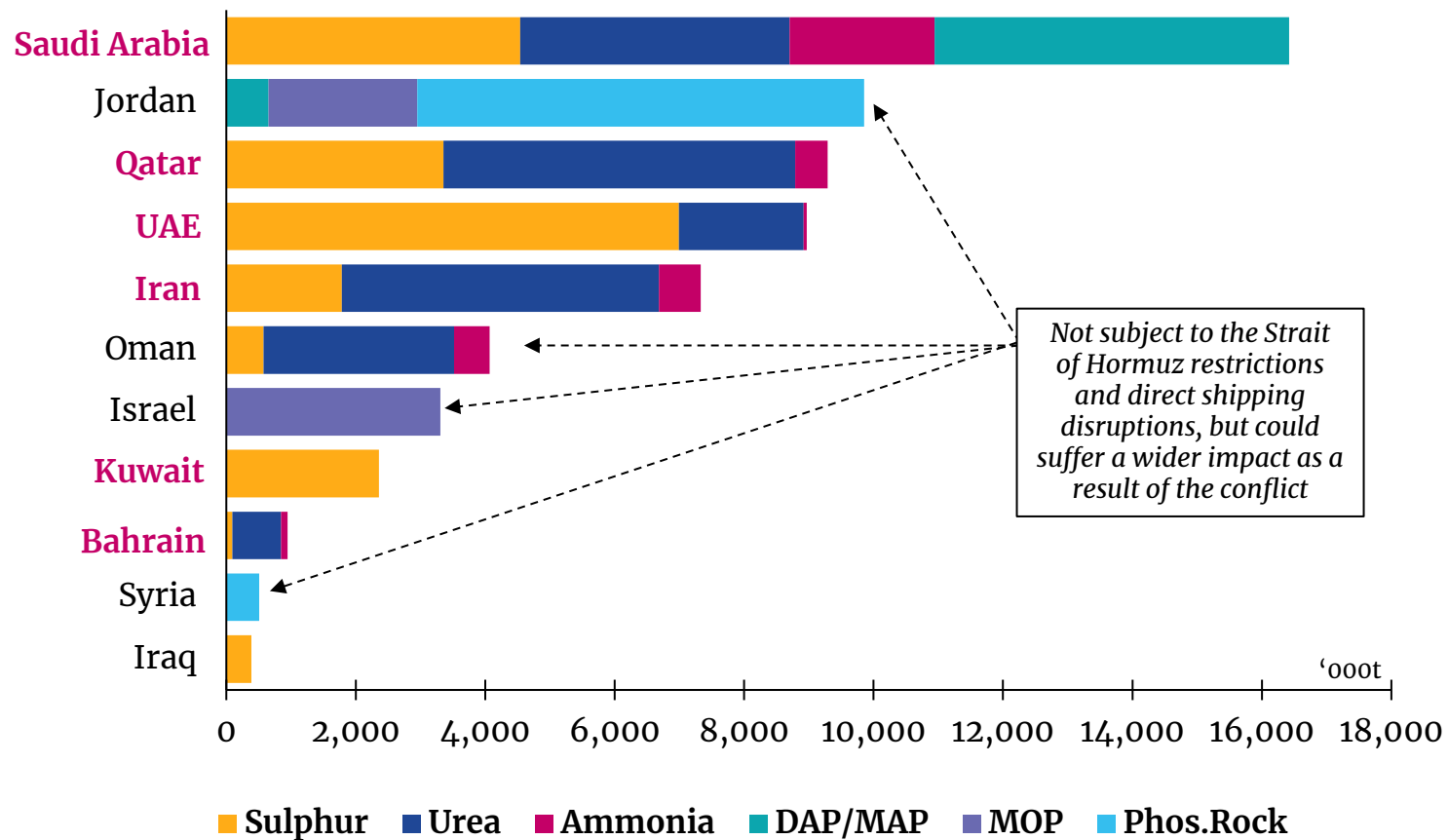
## Global fertilizer use by nutrient and crop



# Saudi Arabia is a major fertilizer exporter in the Middle East, 25% regional exports

Most export volumes, except shipments from Jordan, Israel, Syria and west coast Saudi Arabia, depend on the Strait of Hormuz

## Ranking of ME exporters by volume and product mix, 2025

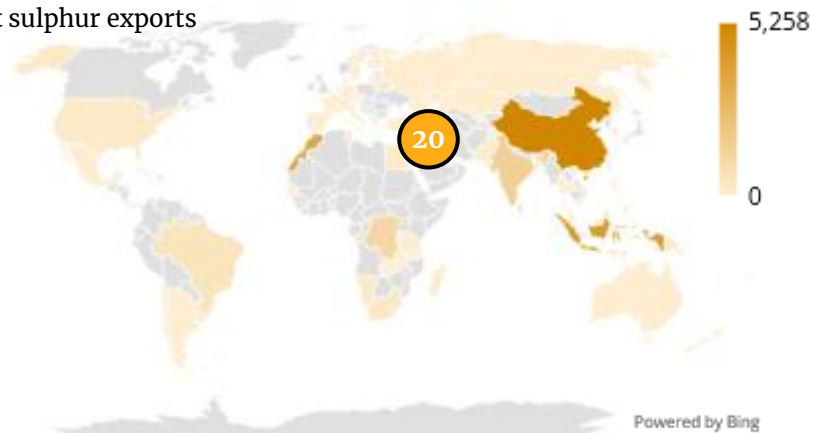


# Middle East fertilizer exports play an important role in markets East and West of Suez

The wide impact of inter-dependent energy-fertilizer value chains will make it challenging to cover the shortfall in supply

