Fertilizer Report – March 2026

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Recent global nitrogen and phosphate events have shifted the conversation from prices being too high to now worrying about any supply availability.

Global fertilizer markets are experiencing a supply situation like never seen before. For the entirety of the year, values have been historically high, which has caused buyers throughout the supply chain (importers/retailers/farmers) to be more conservative in their buying patterns in hopes of better days ahead.

Those better days are still to be seen.

Prior to the attacks on Iran which in turn shut down one of the most important bodies of water (Strait of Hormuz), nitrogen markets had already been suffering.

- European production had remained around 75% of normal, removing millions of tons of urea, UAN, and NH3 that would normally be available.
- China, normally a top 3 global urea exporter, has been indicating they WILL NOT export product again until August.

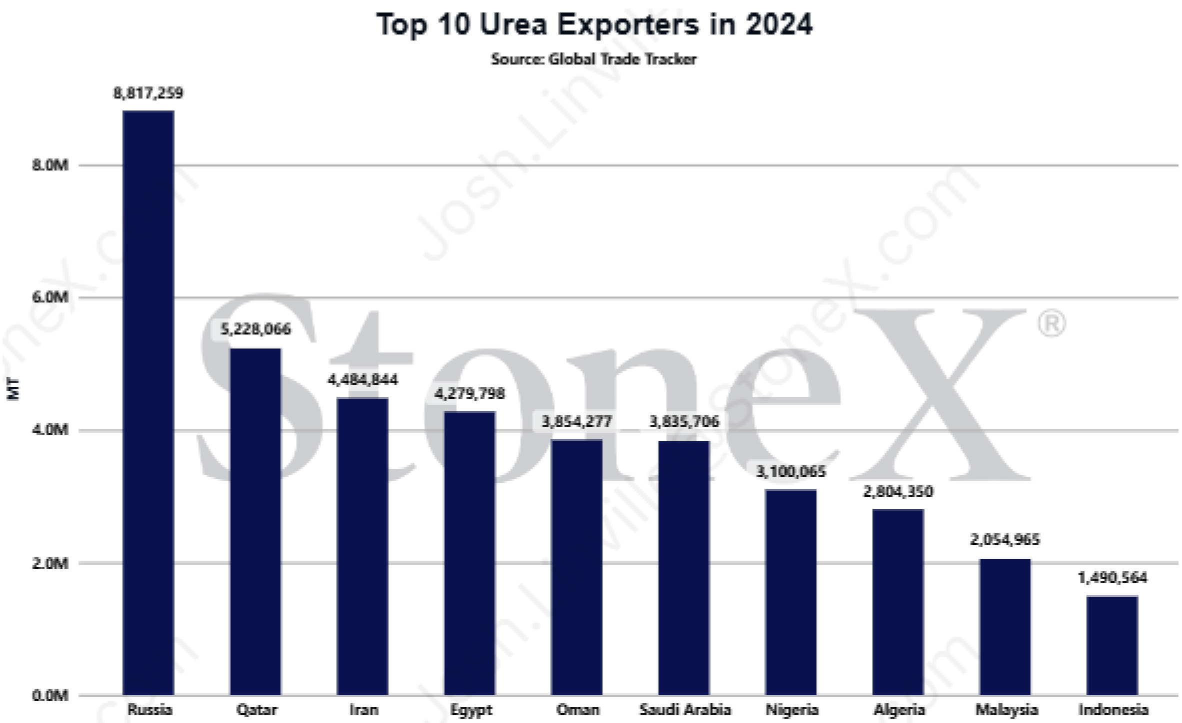
These had been the major factors driving global nitrogen values higher. Now, as Iran retaliates following weekend attacks by the U.S. and Israel, the Strait of Hormuz has unofficially shut down to vessel traffic which means 3 of the 10 largest urea and NH3 exporters of the world are now cut off. There is hope that western nations will provide safe passage which would restart shipments, but damage has already been done as prices have skyrocketed…if resupply can be found. Nations like the U.S. are in a similar fate but can pivot to other global suppliers such as Russia to backfill what is lost. Canada is not this fortunate and is left with even fewer options at possibly the worst time of the year.

Phosphate has also been impacted. Remember that 5 nations control approximately 85 – 90% of global DAP/MAP exports.

- China, normally the world's largest, have indicated no intent to export until August at the earliest.
- U.S., normally the world's number 5 exporter, continues to suffer poor operating rates.

