Market update
January 2022
Urea prices seeking a level where demand is matching the limited supply
European natural gas (TTF) – high and volatile
Urea export from China – not much going forward

![Graph showing urea export from China from 2019 to 2021. The graph indicates a steady increase in exports, with a notable rise in 2021.]
Upgrading margins from ammonia to urea –high, although dropping recently

Source: Average of international publications
Grain inventories outside China, now seen stable in absolute terms this agricultural year (July-June)

Source: USDA December 2021
Food prices on the increase since mid-2020
Apparent urea consumption ex. China – up 3.4% (4.3 million tons) in 2020, to 130.7 million tons

The trend from 2010-2020 shows a growth rate of 2.5%/year

Source: IFA, GTIS for Chinese imports
Grain and food prices key to demand developments going forward

FAO Grain Price Index

Chinese Urea Exports
Chinese urea production lower than last year, domestic supply lagging by 4% at end November.

Source: CFMW, covering almost 100% of production.
CRU expect lower growth in production than gross capacity additions in the next years

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

Source: CRU Sep 2021