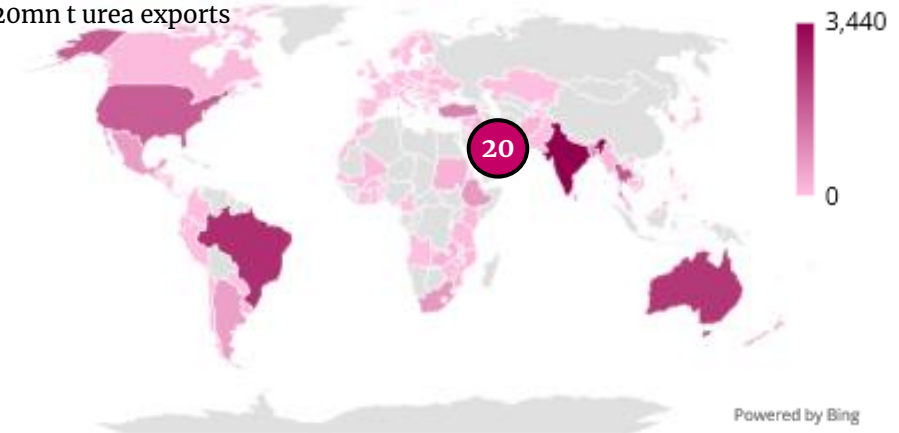
## Sulphur: ME exports by destination

20mn t sulphur exports



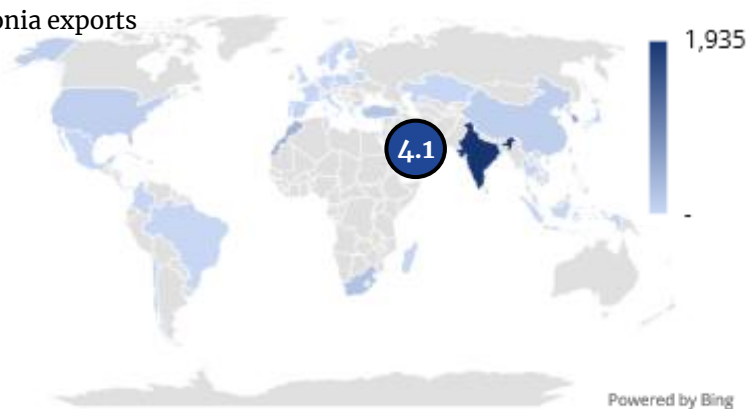
## Urea: ME exports by destination

20mn t urea exports



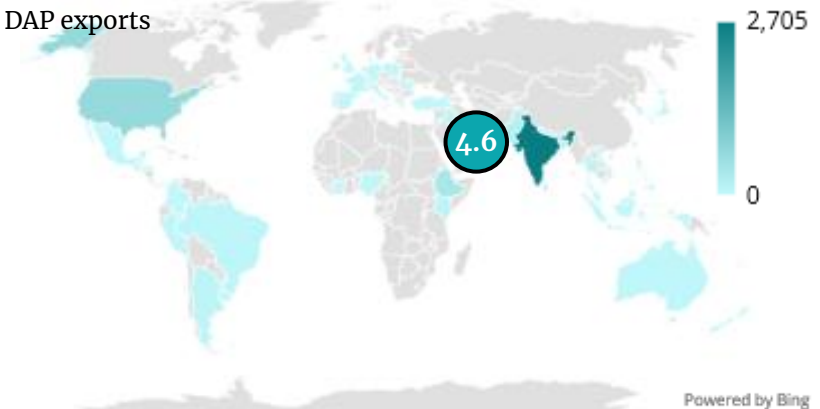
## Ammonia: ME exports by destination

4.1mn t ammonia exports



