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Expert Group EU Fertilisers Market Observatory

Focus on the impact of war in the Middle East on fertilizer markets

May 21st, 2026



The S&P Global Energy (Fertecon) team today…



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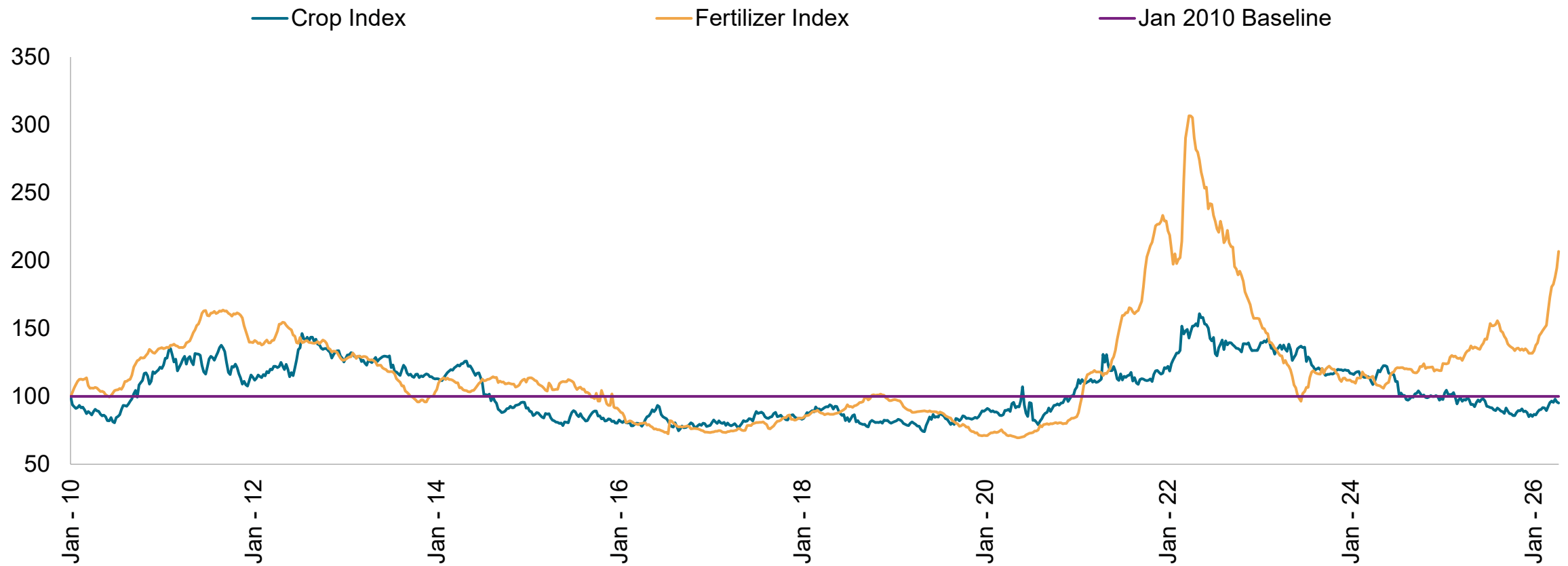
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Affordability: before the war commenced, fertilizer affordability was poor

… and the war has made a difficult situation worse.

Fertecon Fertilizer and Crop Indices



Data compiled April 2026.
Source: S&P Global Energy

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Key impacts from war are felt in two ways:

Supply of fertilizers and intermediates

Impact of restrictions of fertilizers trade through the Strait of Hormuz

Reduction on availability for some select fertilizers and intermediates produced by the Gulf States

Tighter supply-demand balance and pressure on prices, and…

Some global production constraints due to the lack of some key intermediates

Energy crisis and impact on global economy

Impacts of the increase in energy prices on global fertilizer costs

Higher oil and gas prices directly impact on global ammonia production costs

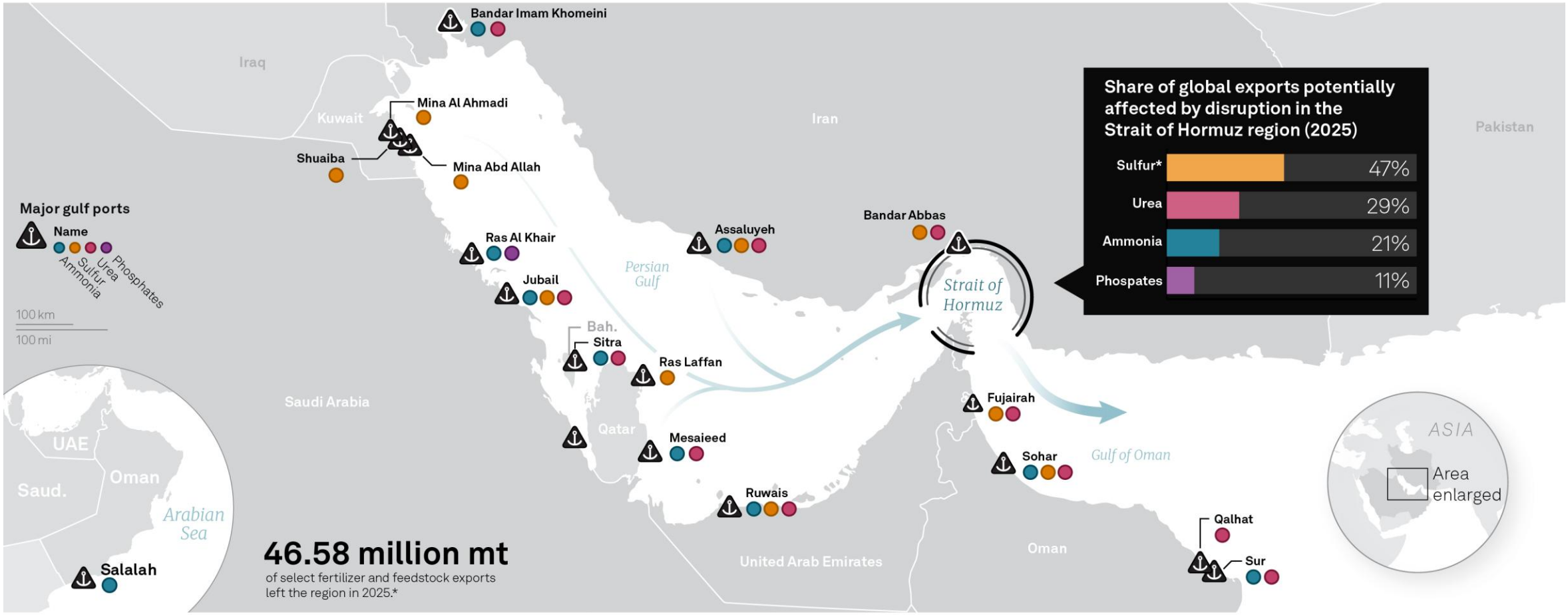
Translates to higher production costs for especially nitrogen fertilizers and ammoniated phosphates, and higher logistics costs for all fertilizers

Source: S&P Global Energy

Impact of the blockade of the Strait of Hormuz on supply is mixed

Four key products – sulphur, ammonia, urea and phosphates

Middle East war disrupts global fertilizer trade



*Sulfur export figures reflect total exports from Iran, Kuwait, Qatar, Saudi Arabia and the UAE, including Saudi exports via Red Sea

