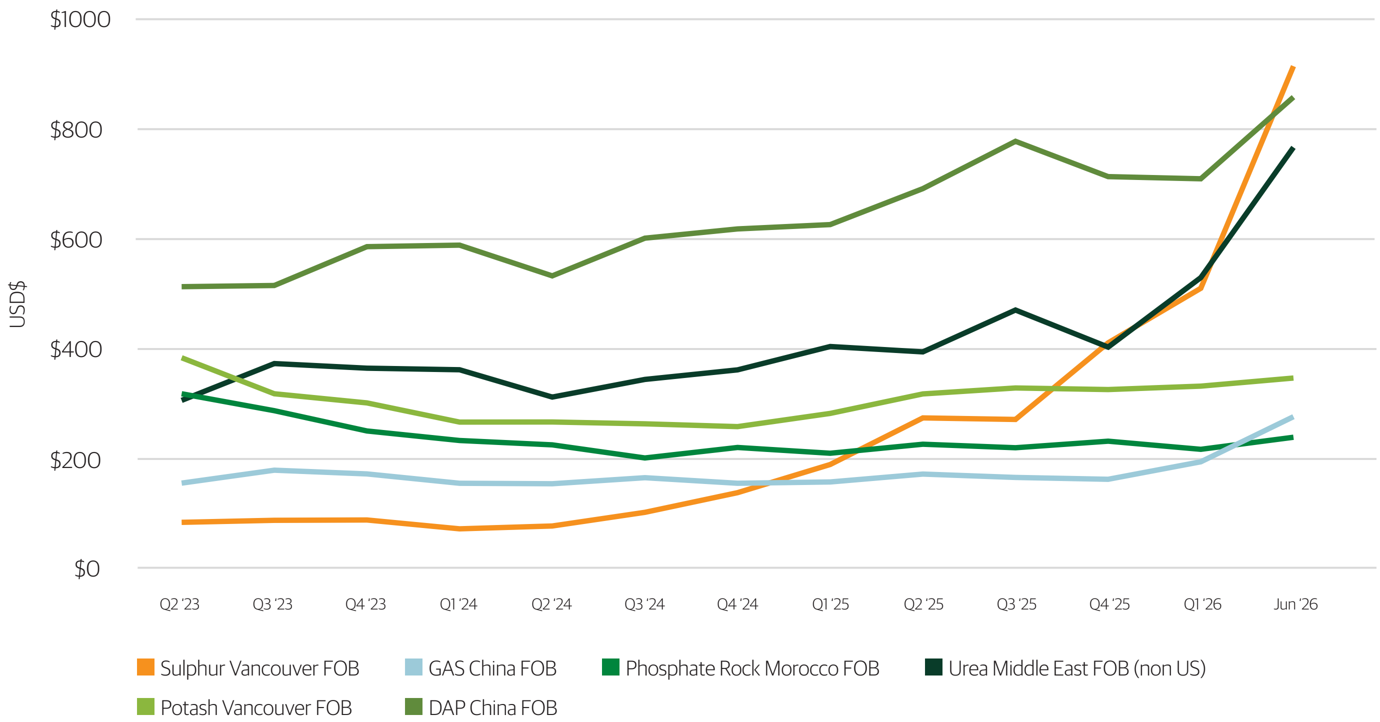
MARKET OUTLOOK

Winter 2026

International Commodity
Pricing Trends

Key international commodity pricing trends



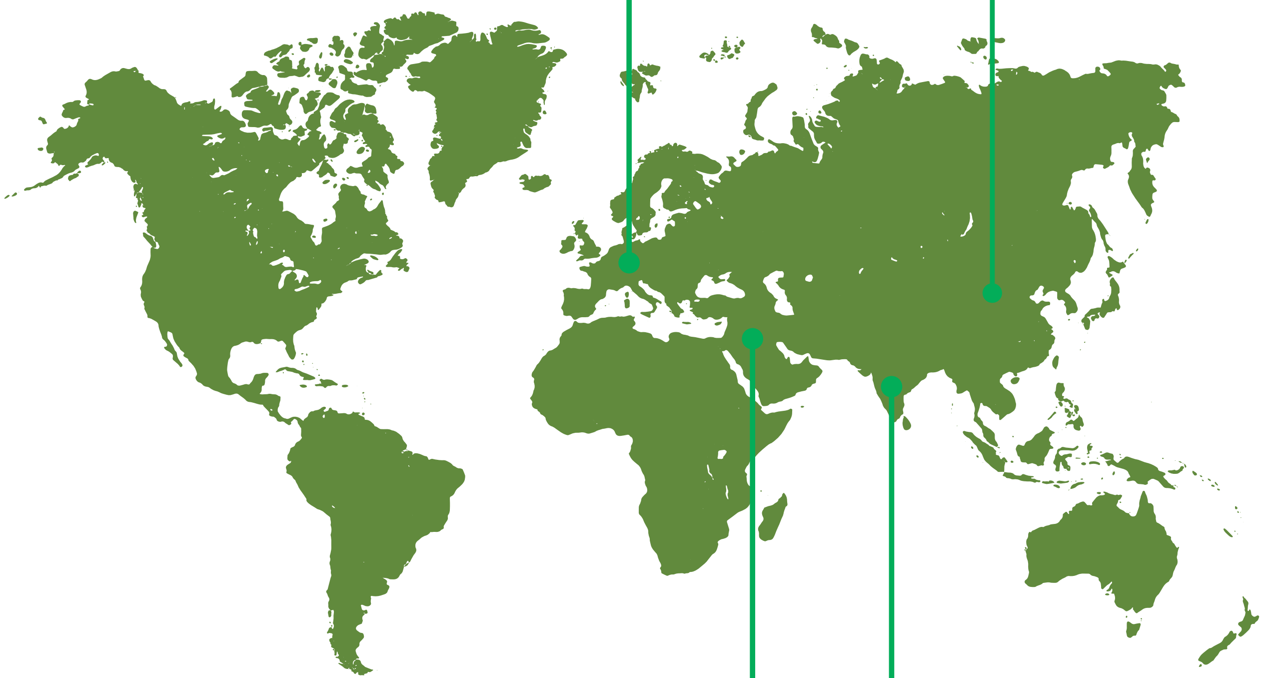
Note: quarterly mean excludes freight, insurance etc.

ravensdown

Supply Update Outlook

China
China has partially reopened urea exports, approving up to 3 million tonnes for shipment. While this adds some nitrogen availability, volumes remain controlled and are unlikely to materially loosen the global balance as seasonal demand builds in the northern hemisphere. In contrast, phosphate fertilisers and sulphuric acid exports remain closed, with domestic priorities continuing to limit offshore supply. This divergence is supporting ongoing firmness in phosphate and acid-linked fertiliser markets, despite modest easing on the nitrogen side.

EU
The European Union has suspended import tariffs on Urea under the Carbon Border Adjustment Mechanism. This policy direction signals a potential easing of cost pressures for European farmers and may encourage incremental increases in imported nitrogen and phosphate volumes. Any global price impact is expected to be modest but directionally softer if enacted.



Middle East
Supply of critical fertiliser inputs from the Middle East remains constrained. Sulphur availability is being impacted by reduced refinery output and storage congestion. These factors are sustaining elevated production costs for both nitrogen and phosphate fertilisers globally through the winter period.

India
India remains a dominant force in global nitrogen trade. Recent tender activity has again drawn significant volumes into the subcontinent, diverting urea away from alternative destination markets.

Source: CRU, Argus

Market View
Winter 2026

Mike Whitty