## DAP: ME exports by destination

4.6mn t DAP exports

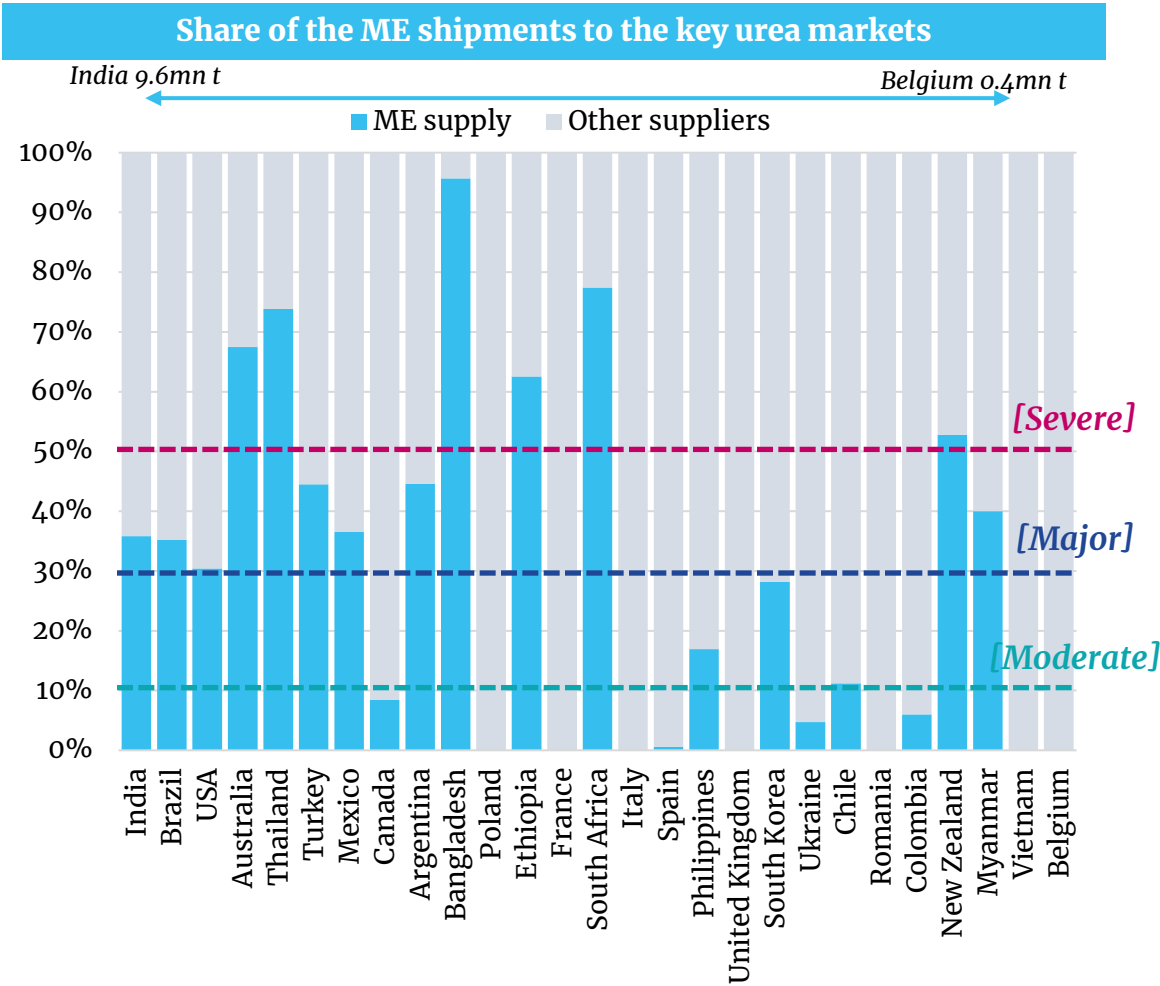


Note: 2025 export volumes

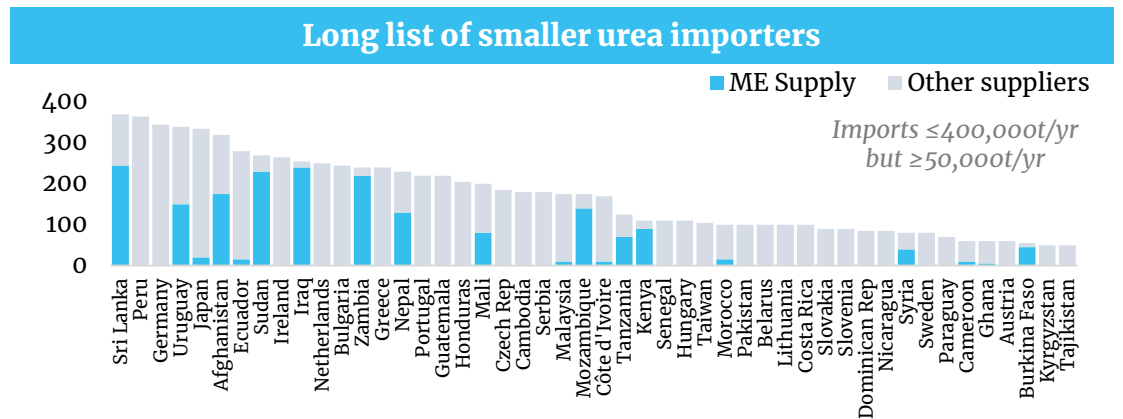
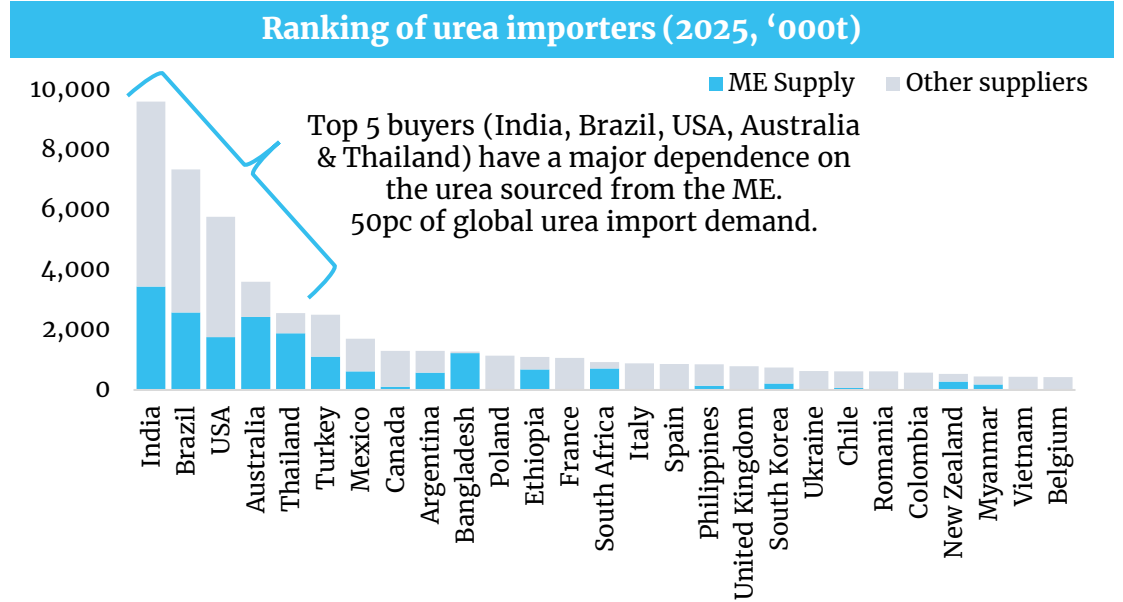
Note: Middle East (ME) includes Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria and UAE

# Key markets with high dependency on the ME fertilizers: UREA

Many countries have a significant exposure and dependency



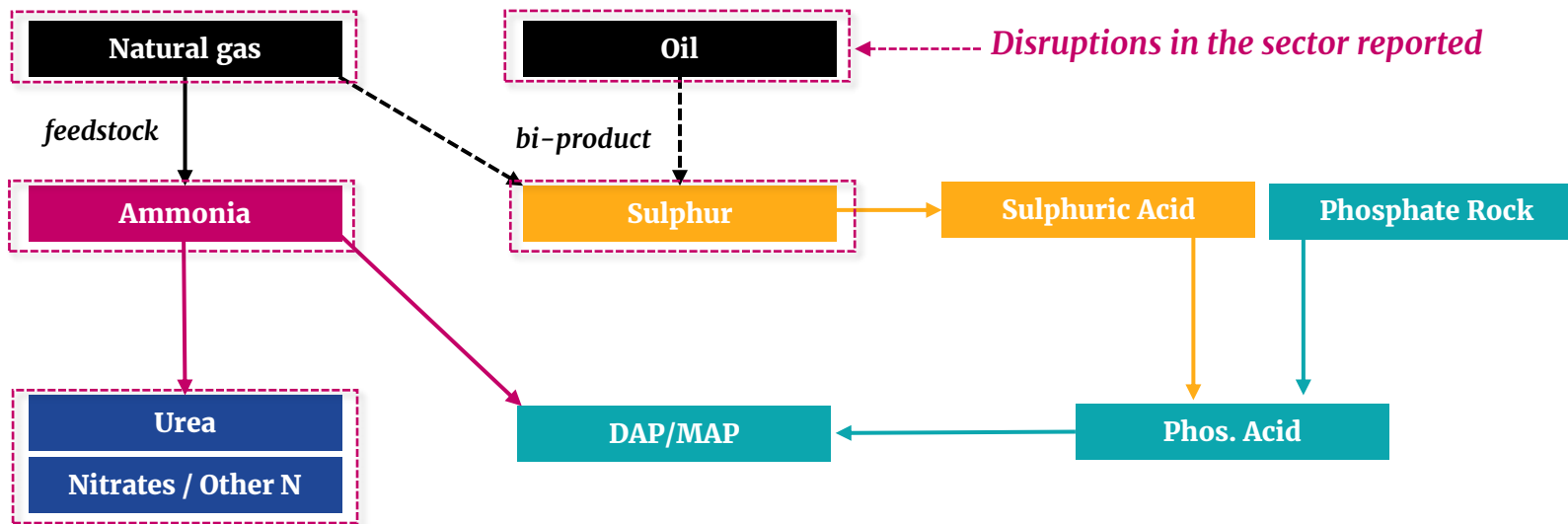
Total imports ≤400,000t/yr



# Inter-connected fertilizer value chain implies significant exposure from other sectors

Production of natural gas and oil are essential for the ammonia (as a feedstock) and sulphur (bi-product)