Source: S&P Global Energy

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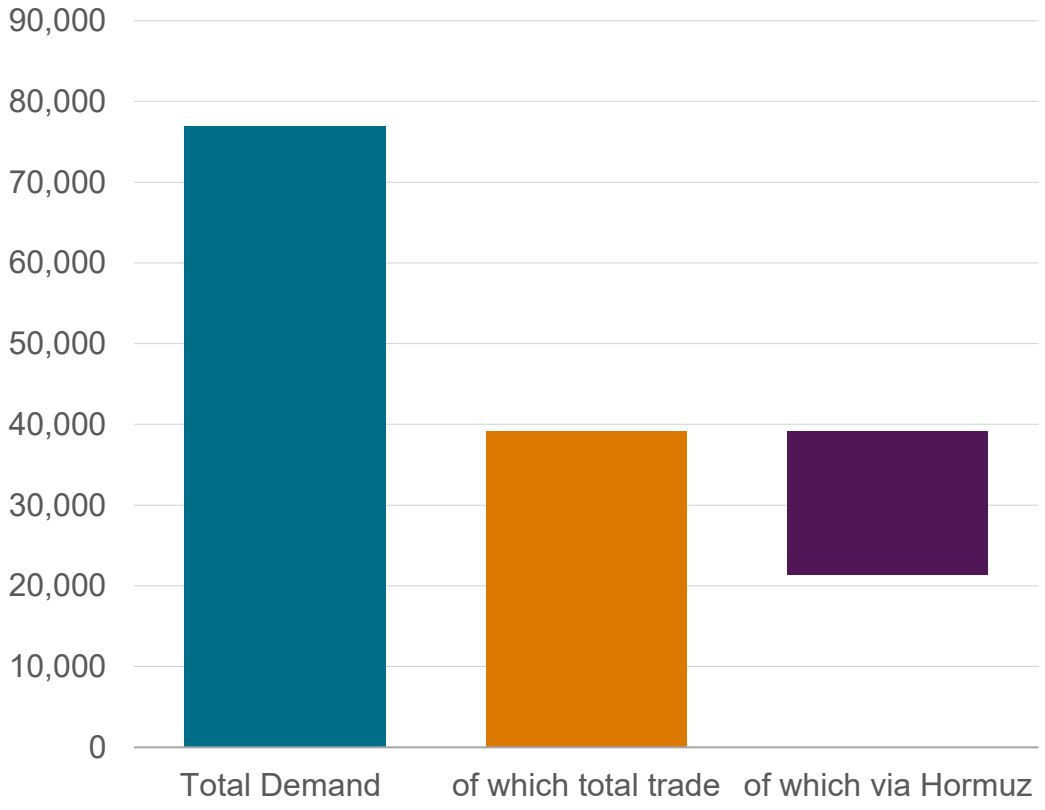
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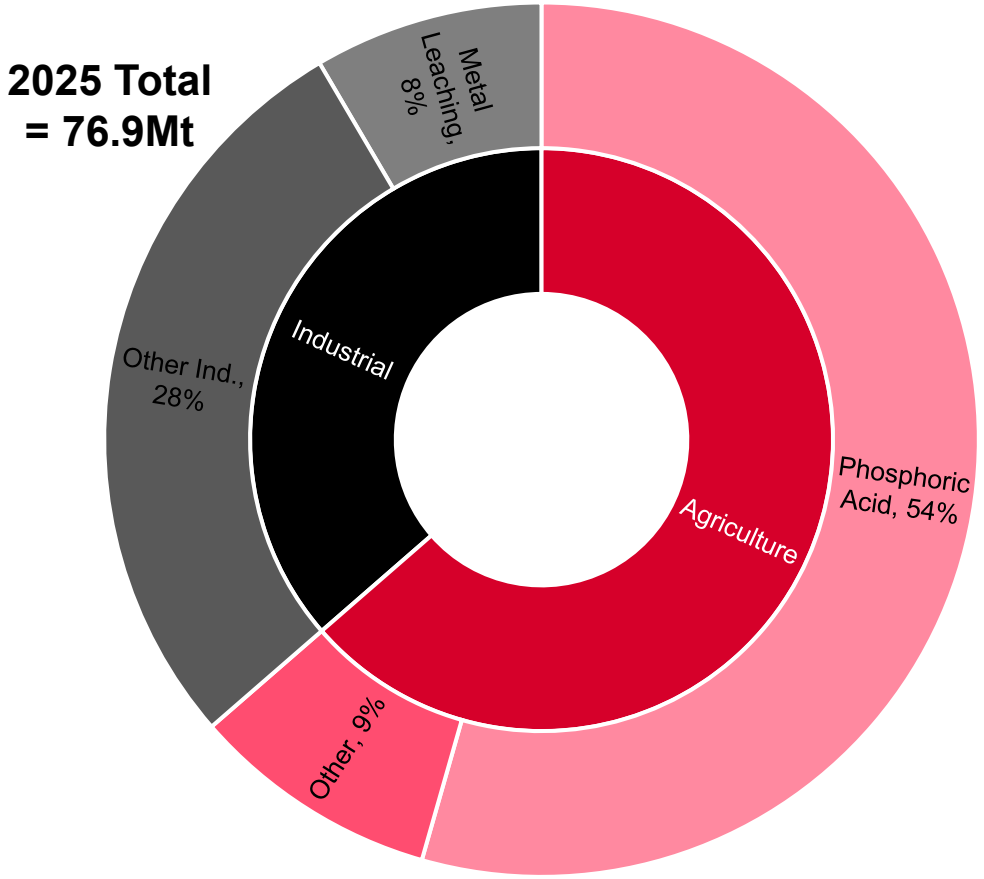
Sulfur is mostly used in agriculture

Key risk to agriculture is that metal leach applications will always be able to outbid fertilizer producers

Sulfur demand segmentation (%)

The role of the Strait of Hormuz in sulfur markets, kt



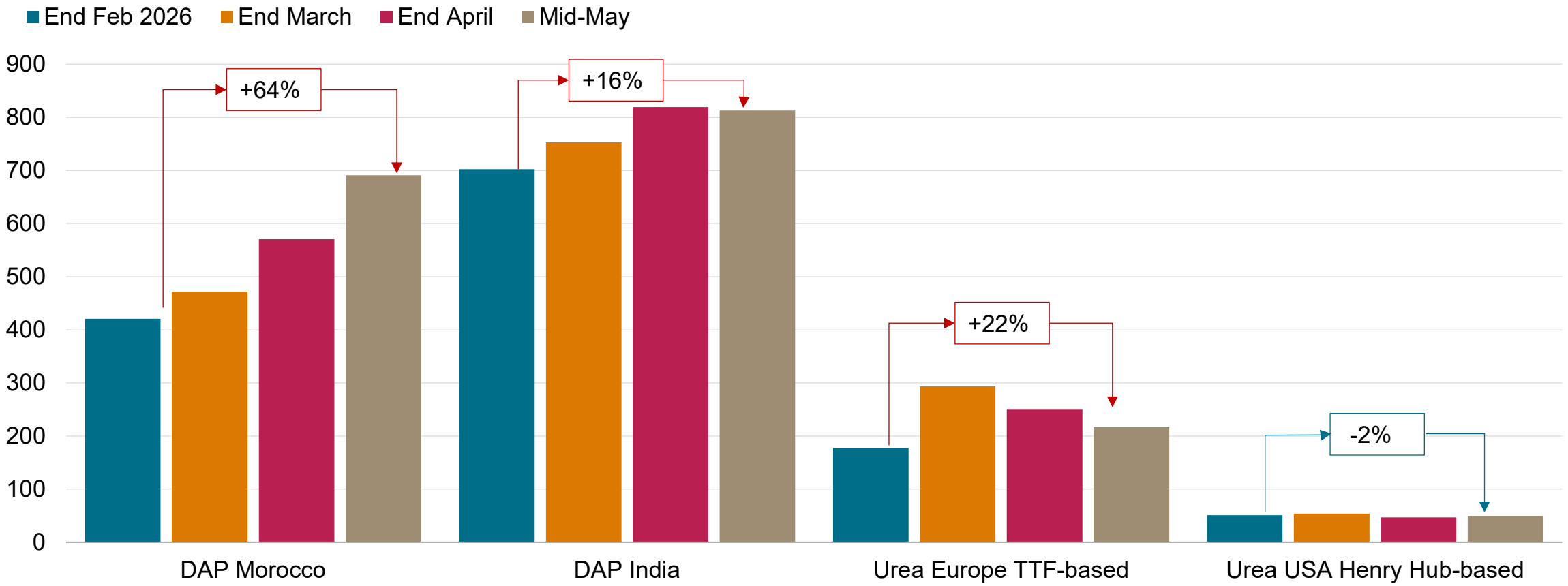


Date compiled February 2026.
Source: S&P Global Energy.

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The data highlights that the impact on global production is more significant than the curtailment of freight from Middle East producers

Production cost impacts of the war in the Middle East due to gas and sulfur (US$/t)



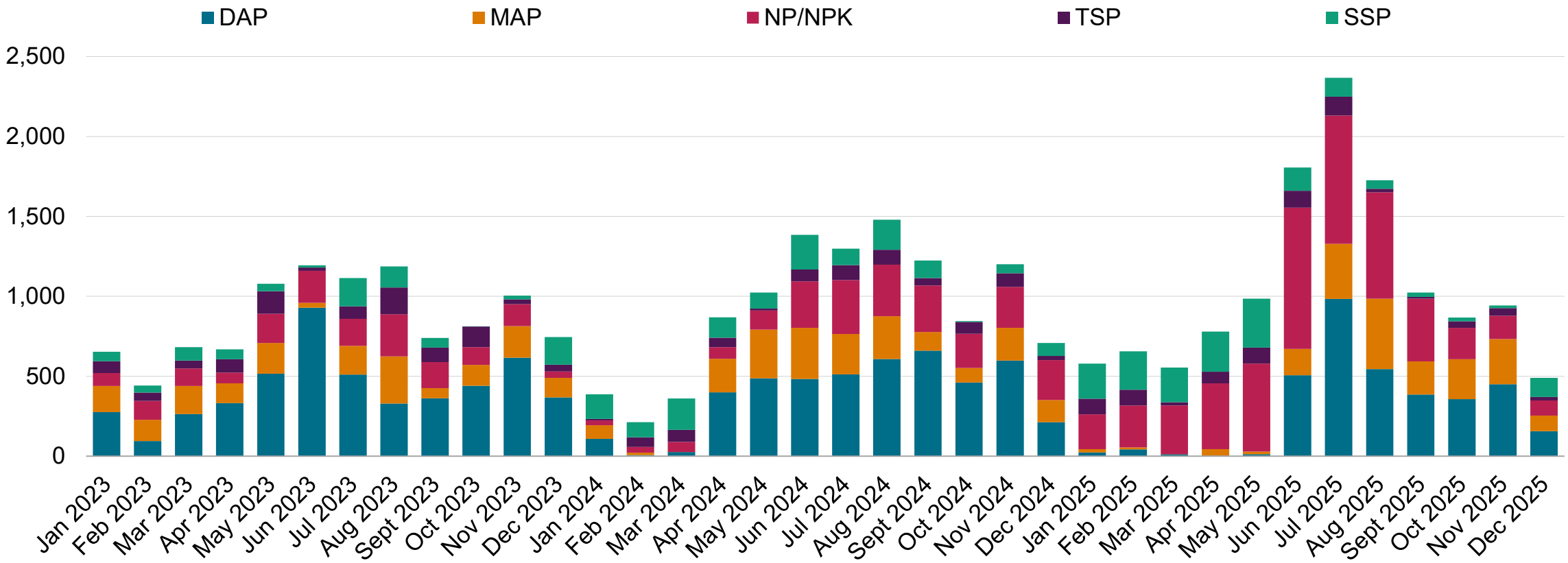
Data compiled May 2026.
Source: S&P Global Energy

