



**ravensdown**



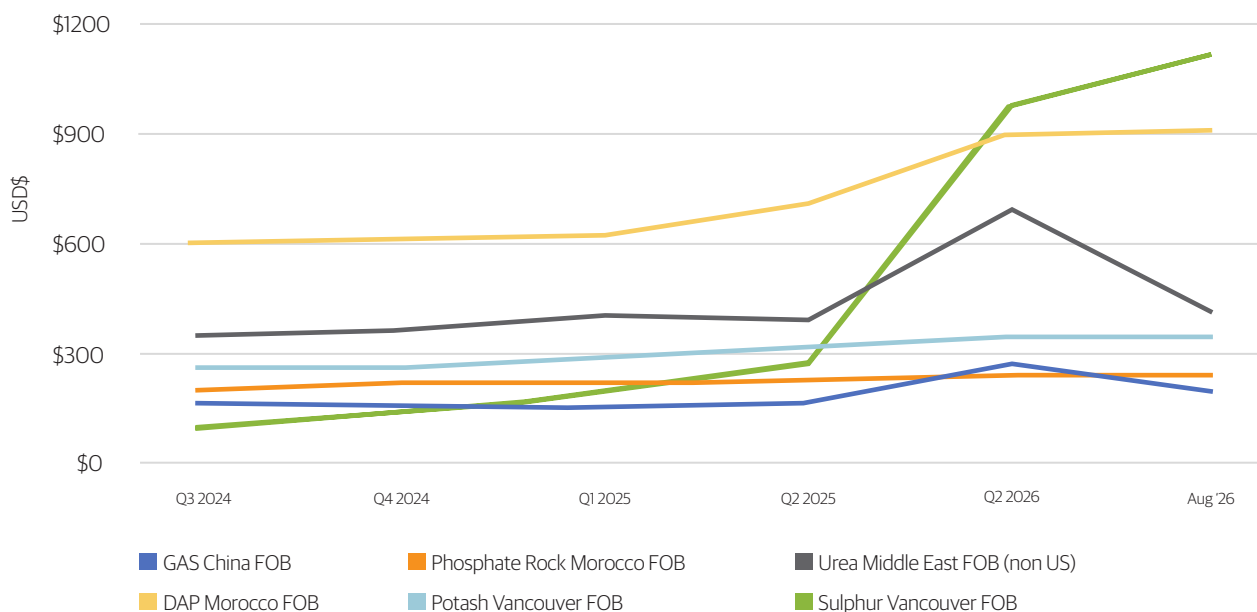
# **MARKET OUTLOOK**

Spring 2026



# International Commodity Pricing Trends

Key international commodity pricing trends



Note: quarterly mean excludes freight, insurance etc.



# Supply Update **Outlook**

## EU

The European Union's decision to ease import barriers for nitrogen fertilisers may support increased fertiliser imports and reduce some cost pressures for European farmers. While the direct impact on global pricing is expected to be modest, policy changes in Europe continue to influence international trade flows and market sentiment.

## China

China remains a major influence on global fertiliser markets. While urea exports have returned to international markets, export volumes remain tightly controlled and can change quickly depending on domestic requirements. Additional export controls and inspection requirements on other fertiliser products continue to add uncertainty to global nutrient supply.

## Middle East

The Middle East remains central to the supply of sulphur and other critical fertiliser inputs. Ongoing geopolitical instability, shipping disruption and reduced sulphur availability are contributing to elevated production costs for phosphate fertilisers and are expected to remain a key market risk through spring.

## India

India continues to be a key driver of global nitrogen demand through large-scale urea tenders. The significant volumes sought by Indian buyers can rapidly tighten international supply and influence pricing in destination markets such as New Zealand, particularly as seasonal demand increases globally.

# Market View

## Spring 2026

### Global pressures remain firmly in play.

As we head into spring, global fertiliser markets remain complex. Geopolitical disruption, constrained supply routes and high input costs continue to influence what we pay for product and freight.

The message for farmers and growers is relatively straightforward: phosphate prices are likely to remain high due to sulphur scarcity and high price, current international nitrogen prices may strengthen as demand increases, while potash is comparatively stable.

#### Phosphates and sulphur

Phosphate markets remain high because of the exceptionally high cost and limited supply of sulphur, a critical input in phosphate fertiliser production. As well as limiting global urea supply, ongoing disruption in the Middle East and challenges in the Red Sea have significantly reduced the number of viable sulphur supply options. Some remaining sources are also much further away, with vessels required to take longer routes.