Simplified production flowchart: key fertilizer products



Disruptions in the sector reported

**The Middle East war: potential impact on fertilizer value chain**

- Storage infrastructure limitations
- Handling hazardous cargoes (e.g. ammonia)
- Access to port terminals in the region
- Access to market: ability to navigate via Strait of Hormuz
- Access to feedstock & associated products (gas/oil)
- Delayed projects progress/commissioning
- Risks of fertilizer demand destruction

**Reduced availability & further increase in the cost of fertilizers will have a knock-on effect on the crop production (agribusiness value chain & food security)**

## Cascading impact & Domino effect



# Governments taking measures to address affordability & availability of fertilizers

From national reserves management to export restrictions and regulatory measures

China maintains its strategy on affordability & availability of fertilizers: national reserves



## Main sources of fertilizer procurement: China

- ! 55pc of sulphur imports from the ME (~5.2mn t from UAE, Kuwait, Qatar, Saudi Arabia, Iran)
- = <10pc of potash imports from the ME. Russia, Belarus, Canada are main suppliers.

## Measures since the start of the ME conflict

- 1 Releasing fertilizers from national reserves for the domestic market >> affordability & availability
- 2 Maintaining restrictions on fertilizer exports (urea until May, DAP/MAP until August, new restrictions on SSP/NK/UAN)
- 3 Ceiling prices for the spring application season
- 4 Increasing operating rates of the domestic production, where feasible

India faces major shortage of fertilizers & raw materials: urea ORs reduced due to LNG shortage



## Main sources of fertilizer procurement: India

- ! ~80pc of ammonia imports from the ME (~2mn t from S. Arabia, Iran, Oman, Qatar)
- ! ~36pc of urea imports from the ME (3.4mn t from Oman, Qatar, Saudi Arabia, UAE).
- ! ~66pc of sulphur imports from the ME (1.5mn t).
- = Phos rock not affected so far. Main sources: Jordan (4.2mn t), Morocco (2.9), Egypt

## Measures since the start of the ME conflict

- 1 Rationing of the gas supply (LNG dependence from the ME)>> reduced run rates at 70-75pc of the fertilizer industry, less domestic supply
- 2 Urea: delaying next procurement tender. Setting up urea task force >> procurement strategy.
- 3 Ammonia: phosphate producers bringing forward maintenance turnarounds.
- 4 India is the largest ammonia importer in the world. Main sources of ammonia supply: Saudi Arabia & Iran

US implementing regulatory measures.



## Main sources of fertilizer procurement: US

- ! ~30pc of urea imports from the ME (~1.8mn t from Qatar, S. Arabia, Bahrain)
- = ~53pc of DAP/MAP imports from the ME (~1mn t from Saudi Arabia)
- = US imported <200kt of S from ME in 2025
- = Marginal reliance on the ME shipments of potash, ammonia. New capacity.

## Measures since the start of the ME conflict

- 1 AFBF (American Farm Bureau Federation) letter to the President >> vulnerability of the global fertilizer supply chains & negative impact of trade tariffs
- 2 President announced a Jones Act waiver to facilitate deliveries of key commodities, including fertilizers, between US ports.
- 3 US sanctions enforcement arm is allowing imports of crude, refined products and fertilizers from Venezuela
- 4 US removes remaining sanctions on Belarus (potash)

# EU fertilizer market exposed to reducing stocks during spring amidst global shortage

Europe waits (hopes) for price correction but pre-CBAM imports inventories are disappearing

## Demand

- March panic buying over (?)
- Spring application ongoing
- Farmer profitability eroding
- Potential demand destruction