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International markets are reacting – notably China

Domestic sulfur volumes now sold at capped prices to P producers – suggesting low chances of P exports

Mainland China monthly phosphate exports, 2023-2025, kt product



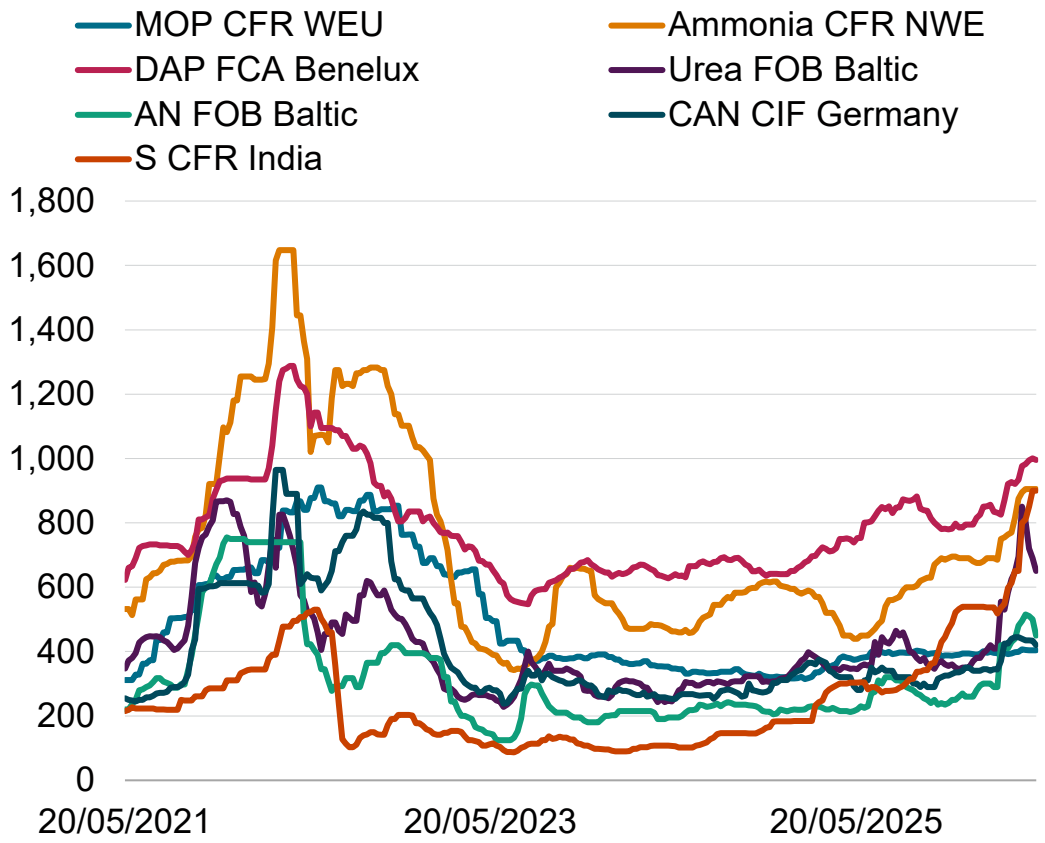
Data compiled May 2026.
Source: S&P Global Energy; Global Trade Atlas (GTA).

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Prices have increased – mostly below the levels seen during the 2022 peak

Ammonia/CAN +22%, Urea/AN +55%, DAP +20%, S +70% and climbing. MOP: +2.3%

Price movements for key commodities, USD/t



Commodity	Max 2022-25	Max 2026
Ammonia	1,650	905
Urea	870	850
AN	755	515
CAN	965	445
DAP	1,290	1,000
MOP	910	410
S	540	900
TTF	90	15
Wheat 11%	450	245

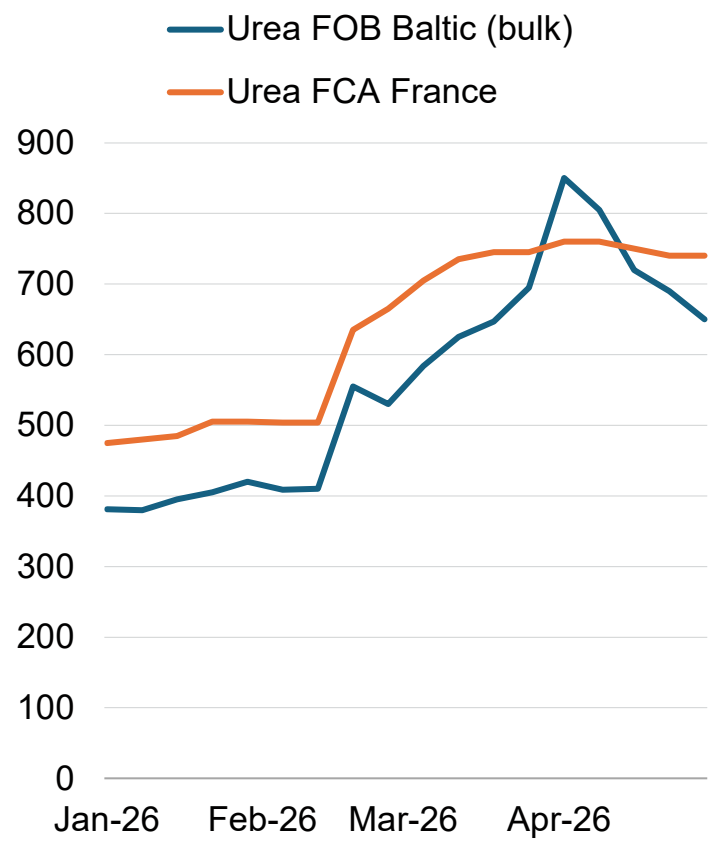
Data compiled May 2026.
Source: S&P Global Energy Platts

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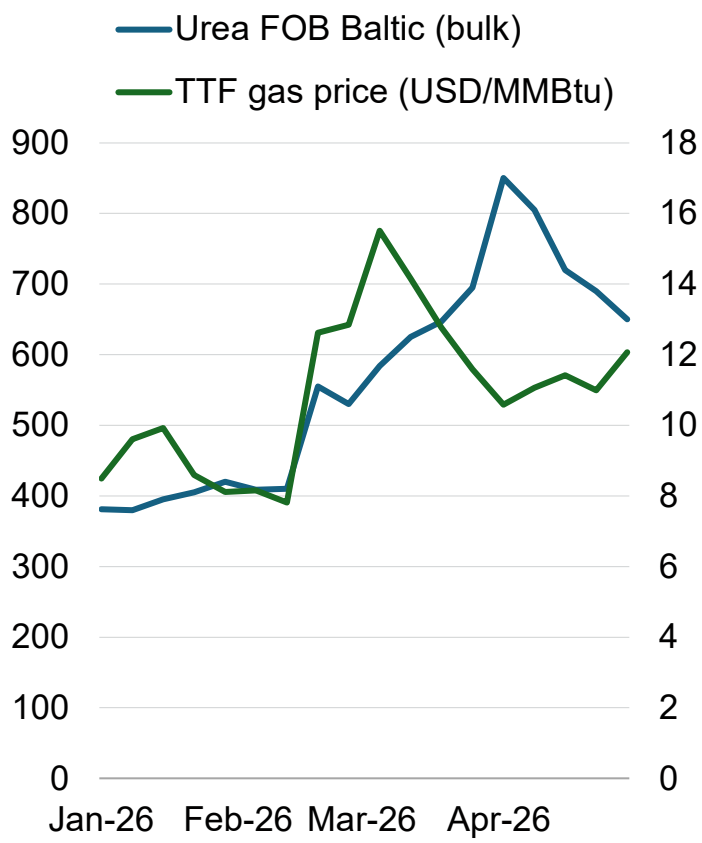
The market has lost its connection with fundamentals

