Phosphate Report
Weekly review of the phosphate market

Fertecon
Agribusiness intelligence | informa

4 August 2016

- NOLA barge prices for DAP and MAP increase in the US
- Saudi Arabian DAP sold cheaper into India
- GCT committed on Tunisian DAP for August with large volume for Turkey
- PhosAgro DAP cargo reported booked for August shipment to US and MAP for September loading for Argentina
- Prices for Chinese DAP decline further in both domestic and export markets
- Australian MAP imports rise 18% during the fertilizer year 2015-16 while DAP arrivals fall 23%
- Argentinean MAP and DAP imports increase 66% and 88%, respectively, in 1-half 2016
- DAP exports from Australia double in 1-half 2016

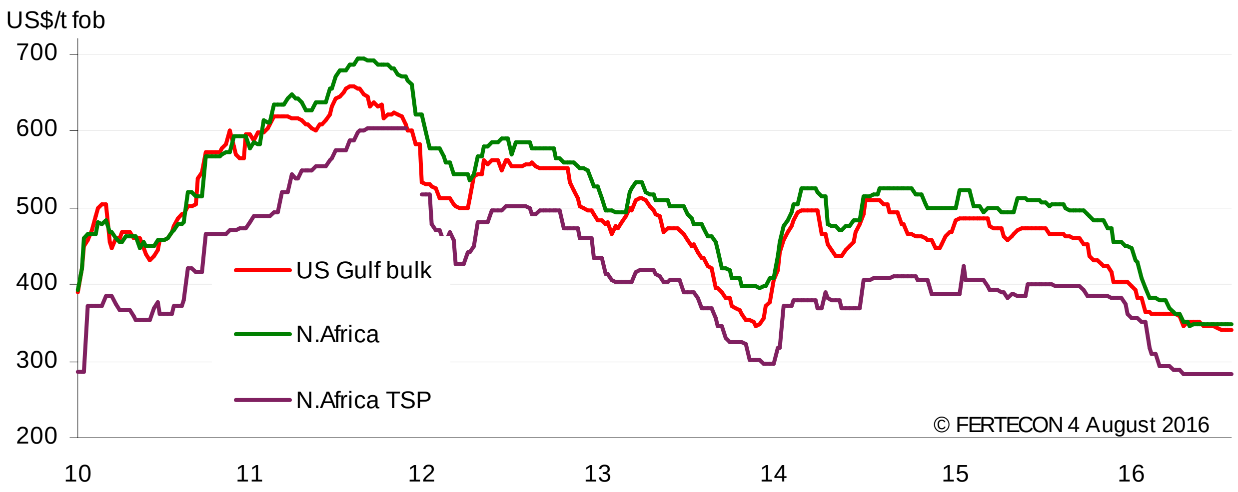
OUTLOOK

Stable to weak on DAP while MAP prices are expected to fare better than DAP over the coming weeks

KEY PRICES

	4 Aug	28 Jul	21 Jul
DAP $/t fob US Gulf	340	340	340
DAP $/t fob North Africa	340-355	340-355	340-355
DAP $/ston fob NOLA	309-315	307-311	302-310

DAP/TSP PRICES



Fertecon's phosphate prices are available to analyse and download immediately after publishing via this link.

PHOSPHATE PRICE INDICATIONS ALL PRICES IN US$

	4 August	28 July	21 July	Notes
DAP				
US Gulf fob bulk	340	340	340	
Morocco fob bulk	340-355	340-355	340-355	
Tunisia fob bulk	343-350	343-350	343-355	
Jordan fob bulk	336-342	336-345	336-345	
Saudi Arabia fob bulk	338-340	340-345	340-345	
Black Sea fob bulk	n.m.	n.m.	n.m.	
Baltic fob bulk	322-330	322-330	322-330	
Australia fob bulk	332-335	332-335	333-335	
China fob cash	325-330	326-330	328-331	
Benelux fca bulk duty paid/free	370-375	370-375	370-375	
India cfr bulk	336-345	336-345	340-345	
US domestic st NOLA	309-315	307-311	302-310	
Ctrl Florida st for	325	325	325	
GTSP				
Bulgaria fob bulk	290	290	290	
Morocco fob bulk	275-280	275-280	275-280	
Tunisia fob bulk	285-290	285-290	285-290	
Lebanon fob bulk	270	285-290	285-290	
Mexico fob	300	300	300	
China fob bagged	250-255	250-255	250-255	
MAP				
Black Sea fob bulk	335-340	335	335	
Baltic fob bulk	337-338	330-335	330-335	
Brazil cfr bulk	355	350-355	350-355	
PHOSPHORIC ACID				
US Gulf fob (P_2O_5)	n.m.	n.m.	n.m.	
India cfr (P_2O_5)	600	600	600	30 days
PHOSPHATE ROCK				
Casablanca fob 70% BPL	95-125	95-125	95-125	

FERTECON PRICE DEFINITION

^ all business * No recent known business **price adjusted

NB: All prices refer to most recent concluded business or latest competitive offers. Prices are *net* of credit or other terms.