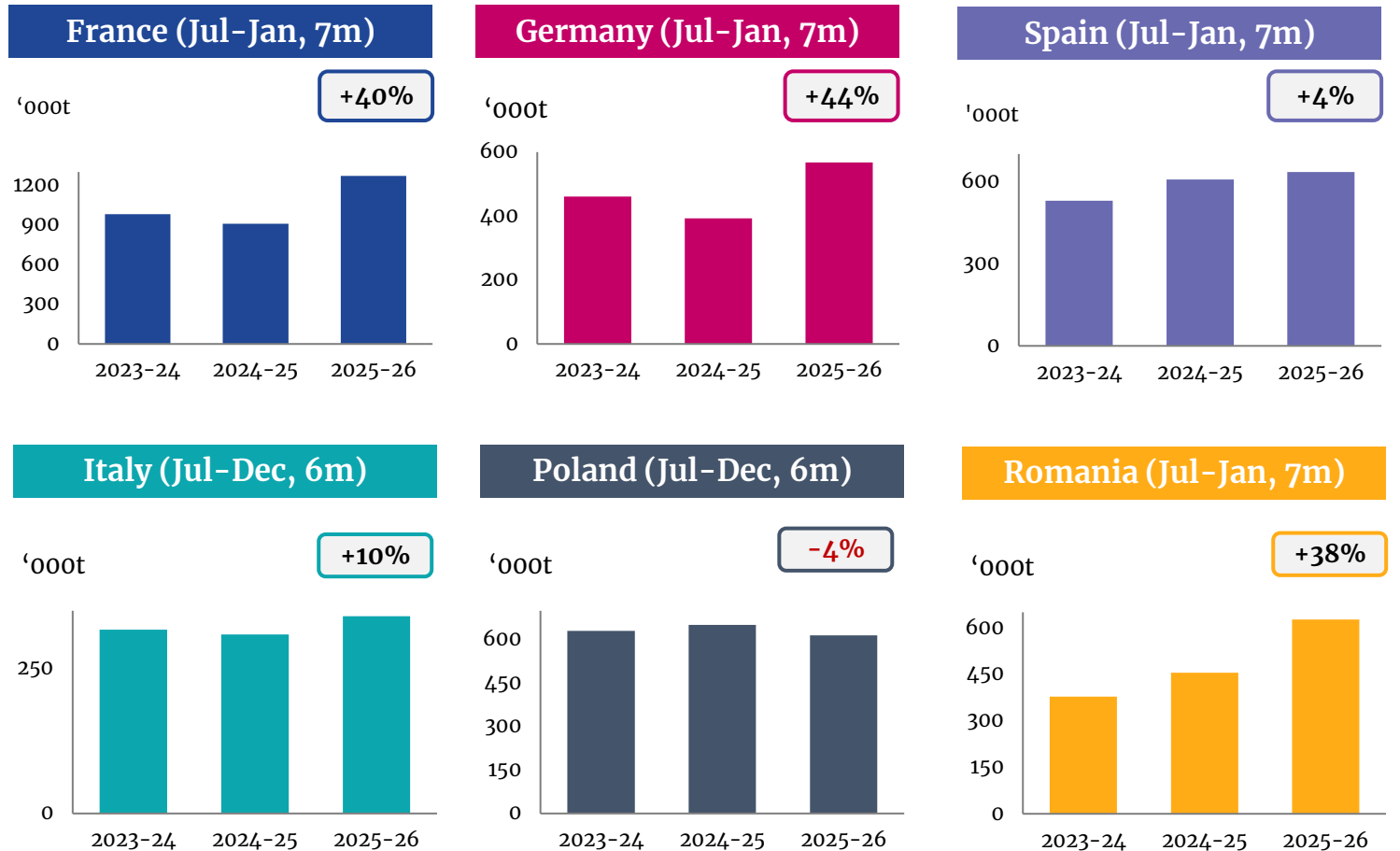
## Supply

- Pre-CBAM inventories are decreasing
- Drawdown of existing stocks
- Low(er) stocks: some markets/products
- Increased domestic production costs (N)

## Trade/Imports

- Waiting for price correction
- Delaying purchases
- Wait and see approach
- Elevated freight costs
- Short supply globally / reduced availability
- Duration of the conflict uncertain

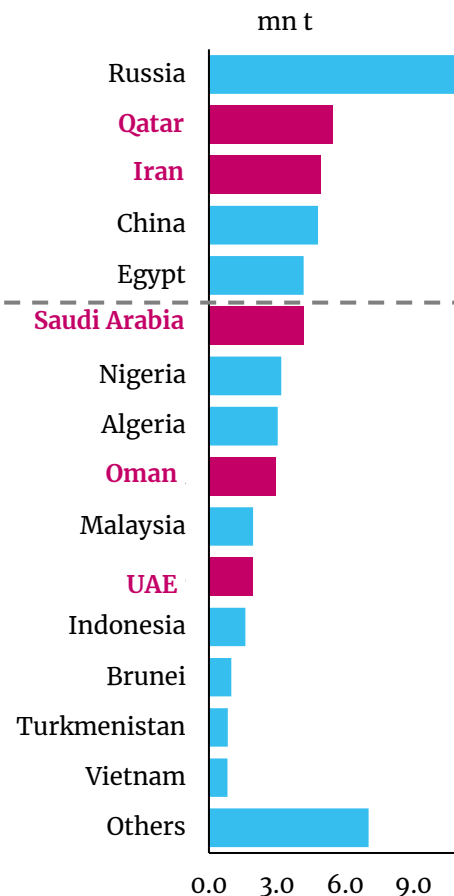
## Urea imports in selected EU countries, YTD (FY basis)