Urea seems to have reached a ceiling earlier than other markets

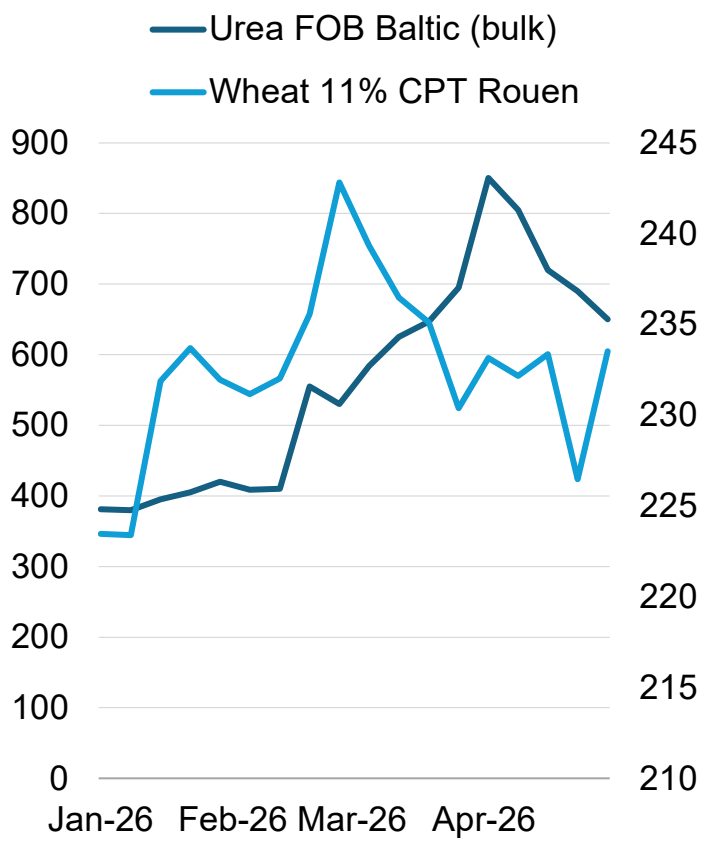
Urea: bulk vs distribution



Urea bulk prices vs TTF



Urea and wheat bulk prices



Data compiled May 2026.
Source: S&P Global Energy

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Are fertilizers worth applying?

Assuming urea at 750 USD/t, DAP at 1,000 USD/t, MOP at 430 USD/t. Wheat price: September 2027 futures

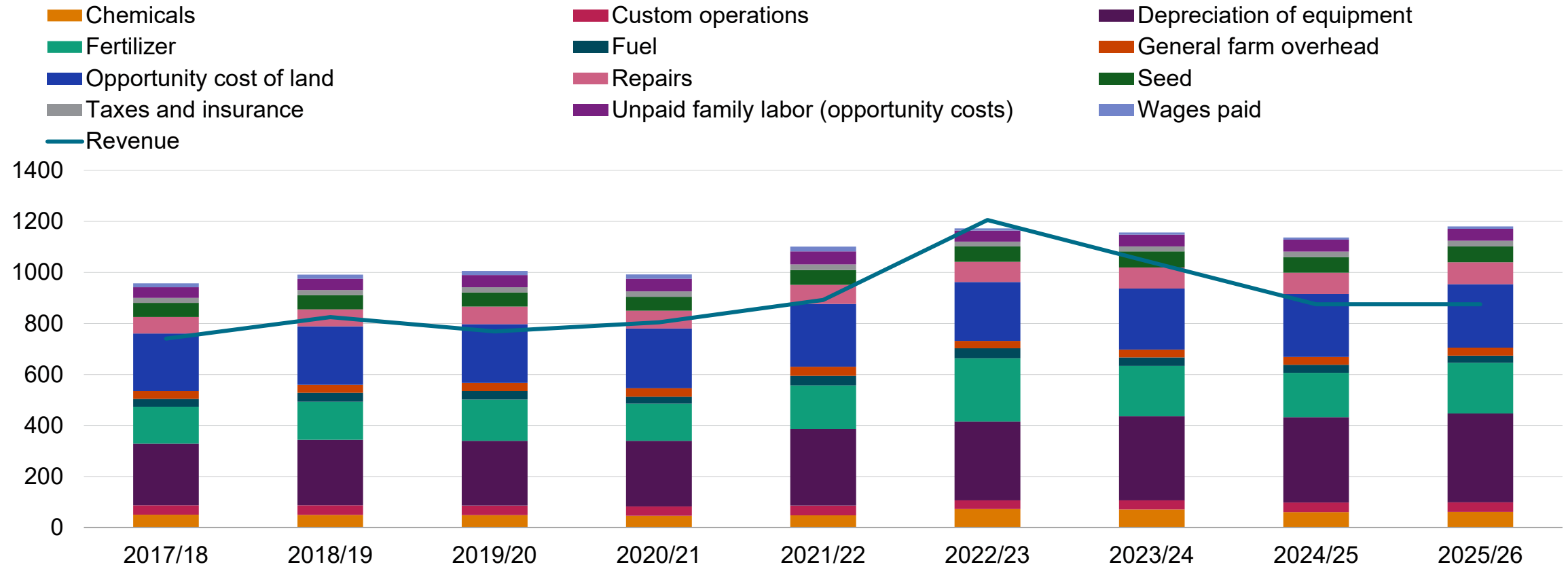
		N	N	P2O5	P2O5	K2O	K2O
Full application	Kg nutrient/ha	160	160	85	85	45	45
Application	% full	100%	90%	100%	90%	100%	90%
Yield loss	% yield	0%	3%	0%	0.5%	0%	0.2%
Yield	T wheat/ha	6	5.82	6	5.97	6	5.99
Wheat price	USD/t wheat	230	230	230	230	230	230
Revenue	USD/ha	1,380	1,339	1,380	1,373	1,380	1,377
Nutrient price	USD/t nutrient	1,630	1,630	1,536	1,536	717	717
Nutrient cost	USD/ha	261	235	131	117	32	29
Cost saving	USD/ha		26		13		3
Revenue foregone	USD/ha		41		7		3
Net impact of 10% reduction	**USD/ha**		**-15**		**+6**		**~0**

Data compiled May 2026.
Source: S&P Global Energy

European farmers face significant existential threats

Long-term profitability is a continued challenge

EU average wheat economics, USD/ha

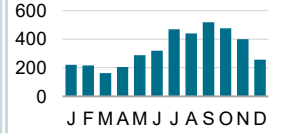


Data compiled January 2026.
Source: S&P Global Energy

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Why duration matters: conflict timeline vs fertilizer cycles

The importing patterns for key regions affects their exposure to the conflict. Import data is for total fertilizers from all sources.

	J	F	M	A	M	J	J	A	S	O	N	D	Monthly fertilizer import cadence (kt)
	→ POTENTIAL CONFLICT DURATION →												
Northern hemisphere >95Mt imports			*Spring application*							*Autumn application*			
India & South Asia > 25Mt imports	*Rabi (dry)*					*Kharif (monsoon)*						*Rabi (dry)*	
Brazil > 40Mt/y imports	*Safrinha fertilizer application*									*Safra fertilizer application*			
Southeast Asia > 25Mt imports	*Dry / irrigated*				*Wet season Application*						*Dry / irrigated Application*		
Australia > 6Mt imports					*Winter crop application*					*Summer crop application*			
Southern Africa >4Mt imports	*Main crop*					*Winter wheat (RSA)*					*Main crop fertilizer application*		

Key: **Important months for inventory build** | **Fertilizer application + remaining inventory build**