Although global demand for sulphur has softened in response to the price spike, sulphur prices have not fallen with it. Instead, they appear to be flatlining at a very high level. What first looked temporary is becoming increasingly entrenched, and it is difficult to see what will materially change until conditions in the Middle East improve.

That is flowing directly through to phosphate production and costs. Whether we are talking about DAP, MAP, TSP or SSP prices are expected to remain elevated.

The impact differs between products because of the amount of sulphur required in their manufacture. Producing a tonne of DAP, for example, requires approximately 400 kilograms of sulphur, compared with around 110 kilograms for a tonne of superphosphate.

While Ravensdown is doing everything it can to manage costs, we cannot entirely offset sustained increases of this scale in global input prices.

Reliable access to phosphate rock remains an important part of our approach. We continue to secure good-quality phosphate

rock from Australia, Togo and Morocco and maintain a diverse supply base to support supply continuity and product quality.

#### Nitrogen

The nitrogen market presents a different set of challenges. China is currently supplying the export market, which has helped ease global urea prices. However, China tightly manages fertiliser exports and can restrict volumes relatively quickly to protect its domestic market.

Global nitrogen demand is expected to strengthen as the northern hemisphere heads into autumn at the same time as New Zealand's spring requirements ramp up. Unless China remains open to international buyers for longer than anticipated, that is likely to place renewed upward pressure on urea prices.

India also continues to be a major influence through its large-scale urea tenders. The significant volumes sought through these tenders demonstrate the level of international competition for urea and can quickly alter market conditions.

Against that backdrop, Ravensdown continues to broaden its sourcing options. China remains important when exporting, and we have secured additional tonnes from Brunei and the United States. We are also continuing to explore opportunities in Saudi Arabia, although availability and marine insurance remain challenging.

China has also introduced additional customs inspection requirements for ammonium sulphate and other fertiliser exports. We expect this to limit the volume of ammonium sulphate available from China and add another layer of uncertainty to the market.

#### Potash

Potash is the more settled part of the current picture. Global supply is reasonable and prices are broadly tracking sideways.



**Mike Whitty**  
Chief Operating Officer

#### Shipping and freight

Freight is another important part of the delivered cost of fertiliser. Vessel availability remains constrained, routes are longer in some regions and global freight rates have increased, including as a result of elevated fuel costs. While the recent strengthening of the New Zealand dollar against the US dollar is helpful, it is not enough to offset significant increases in commodity and freight costs.

#### Supply surety

There is no single factor driving today's fertiliser market. It is the combination of geopolitical disruption, export controls, seasonal demand, raw-material costs, shipping availability and freight rates that determine the price we pay.

Our focus at Ravensdown is on actively managing those factors: maintaining a diverse range of suppliers, securing product early, using our manufacturing capability effectively and finding the most efficient freight solutions available. That work is essential to ensuring product is available where and when our customers need it.

Planning ahead remains important. Talking early with your Ravensdown agri manager about your nutrient requirements will provide the best opportunity to manage both availability and cost while making sound decisions for your farm system.



# Opinion: In an El Niño year, early planning gives farmers and growers options

## A season where planning matters

For many New Zealand farmers and growers, the season has opened with a degree of optimism. Livestock condition is generally strong, commodity prices remain supportive, and many autumn sown crops are entering the new season with good potential. That is a positive position heading into spring, but it also brings a familiar challenge: ensuring feed and crop demand can be met as conditions change.

At the same time, NIWA's Seasonal Climate Outlook for September to November 2026 is pointing to peak El Niño conditions in New Zealand developing in late spring to early summer, with the potential for significant impacts: more frequent westerly or south-westerly airflows and increased likelihood of conditions drier than normal for eastern and northern regions. On the flip side this may cause increased prevalence of rainfall events for western and southern regions.

Weather is always a matter of probability rather than certainty, but the evidence suggests farmers and growers should be thinking now about their late-spring and summer options.

This does not mean making one big bet on the season. It means preparing practical levers before pasture growth, crop performance or water availability becomes constrained. For livestock farmers, that may include identifying clear off-ramps for prime or store animals, protecting breeding-stock condition and retaining flexibility in the system. For growers, it may mean reviewing crop and hybrid selection, nutrient timing, irrigation priorities and harvest plans while there is still room to adjust.

One of those levers is strategic nitrogen use. Applied well and in the right circumstances, nitrogen can help grow additional pasture or support crop development while soil moisture and temperatures remain favourable.

