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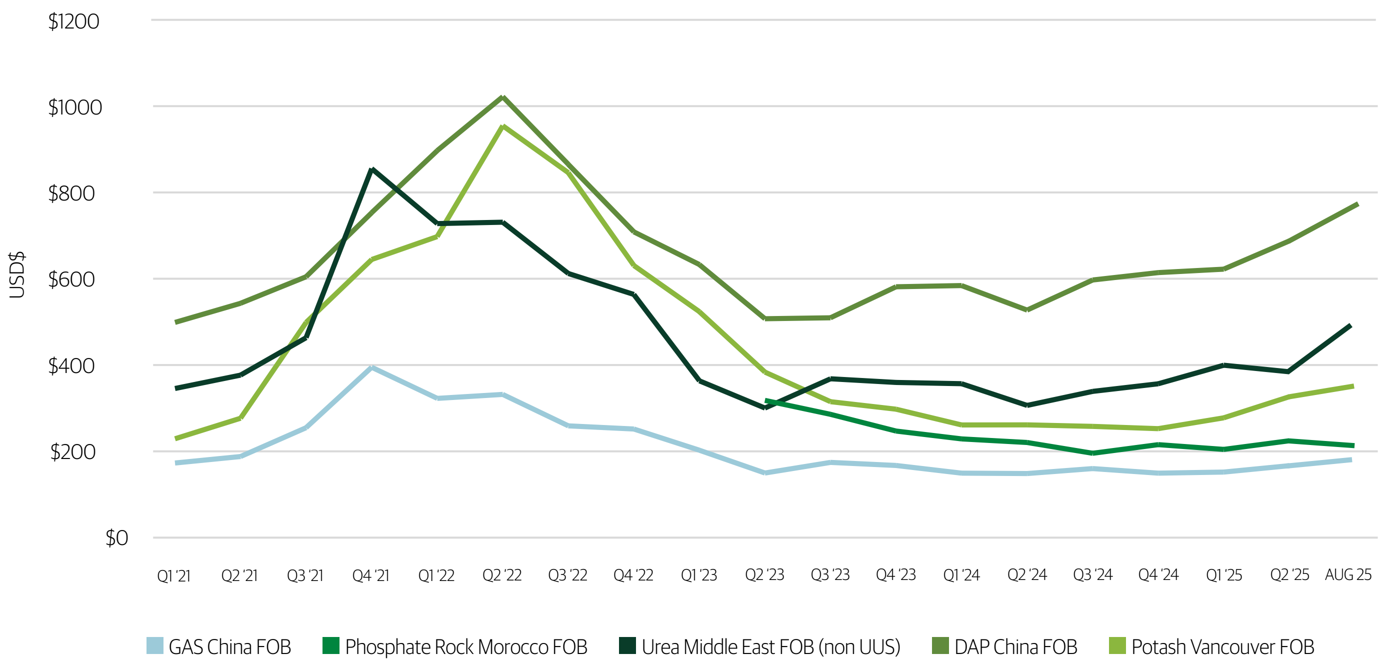
MARKET OUTLOOK

Spring 2025

International Commodity Pricing Trends

Key international commodity pricing trends



Note: quarterly mean excludes freight, insurance etc.

Supply Update **Outlook**

Canada
Sulphur prices have continued to strengthen on the back of increased demand from Asia and North Africa.

China
There is already limited DAP quota allocation remaining out of China. This is contributing to tight global supply of finished phosphates and therefore high prices.

Brazil
Potash prices are expected to remain flat to soft in the coming weeks. The Brazilian soybean season has now ended, putting downward pressure on pricing in this region.

India
Urea pricing remains volatile. India secured 2 million mt in a recent tender, but will need more.

Source: CRU

Winter Market View

Mike Whitty
Chief Operating Officer

The global fertiliser commodity market is sending some clear signals, and they're not ones to ignore. The dominance of the big global players has been tightening, but in recent months fertiliser affordability has really come to the fore.

For staples like urea, DAP, MAP and potash, demand has been climbing.

That translates directly into higher prices. Margins are already stretched, and now many global customers are thinking twice about what they will purchase this spring.

A second Indian tender for urea attracted bids totalling more than 5.3 million tonnes and only 2 million of that was accepted. Coupled with the fact that China has made urea available internationally, the market has been upended – at least until India comes back.

Globally, production is under seasonal pressure as plants undergo annual maintenance shutdowns. Eastern Europe is pushing more product into the market, offsetting some Middle Eastern shortfall. Ravensdown will still buy Chinese product where possible, but India's appetite is propping up global prices.

Phosphates tell a similar story. China is set to step back from the export market for six months to focus on domestic supply. So, we expect global supply to remain constrained, even as demand in markets like ours ramps up for spring.

Potash has likely peaked for now, thanks largely to affordability pressures. Political unpredictability could send further jolts through the system.

It's also telling that Russia, despite geopolitics, remains the single largest supplier of processed phosphates to the US - tariff-free.

The ongoing drag of high gas prices, both in Europe and closer to home, is having an impact on affordability too.

Against that backdrop, I would encourage Ravensdown customers to think about when they expect to apply nutrients this spring. Timing matters.

With our plants in Napier and Christchurch already fully geared up, the opportunity exists for farmers to apply fertiliser earlier in the season. That helps secure competitively priced supply and smooths demand during the crunch months.

The global fertiliser market will always ebb and flow with politics, production and demand shocks. But for New Zealand farmers, the challenge is increasingly one of affordability, timing and resilience. Strategic buying and smart application windows could make the difference to schedules and bottom lines.

Looking more broadly at product choice, superphosphate remains the stand-out from both a sourcing and affordability perspective.

The ingredients for superphosphate can still be sourced relatively competitively, and today it's still cheaper to import the raw materials and manufacture here than to bring in finished products.

The result is more bang for your buck than alternatives. Not only is superphosphate accurately tuned to New Zealand pasture, it is a consistently cheaper source of phosphorus than the likes of DAP when valuing all nutrient components.

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Commodity Prices
Dairy, Beef and Lamb

Milk output remains strong in New Zealand and most major global supply regions, although Australia is an exception. Dairy commodity prices saw a small drop in July.

New Zealand's beef industry continues to perform well, with limited supply and strong US demand keeping prices high. Trade dynamics due to tariffs will be one to watch.

Export values are still surpassing the record highs set in 2022. Processing data points to historically low volumes, while demand from the EU stays robust heading into spring.

The NZD has climbed from USD $0.55 in April to USD $0.60 by mid-August, fuelled by a softer US dollar on expectations of federal funds rate cuts.

Source: Rabobank, Farmers Weekly


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