# Global ranking of fertilizer exporters: top 15 suppliers in the international market

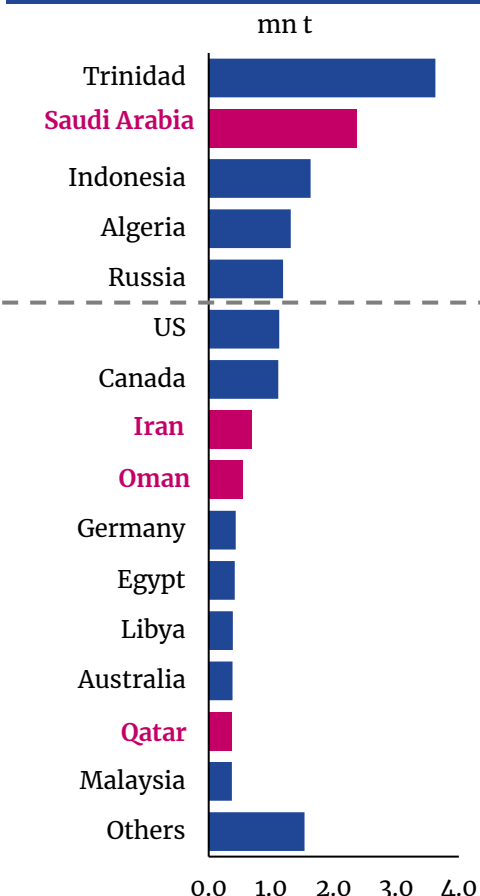
Middle East exporters feature strongly in the global ranking of key fertilizers & fertilizer raw materials

Urea exporters, 2025



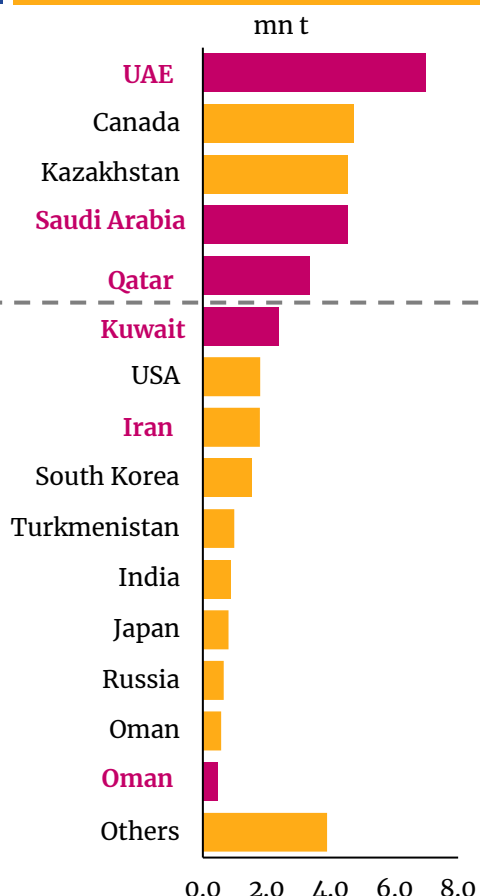
58 mn t (51 pc top 5)

Ammonia exporters, 2025



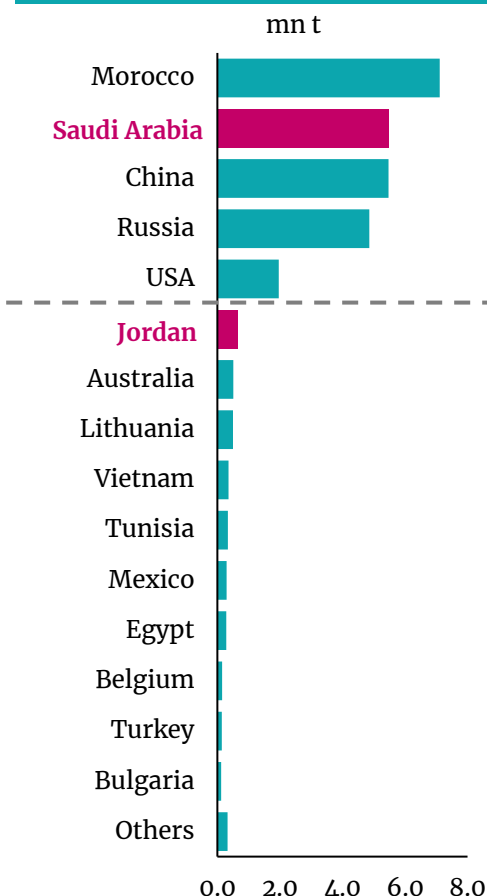
17.5 mn t (58 pc top 5)