The full history of Fertecon's phosphate prices is available to view and download by clicking here

FREIGHT INDICATIONS US$/TONNE

(BULK) Route	Cargo size (t)	Latest rate
US Gulf-India	45-50,000	22-23
US Gulf-China	50-55,000	20-21
US Gulf-EC S America	25-30,000	16-23
Baltic-EC S America	25-30,000	18-26
North Africa-India	30-35,000	20-22
Jordan-India	40,000	7-10
Saudi Arabia-India	30,000	6-7

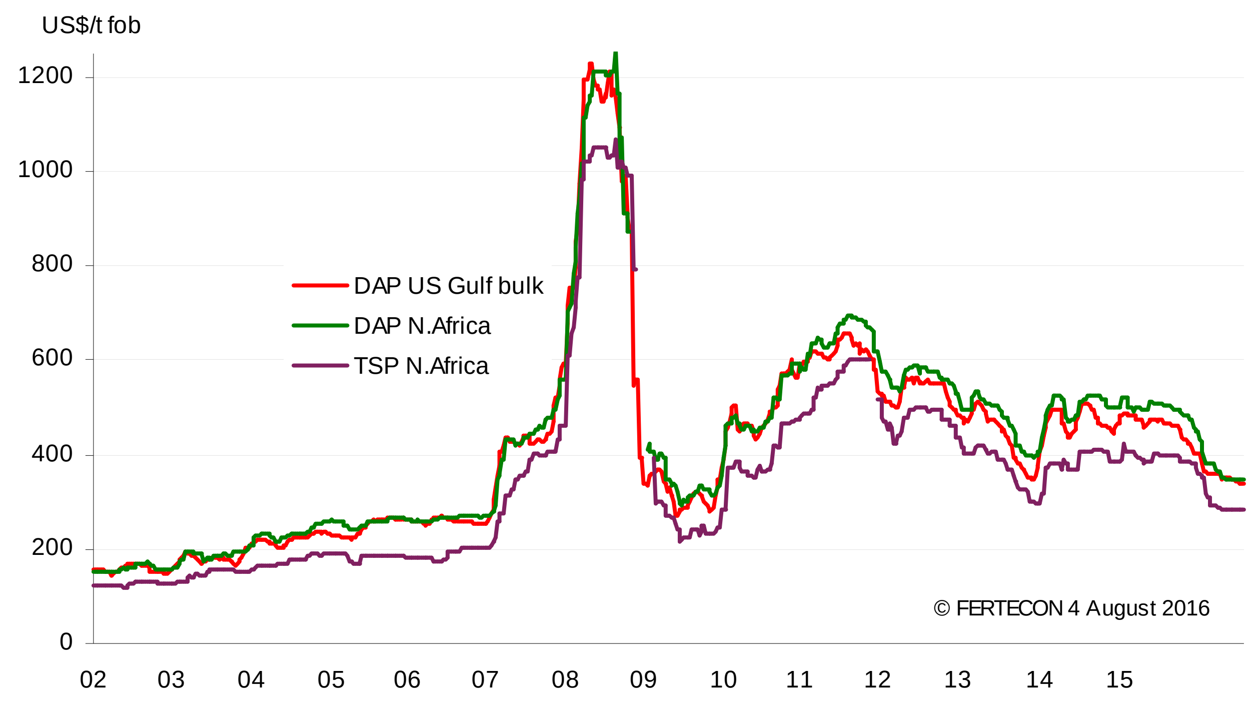
NB: All rates indicated are based on averages. Exact rates will depend on port loading and discharge rates

FERTECON TENDER SERVICE

Country/Holder	Product	'000 t	Date	Shipments	Remarks
Bangladesh/BCIC	MGA	50	25/5	Sep-1-half Nov	Three offers received
Bangladesh/BCIC	MGA	10	11/7		Three offers received
Bangladesh/BCIC	Phos rock	30	11/7		Two offers received
India/FACT	NP	25	20/7	Jul-Aug	Scrapped
India/NFL	DAP	150	22/7	Aug	Awarded Midgulf and Swiss
India/RCF	NP	30	25/7	Aug	Two offers received
Algeria/Asfertrade	MAP	40	2/8	Aug-Sep	
India/NFL	NP	30	3/8	Aug	
India/NFL	DAP	50	5/8	Aug	
India/RCF	NPK	30	8/8	Aug	
India/FACT	NP	25	9/8	Aug-Sep	
India/RCF	MAP Lite/DAP Lite	40	18/8	Sep-Oct	
Nepal/AIC	DAP	20	5/9		

