Fertilizer market update
Dag Tore Mo, Director
Market Intelligence

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Food prices on the rise since May, another increase in February, highest since July 2014
Urea prices strong, bullish sentiment in agriculture in general, demand rationing needed
Both wheat and corn stable recently at the elevated level

- Fundamental factors behind development include generally strong global demand, China adding corn to its list of agricultural imports, downward revision to US 2020 corn production, discussion of Russian wheat export taxes, some concerns about the Latin American crops, concerns about the winter wheat in parts of USA and Eastern Europe.
- Financial investors have built very long positions, potentially adding to short term volatility, not recently though.
What is China up to on feed grains?

China energy feedstuff imports forecast record high, exceeding 2014/15

Accumulated net sales – world total (Corn)

Source: Yara
Urea: Export from China strong recently, 2020 up on 2019

Urea export from China, mt urea, accumulative

Comparison YTD December, mt urea

- 2017
- 2018
- 2019
- 2020

2018: 2.5
2019: 4.9
2020: 5.5

+10%
Chinese production rebounding in February, as natural gas is again available for nitrogen production, and margins are strong.

Chinese urea production, mt urea

Chinese domestic urea balance, mt urea

Source: CFMW, covering almost 100% of production
US net nitrogen imports

TFI product selection
Higher nitrogen supply growth forecast in 2021, however higher than normal risk of project delays

Global urea capacity additions ex. China (mill. tonnes)

Source: CRU November 2020
Apparent urea consumption ex. China – up 3.8% (4.6 million tons) in 2019, to 126.3 million tons

The trend from 2009-2019 shows a growth rate of 2.6%/year

Source: IFA, GTIS for Chinese imports
US and European natural gas (Henry Hub and TTF)

USD/milbttu

Henry Hub

TTF

Forward Mar 2