Data compiled April 2026.
Source: S&P Global Energy

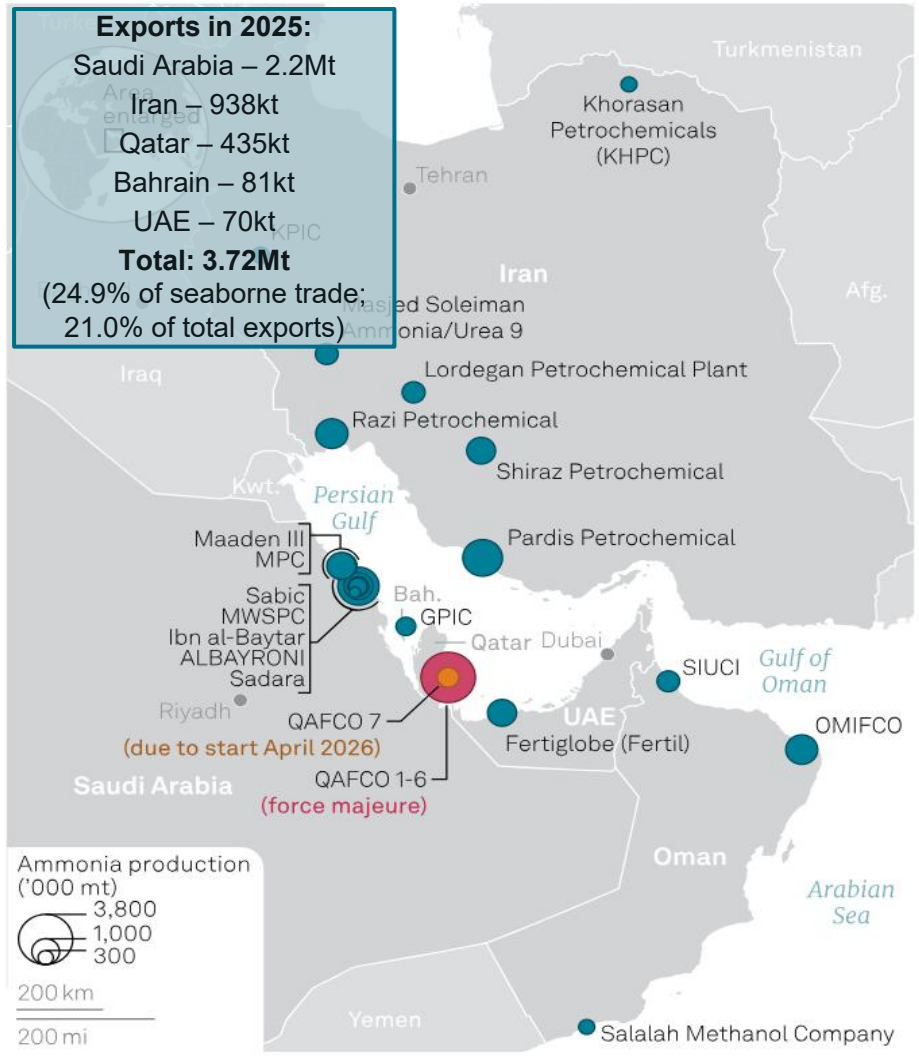
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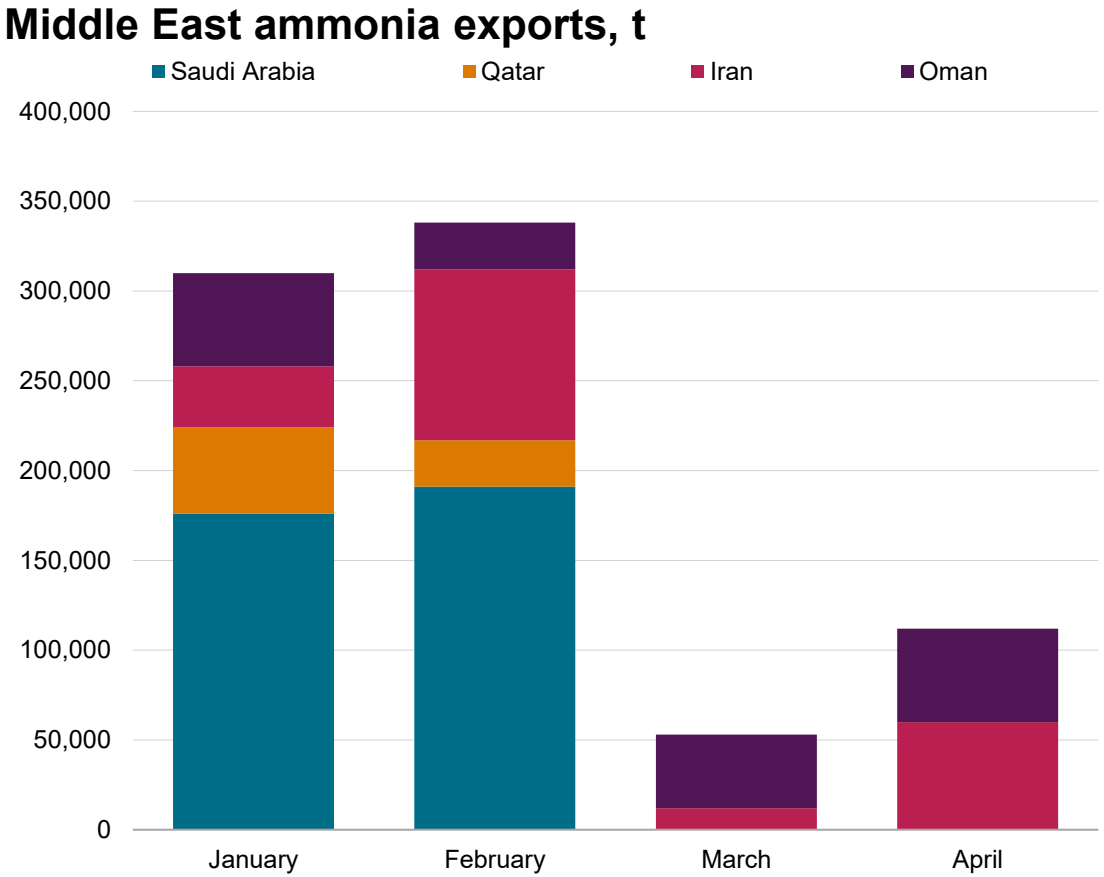
The issue for Europe is not the affordability of fertilizers – but fertilizer stockbuild. This is where Europe could compete ever more against other geographies in Q3 – ahead of the winter crop sowing season.

Impact on ammonia production and exports out of the Persian Gulf

Ammonia production capacity in the Middle East , Mt



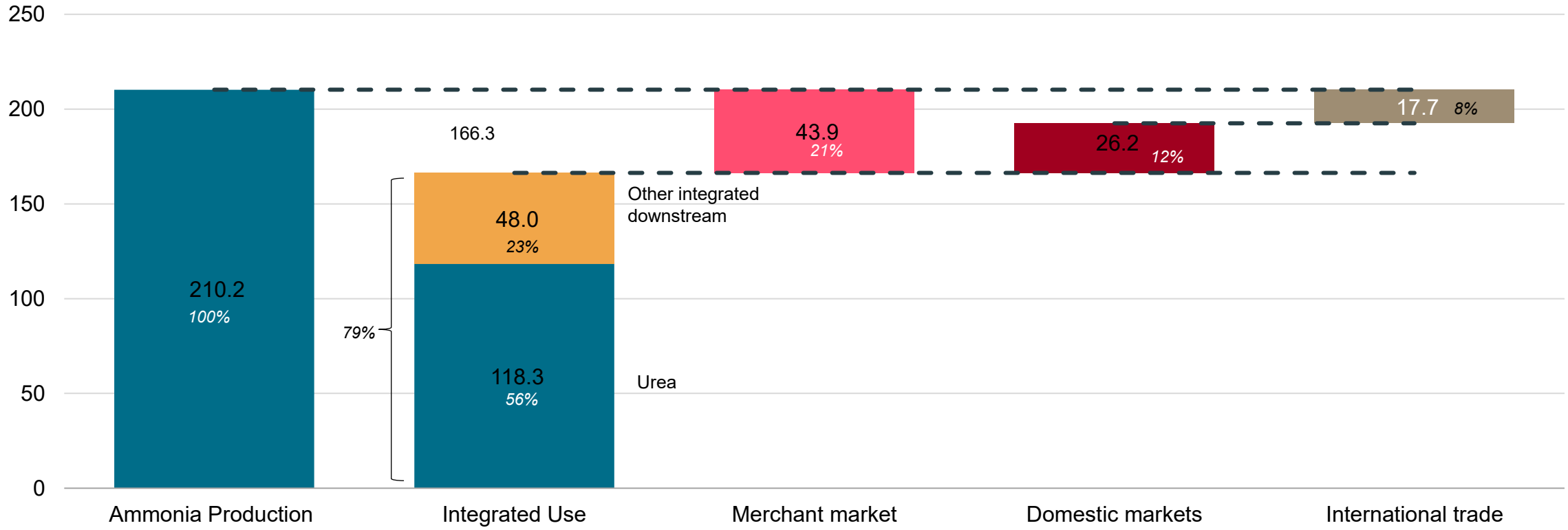
Source: S&P Global Energy



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Ammonia production is approximately 210Mt; international trade is 17.7Mt

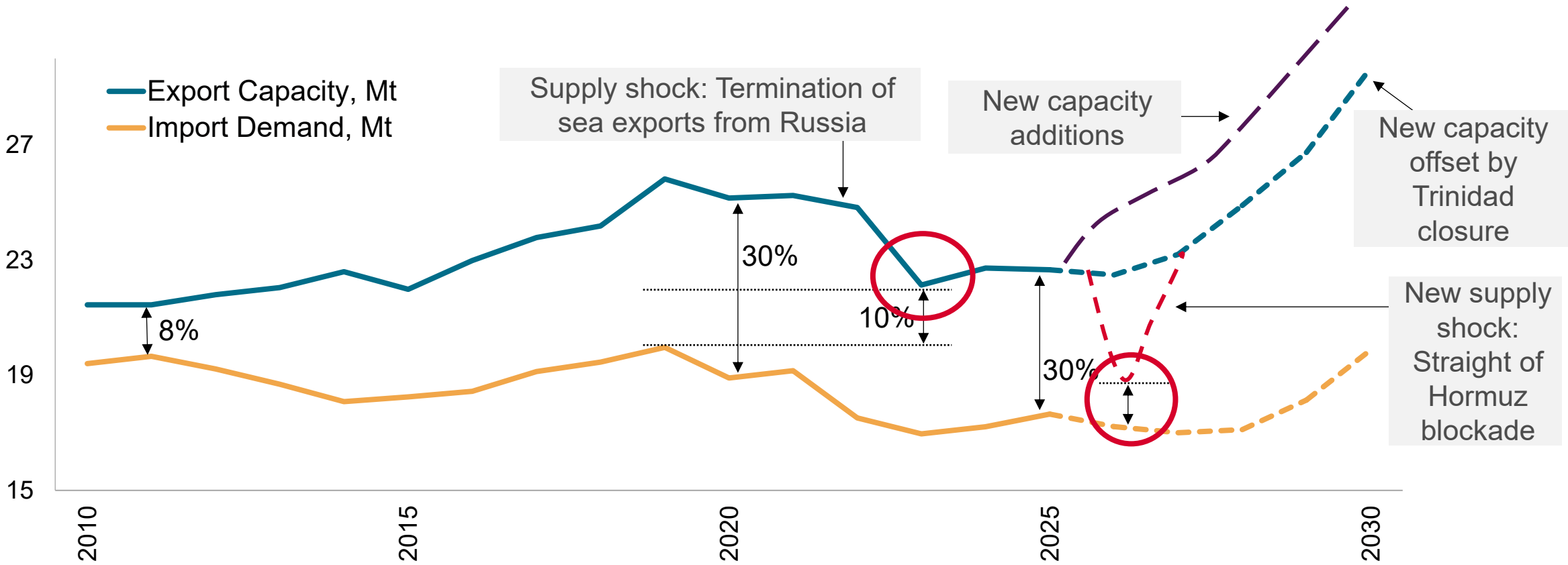
Ammonia production, use and trade, 2025, Mt



Data compiled May 2026.
Source: S&P Global Energy.