EXCHANGE RATES (local currency:US$1)			
	4/08/2016	28/07/2016	4/08/2015
€ Euro	0.89328	0.90912	0.91162
£ Pound Sterling	0.75016	0.76146	0.64055
Turkish Lira	3.00466	3.03600	2.77412
Rupee India	66.7413	67.1918	63.9602
Real Brazil	3.25473	3.27361	3.43168
China RMB	6.62942	6.67004	6.19970

DAP/TSP PRICES – 14 YEAR SERIES



ANALYSIS

DAP purchases in Asia have been more limited this week with India and Pakistan covered for kharif, leaving the focus of the phosphate market to switch more to markets west of Suez. Russian DAP and MAP has been booked for August and September shipment to the US and Brazil with the Latin American region also pulling on Saudi Arabian MAP for August loading. This has come against a backdrop of declining DAP prices in India, where Saudi Arabian and Chinese product have been sold at lower values in the low/mid $340s cfr and the mid/high $330s cfr, respectively, and rising MAP values in Latin America, with Brazil firmly into the mid $350s cfr and reports of the mid $360s cfr concluded in Argentina. In the US, meanwhile, prices for DAP and MAP continue to rise, with DAP barges reaching $309-315/ston fob NOLA this week and granular MAP barges as high as $320.

Mosaic is comfortable on DAP/MAP for August and has yet to yield lower than the last done $340 fob for export. Atlantic producers are confident that Brazil still has more to buy to cover its final requirements for the soybean crop with US, Russian, Moroccan and Saudi Arabian suppliers eying additional demand that is emerging. As a result, there remain signs that MAP prices west of Suez could strengthen in the coming weeks, with additional requirements also still to be covered in Russian and US local markets in September.

Equally, insufficient DAP demand on the horizon relative to supply in markets east of Suez where India has already booked almost 3.5 million t for April-August arrival hints at further softness in the absence of additional supply side measures or a strong pick-up in demand in China for the autumn season.

MARKETS

EUROPE

ITALY: GCT has now sold a total of 10-15,000 t DAP at about $350 fob for August shipment from Tunisia.

TURKEY: A trader is reported to have sold a small parcel of JPMC DAP, perhaps 6,000 t, in the low $340s fob for August shipment from Jordan.

It is reported that about 50,000 t DAP will be shipped from Tunisia in August under GubreTas' frame contract with GCT for 180,000 t DAP for 2016 shipment, following on from 60,000 t that are understood to have loaded under the agreement in July.

TURKEY: DAP PURCHASES 2016 ('000 t)

Buyer	Supplier	DAP	Arrival
Jan-April		**208**	
Various	Ameropa/Jordan	8	May
Gemlik Gubre	PhosAgro/Russia	15	May/Jun
Igsas	GCT/Tunisia	6	May/Jun
Igsas	GCT/Tunisia	6	May/Jun
Igsas	GCT/Tunisia	6	May/Jun
Distributor	GCT/Tunisia	6	May/Jun
Gemlik Gubre	PhosAgro/Russia	15	May/Jun
TBC	OCP/Morocco	30	Jun/Jul
Igsas	GCT/Tunisia	8	Jul
Distributor	GCT/Tunisia	8	Jul
Ost Olgun	JPMC/Jordan	3	Jul
Gemlik Gubre	EuroChem/Lithuania	30	Jul/Aug
Toros	OCP/Morocco	25	Jul/Aug
GubreTas	GCT/Tunisia	60	Jul/Aug
TBC	EuroChem/Lithuania	35	Aug
TBC	JPMC/Jordan	6	Aug
TBC	Trader/Jordan	6	Aug

GubreTas	GCT/Tunisia	50	Aug/Sep
GubreTas	GCT/Tunisia	70	Sep-Dec
Total		**601**	

FSU

TURKMENISTAN: The new sulphuric acid plant at the Turkmenabad Chemical Plant (formerly Chardzhou), under construction since 2013, was reported to be in commissioning phase with a production capacity for 500,000 t/y. The new acid plant will complement the existing sulphuric acid plant which was commissioned in 1985 and also has a capacity for 500,000 t/y. Sulphur is sourced locally. Construction of the new unit was started in 2013, according to Ronesans, the Turkish construction company developing the plant in conjunction with Mitsui Engineering.