Chief Operating Officer

In this current international environment with ongoing unrest in the Middle East, global fertiliser markets continue to move in different directions, and there is no single market narrative.

For New Zealand farmers and growers, the key point is that international volatility has become more uneven across the major fertiliser commodities.

Urea prices have softened from earlier highs as demand has eased and some major markets move out of season. China has also re-entered the export market after a hiatus, offering 3 million tonnes of urea to international buyers toward the end of June. That has helped ease short-term pressure but adding another factor into the mix, India also put out a tender for 1.7 million tonnes.

DAP prices continue to rise and are nearing an affordability ceiling. Supply remains constrained, with further capacity reduction in Morocco and the USA due to high raw material costs and deteriorating margins, and demand destruction is building across many regions. China's borders remain closed to exports of processed phosphates including DAP, MAP, TSP and SSP.

Potash appears more comfortable from a supply perspective, supported by strong exports from Russia and Belarus, but freight costs, trade flows, sanctions and seasonal demand are still influencing pricing and availability.

Sulphur is still under pressure. China's restrictions on sulphuric acid exports alongside Russia's move to halt Kazakhstan sulphur rail exports in June has removed significant supply from the international market. The tightening global availability reinforces the value of domestic capability here in New Zealand.

Our local manufacturing capability matters because it reduces exposure to the supply shocks and disruptions playing out offshore.

