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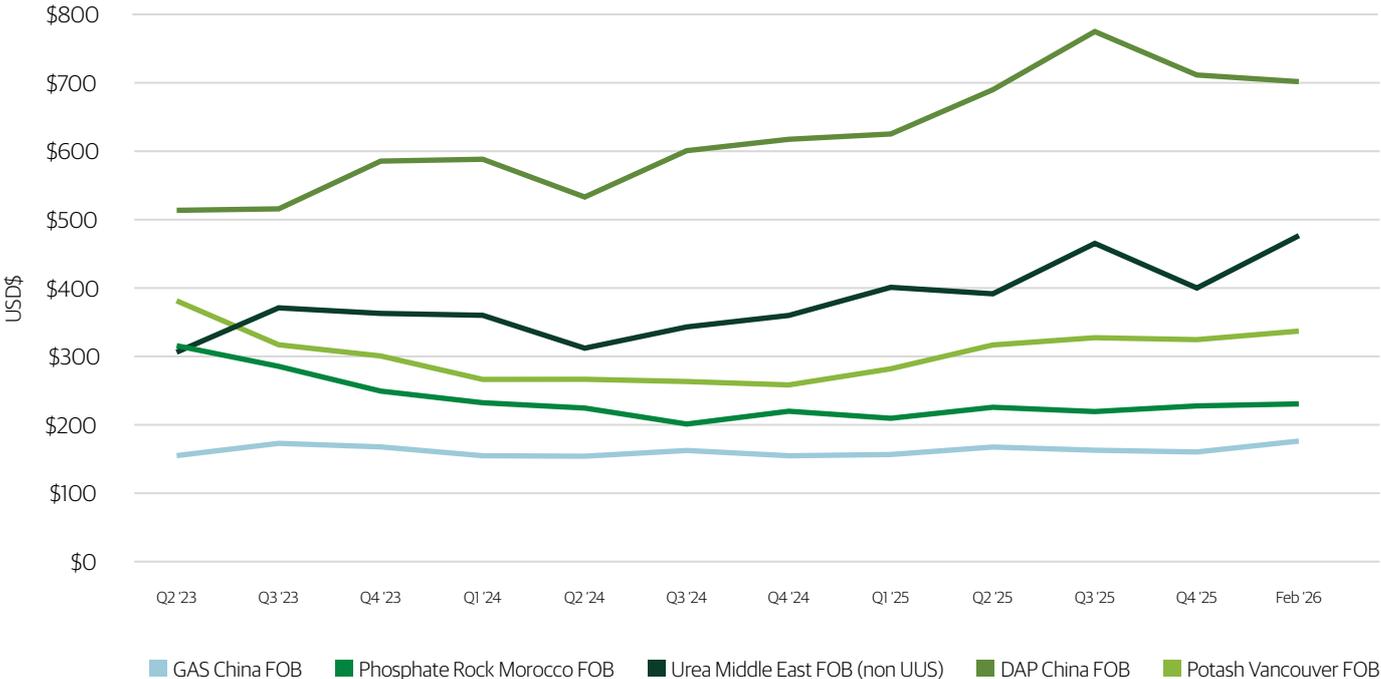
# MARKET OUTLOOK

Autumn 2026



# International Commodity Pricing Trends

Key international commodity pricing trends



Note: quarterly mean excludes freight, insurance etc.



# Supply Update **Outlook**

## EU

The EU has proposed suspending import tariffs on major fertiliser commodities (Carbon Border Adjustment Mechanism) to help ease cost pressures on farmers.

## China

Nitrogen, DAP, and MAP markets remain firm as China's export availability stays closed, with domestic activity slowed by holiday periods. Reduced Chinese participation in global trade continues to tighten international urea, DAP, and MAP supply. Ammonium sulphate costs have elevated prices.

## Middle East

Key fertiliser inputs remain tight. Sulphur FOB values are stable, while ammonia prices hold due to limited vessel availability and ongoing logistical constraints. These supply pressures continue to underpin high nitrogen and phosphate production costs worldwide.

## India

India's latest tender attracted more than 3 Mt of urea offers, double its requirement. This strong procurement pull is diverting volumes from other regions and reinforcing upward pressure on global nitrogen markets.

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# Market View: Autumn 2026

**The international fertiliser market is entering an increasingly familiar phase: tightening supply, firming prices, and geopolitical risk layered over already elevated production costs.**

Across nitrogen, phosphates and potash, constrained supply means the direction of travel for prices is largely upward.

At the centre of the current firmness is nitrogen, particularly urea. Prices have lifted sharply and are expected to remain high in the short term. Northern hemisphere winter gas shortages are curbing production in key regions, while ongoing tensions involving Iran and broader instability across parts of Europe continue to impact supply chain certainty.