The sulphuric acid is used for the production of ammonium superphosphate and the additional capacity from the new plant will not only enable the existing phosphate fertilizer production at the complex to increase to 300,000 t/y but also it will be used for the production of up to 200-250,000 t/y potassium sulphate. Any acid surplus to requirements will be exported.

AFRICA

KENYA: A new NPK blending plant is set to open in Eldoret in Uasin Gishu County this month with a capacity of 150,000 t/y. The plant has been built by Toyota Tsusho East Africa and aims to provide soil specific blends. Large scale grain farming, dairy and horticultural is carried out in the region so the plant will be aiming to provide crop nutrients for local/regional farming.

ASIA

BANGLADESH: The *Placid Sea* arrived with 43,746 t YUC, Chinese DAP in Chittagong on 31 July, covering an award under the Ministry of Agriculture's 3 May tender.

The *Alkyoni* has arrived in Mongla, reportedly also with YUC DAP from China to cover an award under the 3 May tender.

The *Pacific Victor* is due to arrive with 26,040 t TSP from Sfax, Tunisia in Chittagong on 4 August, the second vessel to be received by BADC under its 2016 contract with GCT.

CHINA: DAP prices have weakened further to Rmb 2,100-2,150 bagged ex-works for producers located near Yangtze River ports in Hubei while values for producers in Yunnan and Guizhou are around Rmb 100 lower than this level. The downwards pressure on prices is expected to continue until mid-August when logistical preparations for the autumn ploughing season normally start but this may be delayed or start very slowly should provincial buyers/distributors sense that prices may come off further.

June NPK imports fell by 51% to 86,028 t. This brought the 1-half total to 650,970 t, a drop of 4% on last year. (Source GTIS/China Customs)

INDIA: Prices for DAP have fallen further this week on new purchases.

Sabic has sold 30,000 t DAP in the low/mid $340s cfr for 1-half August shipment from Saudi Arabia.

NFL is reported to have awarded Midgulf 50,000 t DAP at $341.12 cfr including 180 days' credit east coast and Swiss Singapore 50,000 t DAP at $342.93 cfr including 180 days' credit west coast under its 22 July tender.

NFL has issued another tender, closing tomorrow, 5 August, valid for 7 days, for 50,000 t DAP for shipment latest by 5 September at the latest to Kandla/Mundra.

Kribhco received the *Nereus Island* with 36,355 t Saudi Arabian DAP at Mundra on 29 July, covering Ma'aden's earlier sale in the low $350s cfr.

The *Nan Hai* sailed from Ras Al Khair on 31 July, reportedly with 44,000 t DAP to cover Ma'aden's earlier reported sale at close to $350 cfr with Kribcho emerging as the buyer.

IFFCO is due to receive about 50,000 t Chinese DAP on each the *Iolcos Unity* at Kandla in 1-half August and the *Braveheart* and the *Sea Wind* at the same port in 2-half August for a total of 150,000 t.

RCF has issued a tender, closing on 18 August and valid for 30 days, for 2 x 20,000 t granular MAP Lite 10-50-0/DAP Lite 16-44-0 for September and October shipment to MBPT.

DAP stocks were estimated at around 265,500 t at various ports as at 1 August 2016, as follows:

Port	'000 t
Kandla	98.0
Mundra	133.5
Krishnapatnam	3.5
Gangavaram	0.5
Kakinada	30.0
Total	**265.5**

NFL is reported to have received three technical offers from Ameropa, Aries and Trammo under its 3 August tender for 30,000 t 20-20-0+13S for shipment by 20 August to Krishnapatnam/Vishakapatnam/Kakinada.

FACT has re-issued its tender for 25,000 t 20-20-0+13S for Tuticorin, which will close on 9 August for September delivery. The buyer scrapped its 20 July tender for the same quantity for August arrival having received only one technical offer.

Further to last week, RCF is reported to have received two technical offers from Amber and Yichang under its 25 July tender for 30,000 t 20-20-0+13S for August shipment to Mundra.

RCF will close a re-tender on 8 August for 30,000 t NPK 10-26-26 for 2-half August shipment to Mundra.

The Government warned on 2 August that it will restrict or stop giving subsidy to private companies if they fail to bring down retail prices of non-urea fertilizers by up to Rs 5,000/t, in line with public sector firms.