Now, with the Strait of Hormuz closed to safe passage, the world's 3rd largest exporter (Saudi Arabia) is essentially cut from the world. Again, other nations can pivot their demand away from nations like Saudi Arabia and to another major exporter…Russia.

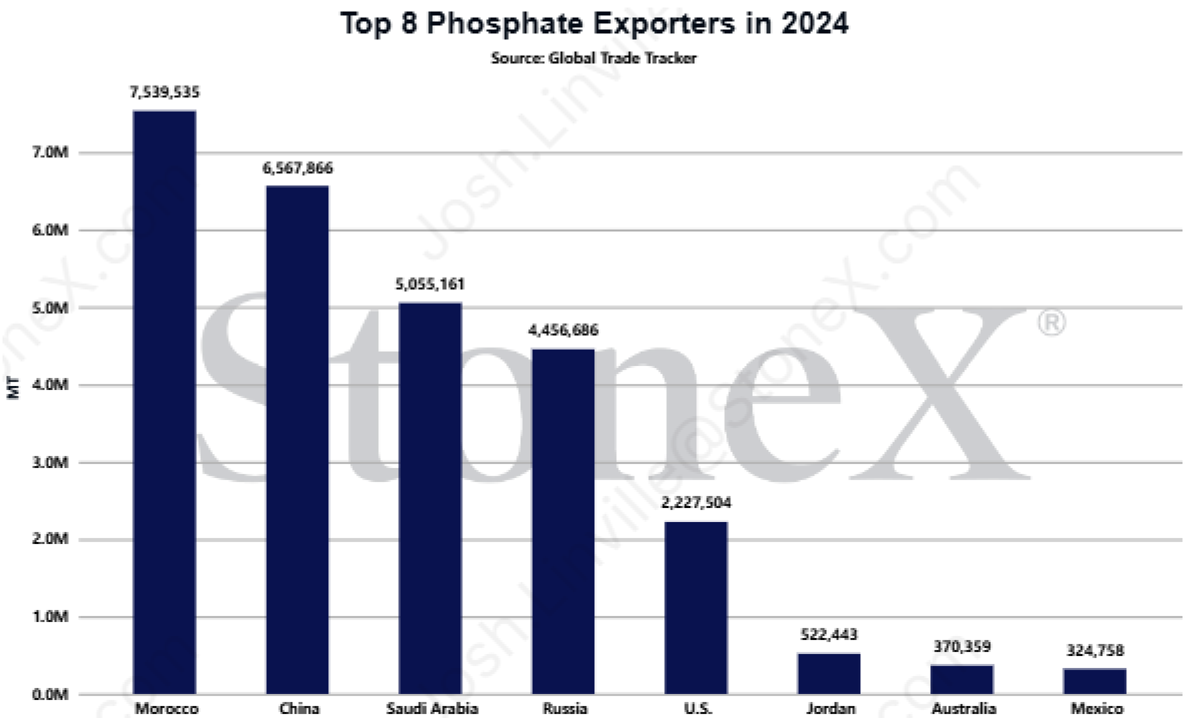
To put this in better context, consider the Top 10 global urea and phosphate exporters:



- Russia – trade flows blocked by Canadian government intervention
- Qatar – currently unable to access the world due to Iran situation
- Iran – currently unavailable due to ongoing war
- Egypt – production in danger as Israeli gas production is shut down for fear of Iranian attacks (Israel gas largely feeds Egyptian nitrogen plants)
- Saudi Arabia – currently unable to access the world due to Iran situation
- China – normally world's number 2 or 3 but government export restrictions have limited export flows
- Europe – not listed given the fragmented nation of the region, but nitrogen production levels remain at 75% of normal due to high gas costs

Of the Top 10 global urea exporters, 6 of the 10 are currently unable to export, unwilling to export, or unable to export to Canada.

For phosphate, only 5 countries control 85 – 90% of the world's production and export:



- China – normally world's largest supplier with 8 to 10 million tons exported, government restrictions not allowing exports currently
- Saudi Arabia – shipping fears in the Strait of Hormuz renders their export flows useless/full stopped
- Russia – Canadian government has dictated no trade with Russia, so phosphate supplies are unattainable
- U.S. – ongoing production issues continue to keep supplies much lower than normal which means less available to Canadian farmers

Of the top 5 global phosphate exporters, only Morocco remains fully open to Canadian farmers.

Global fertilizer markets are experiencing stress like they have never seen in its past. With government steps to ensure Russian relations remain cut, options to ensure adequate fertilizer supplies for Canadian farmers is at a significant risk.