Add to that China's absence from export markets and India's renewed buying as its domestic production declines, and the result is a classic squeeze — less product available just as major buyers have been stepping in.

Urea markets are likely to ease only once northern hemisphere seasonal demand subsides and, crucially, when China returns to the export market. Until then, the balance remains tight.

Phosphates tell a similar story. Prices for DAP, MAP, SSP and TSP have all moved higher, with particularly strong gains in

the latter three. DAP has lagged slightly due to softer near-term demand, but that is likely temporary. China's export restrictions are again a decisive factor, removing a key volume source from global trade flows.

Compounding matters, sulphur (a critical input for processed phosphate fertilisers) remains historically elevated at around USD \$500 per tonne.

High sulphur and ammonia costs are squeezing margins, prompting some producers to reduce output. That in turn reinforces the upward pressure on finished product prices.

However, there may be some light at the end of the tunnel with some tentative signs that sulphur demand is softening under the weight of high prices, and a second-quarter easing is possible. But any number of geopolitical events still have the potential to impact more broadly. Drone attacks in Russia and other regional disruptions continue to create fragility in global supply chains.

Potash, by contrast, is firming from a relatively low base. Its economics currently stack up more favourably than nitrogen or phosphates, and prices are edging upward accordingly. While significant additional capacity is planned, notably in Canada, much of it has been delayed by construction challenges and cost overruns. Meaningful new volumes are unlikely before the medium term,



**Mike Whitty**  
Chief Operating Officer

potentially stretching out to 2028. In the absence of new supply, gradual price increases appear fairly likely.

Even by-products are not immune. Ammonium sulphate prices are rising outside China, largely in response to higher urea prices and elevated sulphur costs. As producers trim output in response to tightening margins, the reduced availability of sulphuric acid (a by-product in certain processes) is feeding back into higher ammonium sulphate pricing. It is a reminder that fertiliser markets are interconnected — movement in one fertiliser commodity can trigger a domino effect across others.

For prices to materially retreat, several things would need to happen in unison. China would need to resume urea and phosphate exports at scale. Northern hemisphere demand would need to roll over seasonally, we'd see an easing of

## Market View cont.

tension in the Middle East, and sulphur prices would need to soften. If these pieces fall into place – potentially by mid-year for nitrogen and later, perhaps August, for phosphates – we could see some recalibration.

Demand-side risks, however, cannot be ignored. Global grain markets are well stocked, and early indications point to solid harvests. If grain prices weaken further, fertiliser affordability will deteriorate for arable producers, potentially dampening application rates. That dynamic is complicated by the role of subsidies, from US soybeans to European agriculture and staple crops such as rice in parts of Asia. Government support can cushion fertiliser demand even when commodity prices soften, muting what might otherwise be a sharper correction.

There has been little movement in the last quarter for shipping and currency

costs. Shipping rates have remained relatively stable and the US dollar has not moved dramatically, providing some respite from additional volatility. Interest rates, however, are a swing factor. Higher rates would raise financing costs across the supply chain and could place further upward pressure on delivered prices.

At home, across New Zealand, fertiliser affordability is impacted by positive trends across the sector. Livestock farmers are benefiting from relatively strong lamb and beef returns, and farmgate milk prices have generally rebounded.

At the time we go to print, widespread moisture across the motu is supporting pasture growth, which may temper immediate nitrogen demand. The real test will come as conditions dry out and autumn and winter decisions are made. Sales volumes will ultimately reflect both on-farm cashflow confidence and global price direction.

In short, the global fertiliser market remains supply-led and geopolitically sensitive. Relief is possible. But it is contingent on China's re-entry, seasonal demand shifts, and some easing in input costs. Until then, the weight of evidence suggests prices will remain firm, and farmers navigate a market where volatility is not the exception, but the norm.

In this time of continued offshore volatility, locally manufactured superphosphate remains one of the most effective and affordable ways to deliver phosphate and sulphur to New Zealand soils.

For the next while, our manufacturing sites in Napier and Christchurch will be at full capacity, producing high quality superphosphate to meet autumn on-farm requirements.





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## Commodity Prices

### Dairy, Beef and Lamb



Dairy markets are steady heading into autumn. Prices have recently lifted, supported by stronger commodity auctions, although high global production continues to cap major gains. Overall, the outlook remains balanced and stable.



Beef pricing is expected to firm, driven by tight international supply and solid demand across key markets. Global herd contraction continues to underpin positive sentiment for the months ahead.



Lamb markets remain supported by strong offshore demand and constrained global supply. Prices are anticipated to maintain upward pressure as processors work through reduced volumes.



Wool pricing is holding steady. While the sector has been quieter than others, conditions point to a stable autumn with no significant shifts expected.



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