Sulphur exporters, 2025



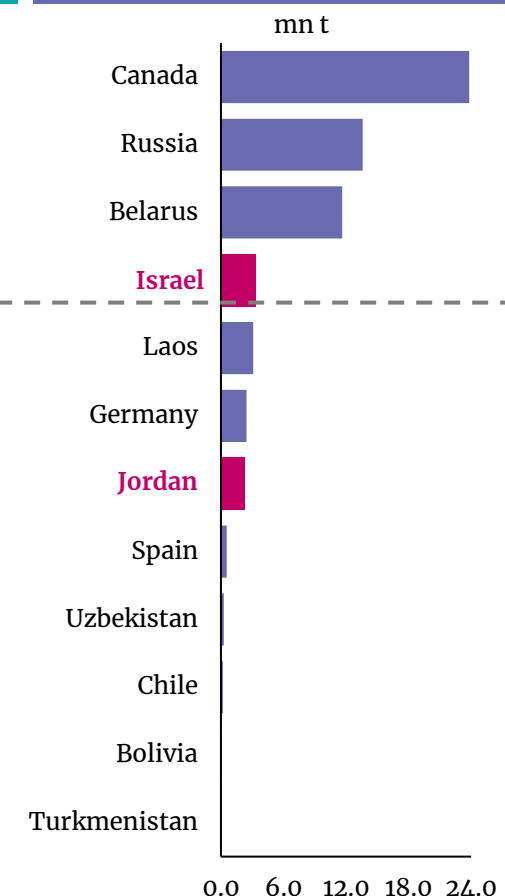
40 mn t (61 pc top 5)

DAP/MAP exporters, 2025



29 mn t (87 pc top 5)

Potash (KCl) exporters, 2025



61 mn t (90 pc top 5)

# Argus Fertilizer Analytics & Outlooks portfolio

## Supporting fundamentals datafiles

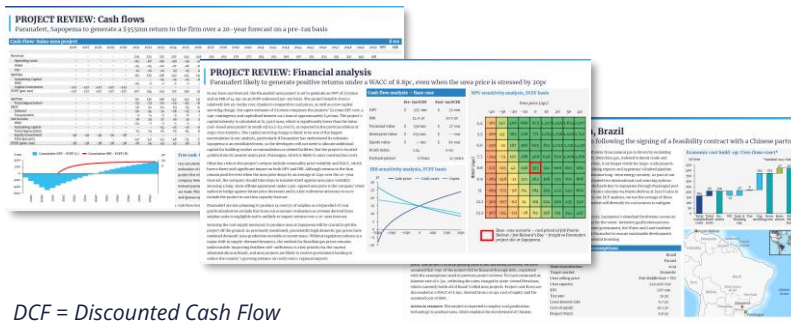
### Excel datafiles “Data & Downloads”

- Capacity
- Projects tracker
- PIEC forecast
- Cost curves
- Feedstock prices
- Trade Matrices
- Spotlights

Worksheet name	Description	Frequency
Gross Capacity by Plant	Gross Capacity by Plant, 2010 - 2039	Quarterly
Merchant Capacity by Plant	Merchant Capacity by Plant, 2010 - 2039	Quarterly
Total Gross Capacity	Total Gross Capacity by Country, 2010-2039	Quarterly
Total Merchant Capacity	Total Merchant Capacity by Country, 2010-2039	Quarterly
Total Gross Production	Total Gross Production by Country, 2010-2039	Quarterly
Total Merchant Production	Total Merchant Production by Country, 2010-2039	Quarterly
Total Gross Consumption	Total Gross Consumption by Country, 2010-2039	Quarterly
Total Merchant Consumption	Total Merchant Consumption by Country, 2010-2039	Quarterly
Total Imports	Total Imports by Country, 2010-2039	Quarterly
Total Exports	Total Exports by Country, 2010-2039	Quarterly

PIEC: Production, Exports, Imports, Exports

## Financial analysis (DCF modelling) in Project Profiles



DCF = Discounted Cash Flow

## Analytics (forecast to 2050)

**Argus Fertilizer Analytics:** Quarterly publications for key fertilizer commodities with long-term forecasts for supply/demand/trade out to 2040, global industry cost structure, LPMC costs analysis and price outlook out to 2050.

### Argus Ammonia Analytics



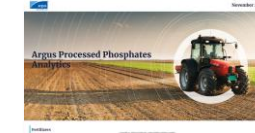
### Argus Urea Analytics



### Argus AdBlue-DEF and TGU Analytics



### Argus Processed Phosphates Analytics



### Argus Phosphate Rock Analytics



### Argus Potash Analytics



### Argus Sulphur Analytics



### Argus Sulphuric Acid Analytics



## Outlooks

**Argus Fertilizer Outlooks:** Monthly publications for key fertilizer commodities with short-term forecasts for the next 12-24 months supported by SRMC analysis and forward-looking trade balances.

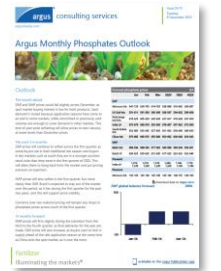
### Argus Ammonia Outlook



### Argus Urea Outlook



### Argus Phosphate Outlook



### Argus Potash Outlook



### Argus Sulphur Outlook



Supplementary **Statistical Forecasts** developed by **Data Science** Team using machine learning techniques