## Why nitrogen deserves consideration

Late winter and early spring are often a responsive period for nitrogen applications. Coming out of winter, soil nitrogen levels can be low because biological activity has slowed mineralisation, legumes are less active and seasonal losses may have occurred through leaching. When soil temperatures are rising and moisture is available, applied nitrogen can provide a useful lift in plant growth.



**Mike White**  
Chief Science Officer

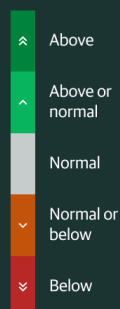
The actual response will vary between farms, paddocks and crops, but the principle is straightforward: nitrogen works best when other conditions for growth are also favourable. It cannot compensate for limitations elsewhere in the growing system.

Research and field experience show that targeted nitrogen applications can increase dry-matter production and support crop yield and quality at critical points in the season. For pastoral systems, that can help maintain animal condition, support milk production, improve liveweight gain and provide more choice about when stock leave the farm. For arable and horticultural growers, well-timed nitrogen can help meet crop demand during key growth stages and protect yield potential.

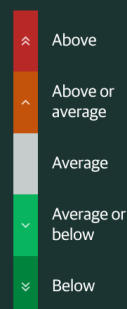
# Spring Forecast

2026

## Rainfall



## Temperature



### More growth, more flexibility

The real value of additional growth is not simply more kilograms of dry matter or greater crop biomass. It is the flexibility that growth creates.

More feed in the right paddocks can help maintain pasture covers during peak demand, support animal performance and potentially bring forward stock finishing or production targets. Those earlier decisions can reduce pressure on remaining feed supplies and help protect breeding and capital stock if drier conditions develop.

For growers, supporting crops while moisture is available can help build resilience and can also provide more options around irrigation allocation, subsequent nutrient applications and harvest management as the season develops.

But nitrogen is not a blanket recommendation. Its value depends on each farm's soils, existing fertility, plant or pasture cover, production system, stocking rate or crop requirements, expected returns, available moisture and ability to use the additional growth. The question should not simply be, "Should I use nitrogen?" It should be, "Where and when would additional growth give me the most useful options?"

### Use it where it can work hardest

The best responses generally come from targeting paddocks with good fertility, adequate leaf cover, reliable soil moisture, and stock demand that will make use of the extra feed. Good country is warm country; leaf grows leaf. If pasture cover is too low — or if grazing pressure removes leaf too soon after application, response will be diminished.

Timing should be driven by plant demand and the farm's production objectives. In pastoral systems, applying nitrogen around three to four weeks ahead of peak feed demand can help align pasture growth with the needs of lactating animals and young stock. In cropping systems, applications should be matched to crop growth stage, likely yield, soil nitrogen supply and expected seasonal conditions. The right window will depend on the region, soil, aspect, crop or pasture species, production calendar and current plant cover.

If immediate rainfall is uncertain at the time of application, product choice and loss mitigation also matter. Farmers should consider the risk of volatilisation and choose products or timing that help keep more nitrogen available for plant uptake if in this situation.

### Planning beats reacting

For many farmers and growers, early nitrogen may be an economic and practical option worth considering this season. It is not the only strategy, and it will not remove the uncertainty of an El Niño year. But it can be one useful tool within a wider feed, crop and nutrient plan.

The key point is to make the decision early enough for it to matter. If probabilities come true and the dry arrives, options narrow quickly. Once adequate rainfall has fallen, longer-term planning may also consider nitrogen applications to assist recovery and ensuring adequate soluble P and S will maximise the response.

In a probable El Niño season, the most valuable growth may be the growth achieved before it is urgently needed. Planning now is what gives farmers and growers choices later.

**By Mike White,**  
Chief Science Officer, Ravensdown



## Commodity Prices

### Dairy, Beef and Lamb



Dairy markets remain well supported, underpinned by resilient export demand and favourable farmgate milk price expectations. However, strong milk production in major exporting regions is expected to cap significant upside, resulting in a broadly stable outlook heading into spring.



Beef prices are expected to remain firm, supported by ongoing herd contraction across major producing countries and robust international demand. Tight global supply continues to provide a favourable backdrop for pricing, despite broader economic uncertainty.



Lamb markets are entering spring with positive momentum. Limited global supply and continued offshore demand are expected to support pricing, while reduced production volumes in several exporting regions should help maintain competitive procurement activity.



Wool markets continue to trade steadily. Prices remain above historical lows, supported by balanced supply and demand conditions, although subdued market activity is likely to limit significant price movement in the near term.



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