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International merchant ammonia supply/demand balance tightens due to blockade

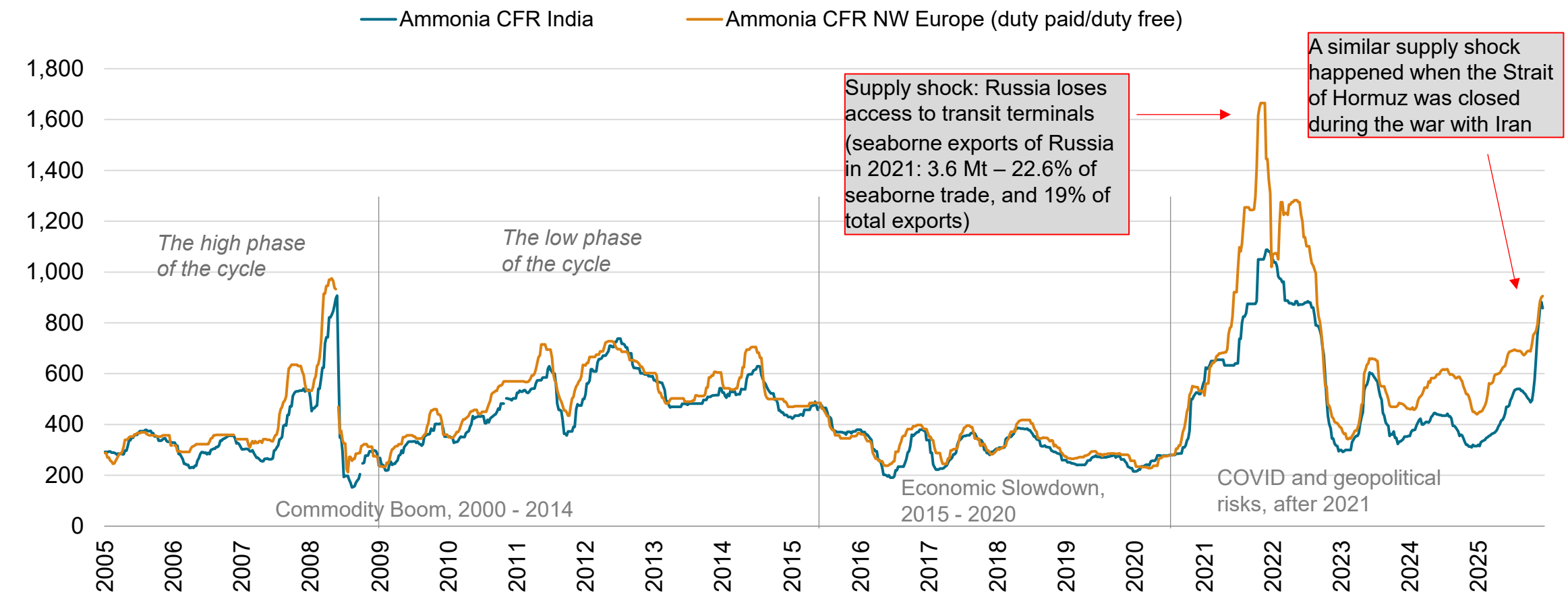


Data compiled May 2026.
Source: S&P Global Energy.

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The war with Iran has the potential to cause a similar supply shock as in 2022 after Russia invaded Ukraine

Delivered ammonia prices in 2005 - 2026, US$/t

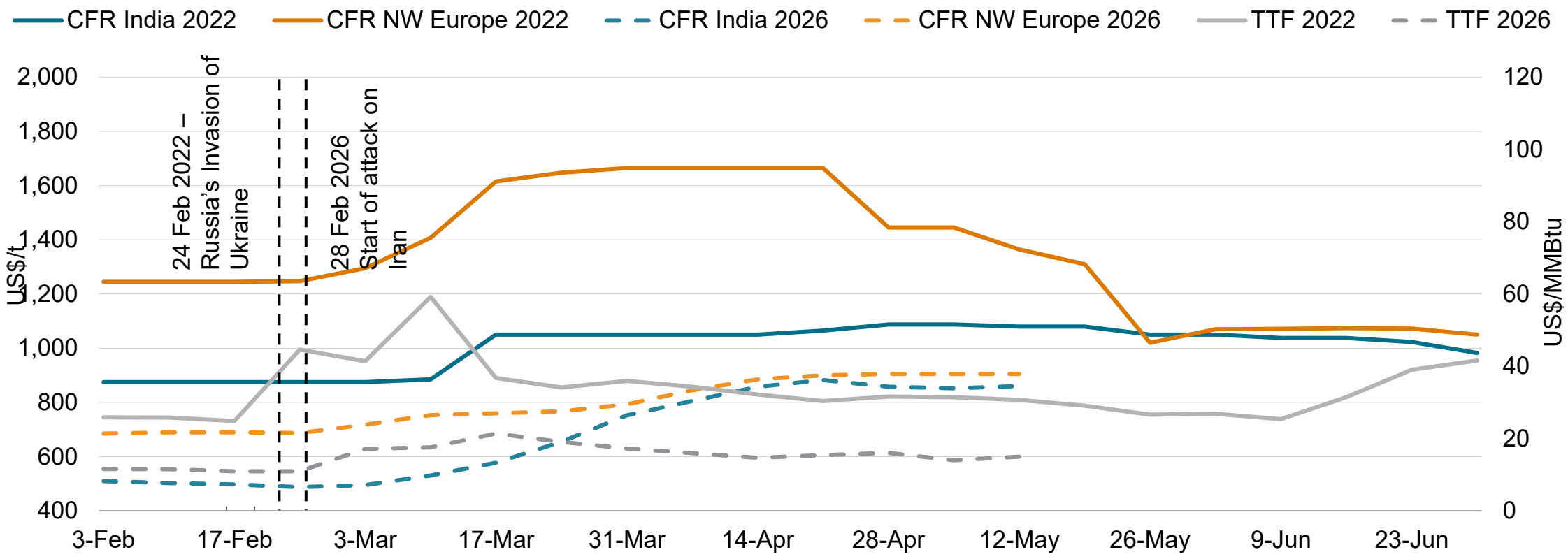


Data compiled May 2026.
Source: S&P Global Energy.

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The war with Iran has resulted in a similar a similar supply shock as seen in 2022 after Russia invaded Ukraine… but with key differences