It is not only about availability. It is also about quality and control. Sulphuric acid produced from elemental sulphur is cleaner and more consistent than some products manufactured elsewhere as a by-product of metal processing because it does not contain contaminants from smelters. It means Ravensdown can supply premium sulphuric acid. In uncertain international conditions, maintaining control over both supply and quality becomes a real advantage for New Zealand farmers and growers.

It's also an advantage for the country's wider food producing sector. Ravensdown is the only domestic manufacturer of sulphuric acid, an essential chemical used in manufacturing plants across New Zealand. Over the last few months, we have prioritised industry sector partners to ensure ongoing supply when it has been difficult to source internationally.

In this global geopolitical environment, the broader lesson across all nutrients over the last few months is that supply security now matters just as much as price.

Phosphate rock and sulphur remain strategic inputs for a market like New Zealand, located a long way from the world's major production hubs. Long-term supplier relationships, diversified sourcing, and local manufacturing capacity all play an increasingly important role in managing risk.

For farmers thinking ahead to spring, you can have confidence in the knowledge that Ravensdown is reading markets carefully, securing product early, manufacturing locally and keeping supply moving, even when conditions tighten internationally.

We'll keep working hard on your behalf.

Spotlight on Sulphur

When people think about the commodities that drive the global economy, they often picture oil, iron ore, copper or gold. Yet one of the most important industrial materials used globally is rarely mentioned: sulphur.

While its nutrient benefits are well known by farmers and growers, sulphur has an abundance of other uses. Without it, many of the products and industries we rely on every day would simply grind to a halt.

From growing food and manufacturing fertilisers to producing metals, batteries, paper and pharmaceuticals, sulphur is one of the world's most versatile and indispensable raw materials.

A global commodity

Most of the world's sulphur is recovered during oil and gas processing. As fuels are refined, sulphur compounds are removed to meet environmental standards and improve fuel quality.

The Persian Gulf traditionally dominates international sulphur trade. Countries including Saudi Arabia, Iran, the United Arab Emirates and Kuwait account for approximately 45–50% of globally traded seaborne sulphur, making the region the world's most important supplier alongside North America.

With ongoing disruption in the Middle East and restrictions on Chinese sulphuric acid exports, the global availability of sulphur has reduced and, unsurprisingly, prices have risen dramatically.

Elemental sulphur

Sulphuric acid produced from elemental sulphur, the process Ravensdown uses at its Christchurch and Napier manufacturing sites, is generally much purer than sulphuric acid produced as a by-product of metal smelting, which can contain trace contaminants from the refining process. The high purity of both the raw material and manufacturing process makes it well suited not only for fertiliser production, but also for industrial applications.

Fortunately, Ravensdown has been able to leverage our long-term relationship with our sulphur supplier in Canada, ensuring there is no disruption to our ongoing manufacture of superphosphate and other sulphur-based fertilisers such as Sulphur Super 30 and Serpentine Super. It also means we have been able to help the wider agricultural sector meet shortfalls in supply of sulphuric acid used in food manufacturing plants.

Supporting the wider sector supports affordability

While the price of sulphur remains high, Ravensdown's commercial sales of sulphuric acid to New Zealand manufacturers helps support the ongoing economics of sulphur-based fertilisers for our customers.

Ravensdown's New Zealand manufactured superphosphate is formulated specifically for New Zealand growing conditions. It contains plant available phosphorus and sulphate for optimum pasture growth and remains a reliable nutrient choice to support spring capital and maintenance applications. It's the tried, true and affordable product from Ravensdown that Kiwi farmers and growers can continue to rely on.

Commodity Prices
Dairy, Beef and Lamb

Dairy markets remain broadly stable heading into winter. Improved auction performance and steady export demand are being offset by strong global milk supply. In line with these conditions, Fonterra's opening milk price forecast for the coming season of $9.75/kg MS reflects a more cautious outlook, with the forecast range ($8 to $11/kg MS) adjusted to acknowledge ongoing supply strength and demand uncertainty.

Beef pricing is expected to continue strengthening over winter. International supply remains tight, particularly across key export regions, while demand has held firm. Ongoing herd contraction globally continues to support positive market fundamentals into the second half of the year.

Lamb markets remain well supported through winter. Offshore demand is strong and global supply remains constrained, contributing to sustained upward pressure. Lower processing volumes are expected to reinforce market firmness as winter progresses.

Wool pricing is tracking steadily through winter, and remains significantly higher than last year. Market activity remains relatively subdued, however supply and demand conditions are well balanced, with no major price shifts anticipated in the near term.

Source: Westpac, Rabobank