Prices reacting to supply shocks, 2022 vs. 2026

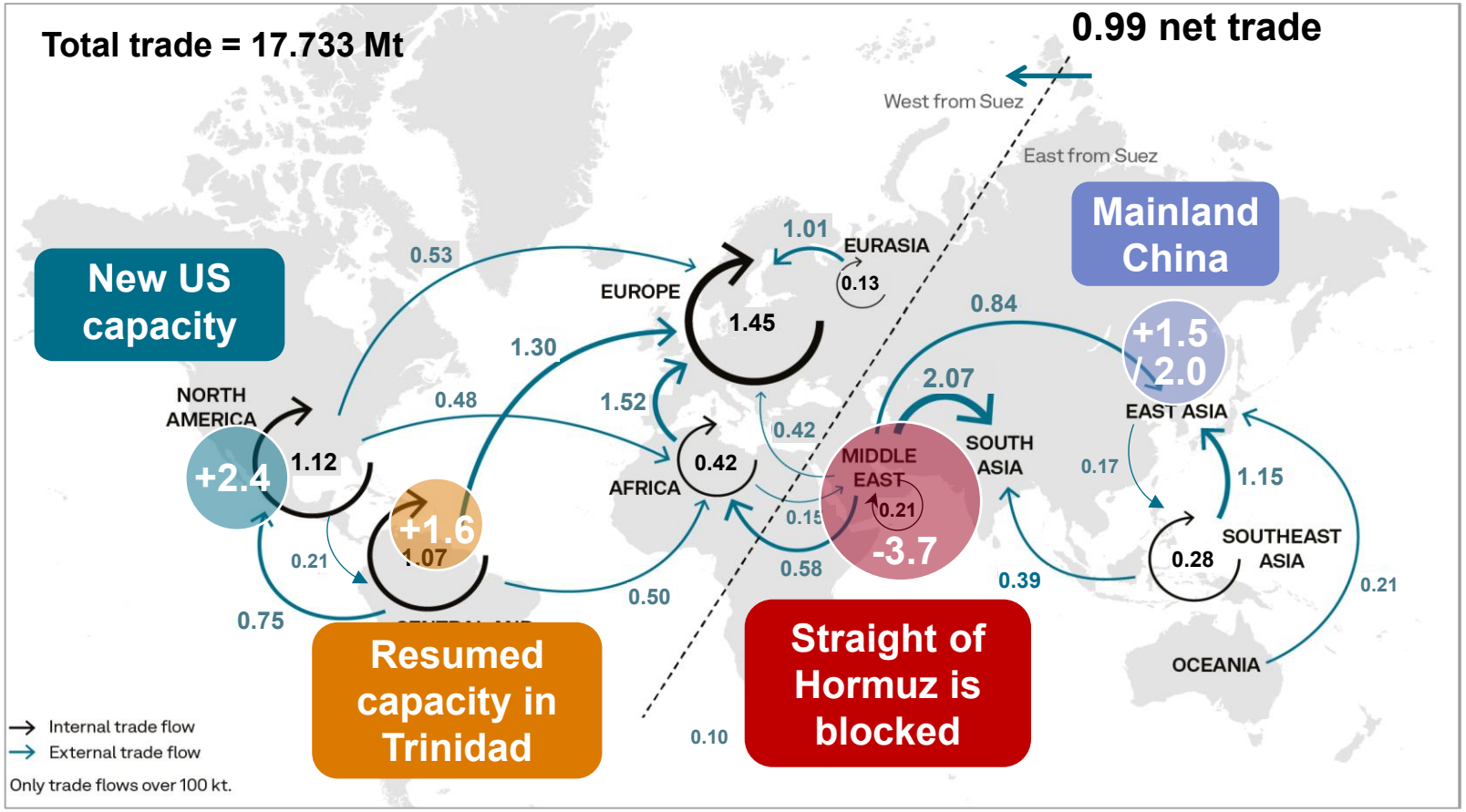


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Source: S&P Global Energy.

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Global ammonia trade and potential export replacements

Global ammonia trade, 2025 (million metric tons)

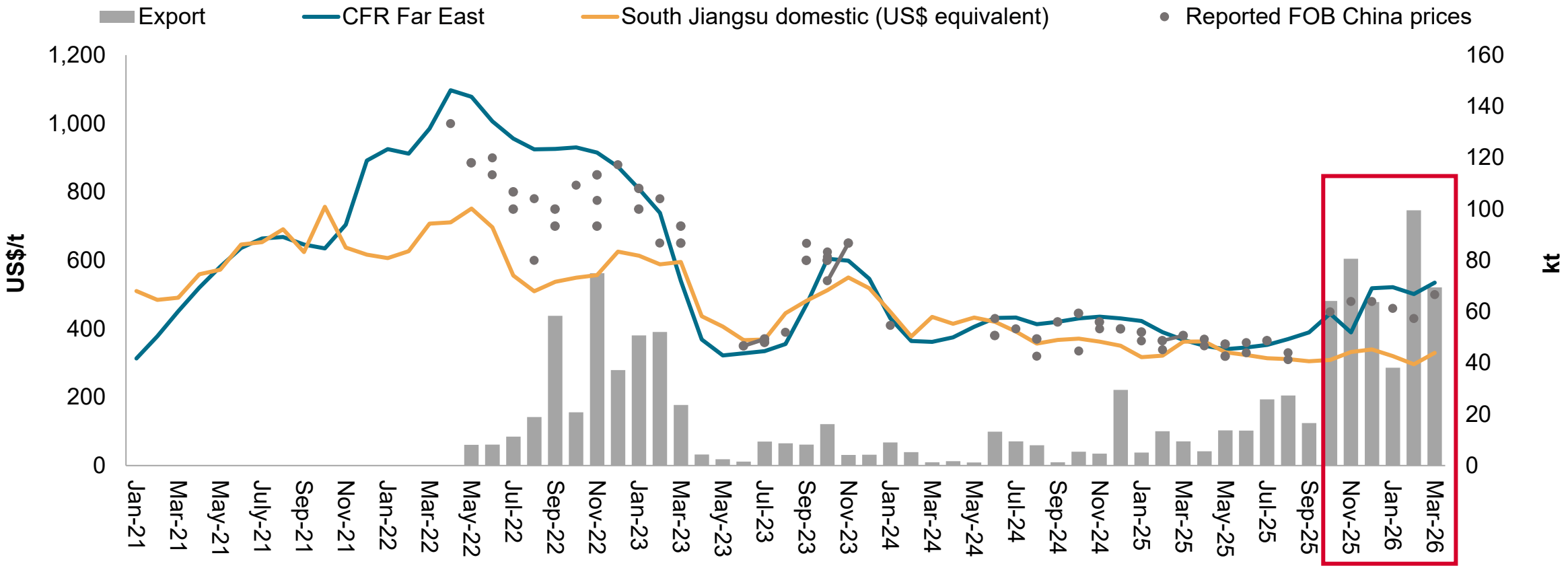


Data compiled May 2026.
Source: S&P Global Energy: IC-250917-01.

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Mainland China – an opportunistic exporter

Far East CFR and Chinese domestic price and exports of ammonia from Mainland China, US$/t, kt

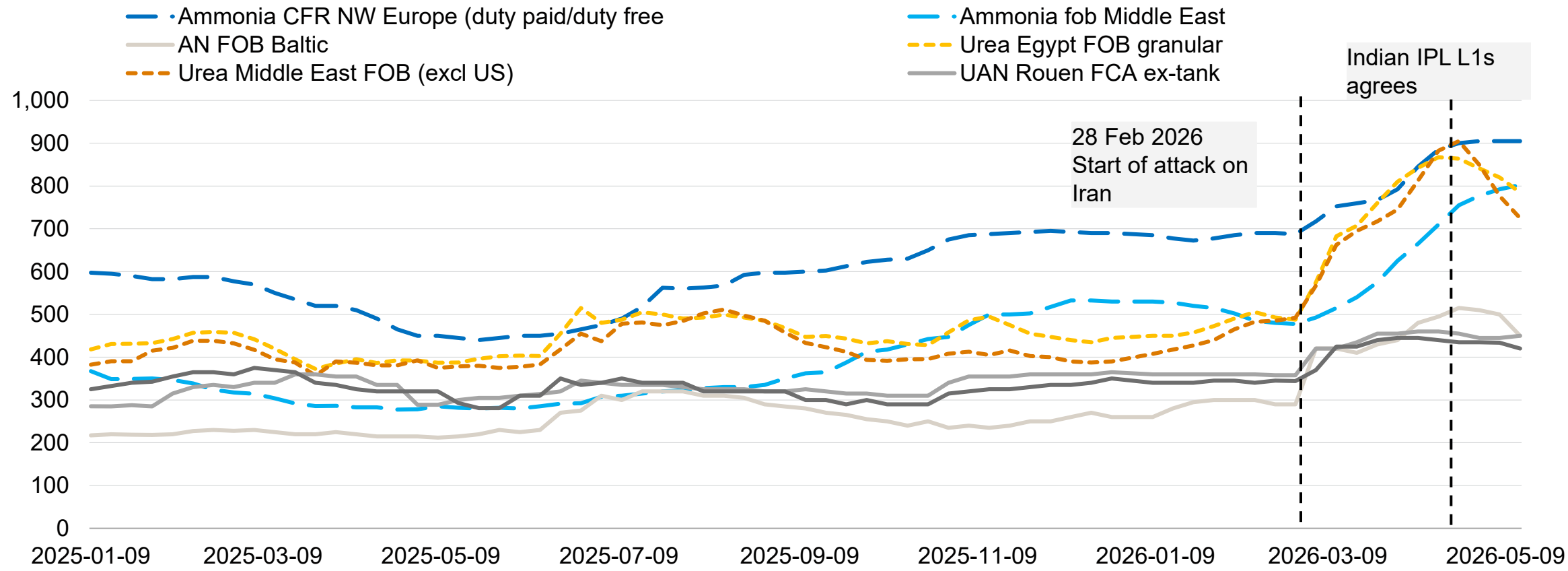


Data compiled May 2026.
Source: S&P Global Energy.

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Ammonia increasing/stable; urea decreased following Indian tender, nitrates least affected

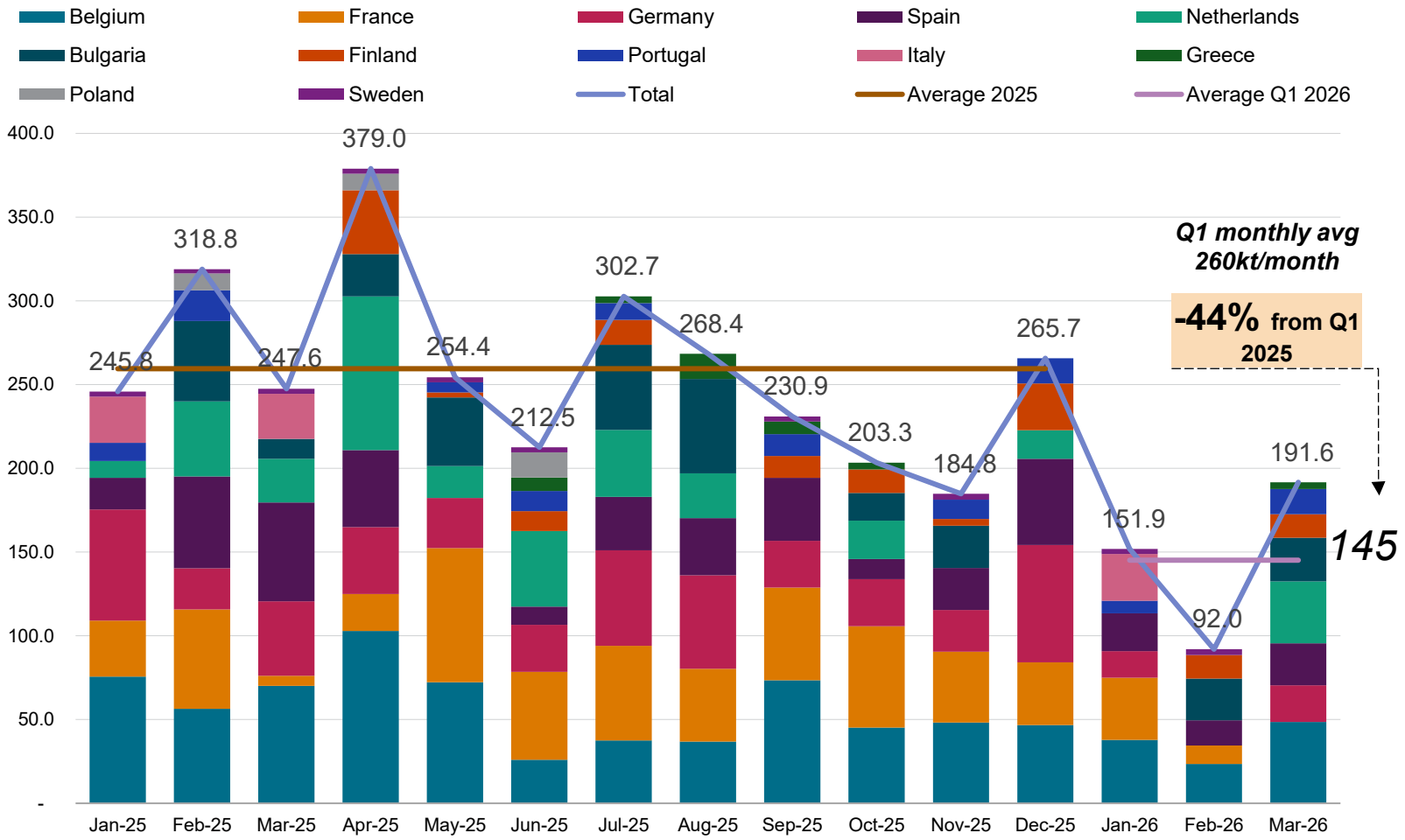
Nitrogen benchmark price assessments, US$/t and €/t UAN/CAN



Data compiled May 2026.
Source: S&P Global Energy.

EU imports of ammonia down significantly in Q1 2026

Seaborne ammonia imports to EU countries, 2025 - 2026, '000t

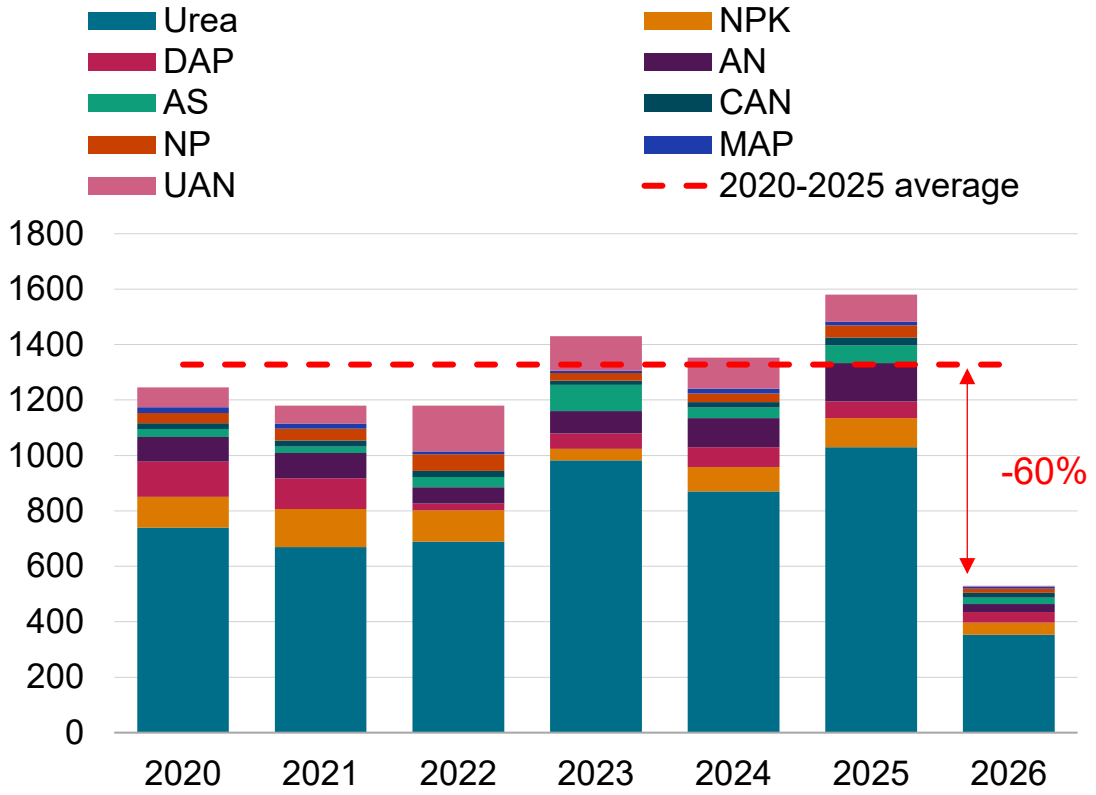


Data compiled April 2026.
Source: S&P Global Energy Fertecon Vessel Tracker

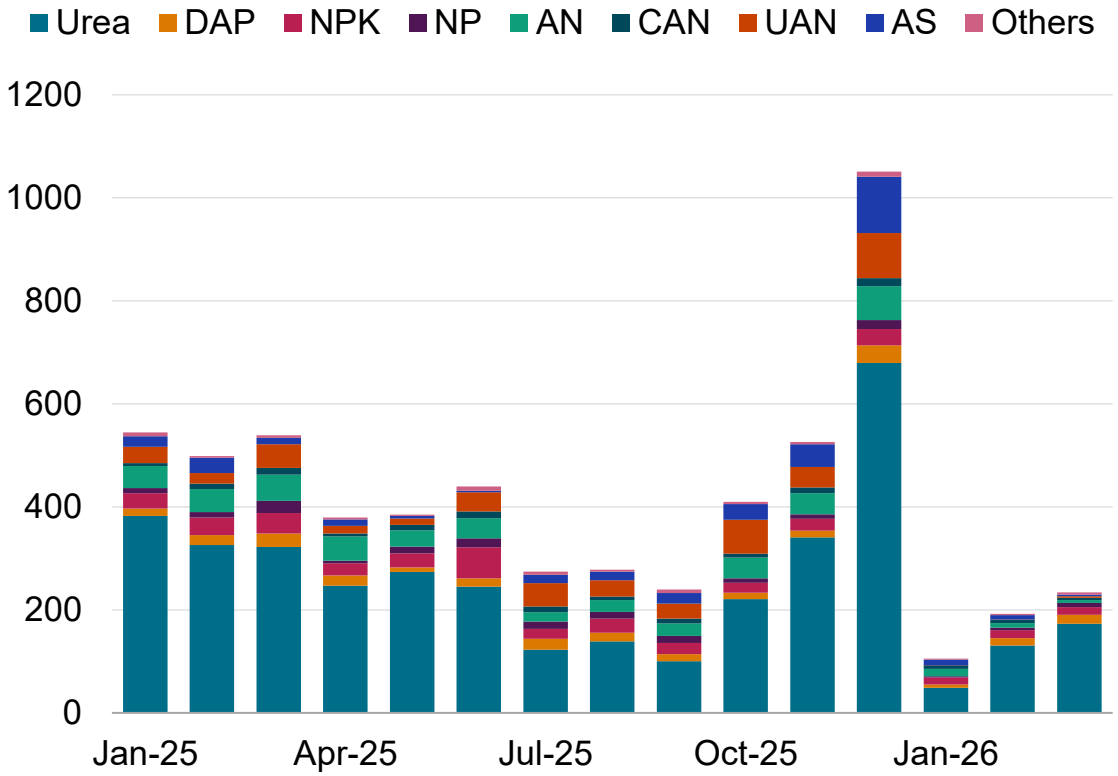
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European Union Imports of Nitrogen via nitrogen-containing fertilizer are 60% lower in Q1 2026 compared to 2020-2025

EU27 imports of nitrogen from N-containing fertilizers, Q1 2020-2026, kt N



EU27 imports of nitrogen from N-containing fertilizers, kt N



Data compiled April 2026.
Note: The data shown is preliminary data and is subject to revision.
Source: S&P Global Energy; Eurostat.

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