Last month, the Centre had announced a cut in the maximum retail price (MRP) of DAP by Rs 2,500 to Rs 22,000 bagged delivered farm, MOP by Rs 5,000 to Rs 11,000, and NPK nutrients by Rs 1,000/t.

"In cases, where after scrutiny, unreasonableness of MRP is established or where no correlation is found between the cost of production or acquisition and the MRP printed on the bags, the subsidy may be restricted or denied even if the product is otherwise eligible for subsidy under Nutrient Based Subsidy," Fertilizer Minister Ananth Kumar said in the Lok Sabha.

With many parts of the country receiving adequate rainfall in July, the kharif sowing indicates a healthy trend. As per the latest Ministry of Agriculture figures, the total area sown by 29 July stands at 79.951 million hectares, which is about 6% higher than last year. The area sown so far by crop is tabulated below.

Crop	Area sown in 2016-17	Area sown in 2015-16
Rice	23.192	22.568
Pulses	11.035	7.825
Coarse Cereals	15.076	14.484
Oilseeds	15.978	14.798
Sugarcane	4.683	4.591
Jute & Mesta	0.754	0.772
Cotton	9.233	10.191
Total	**79.951**	**75.229**

According to IMD, rainfall is going to be above normal in the second half of the monsoon at 107% of the long-period average (LPA).

2016-17 fertilizer year DAP imports are as follows:

India DAP Arrivals, 2016/17				
Buyer	**Supplier/Origin**	**'000 t**	***Vessel***	**Arrival**

April		**181**		
May		**450**		
June		**938**		
Chambal	YUC/China	42	*Stellar Eagle*	2 July
Mosaic	Mosaic/US	60	*Harvest Peace*	3 July
IPL	Ma'aden/Saudi Arabia	50	*Apiradee Naree*	7 July
IFFCO	China	50	*LMZ Pluto*	9 July
IPL	Ma'aden/Saudi Arabia	55	*Georgianna Bo*	July
Deepak	Swiss Singapore, Xiangfeng/China	32	*V Red Knot*	July
Kribhco	Fertisul/China	55	*Chengyang Eminence*	July
IPL	Aries/China	45	*Vitaspirit*	July
Chambal	Aries/China	35	*Stove Trader*	July
Kanpur Fertilizers	Sabic/Saudi Arabia	30	*Apostolos/Sub*	July
KIT/IFFCO	Sabic/Saudi Arabia	30	*Great Ocean*	Mid July
IFFCO	Yihua/China	50	*Jia Foison*	2-half July
IFFCO	Wengfu/China	50	*IYO Wind*	2-half July
Tata	Dreymoor/China	47	*Queen Jhansi*	29 July
Chambal	Sabic/Saudi Arabia	40	*Great Ocean*	end July
IPL	JPMC/Jordan	14	*Morning Star*	end July
Kribhco	Ma'aden/Saudi Arabia	36	*Nereus Island*	29 July
TBC	Sabic/Saudi Arabia	35	*TBN*	July
July	**To date**	**756**		
TBC	PhosAgro/Russia	60	*TBN*	Aug
Greenstar	PhosAgro/Russia	45	*TBN*	Aug
Kribhco	Ma'aden/Saudi Arabia	44	*Nan Hai*	Aug
TBC	Ma'aden/Saudi Arabia	35-40	*TBN*	Aug
Mosaic	Mosaic/US	55	*STH Athens*	3 Aug
IPL	Fertrade	66	*Good Hope*	5 Aug
Mosaic	Mosaic/US	52	*Kang Sheng*	6-7 Aug
Kribhco	OCP/Morocco	50	*TBN*	Aug
Chambal	Aries/China	30-35	*Genco Ocean*	Aug
Chambal	Aries/China	34	*Pretty Keel*	8 Aug
Chambal	YUC/China	40-45	*Kamari*	1-half Aug
IFFCO	Yihua/China	50	*Peace Bright*	1-half Aug
IFFCO	Fertrade/China	50	*Iolcos Unity*	1-half Aug
IPL	Midgulf/China	60	*TBN*	Aug
IPL	Rare Earth/China	45-50	*TBN*	Aug
IPL	Fertisul/China	50	*Shao Shan 7*	Aug
TBC	Ma'aden/Saudi Arabia	45	*TBN*	Aug
TBC	Ma'aden/Saudi Arabia	45	*TBN*	Aug
Chambal	Aries/China	35-40	*TBN*	Aug
TBC	Sabic/Saudi Arabia	30	*TBN*	Aug
NFL	Midgulf	50	*TBN*	Aug
NFL	Swiss Singapore	50	*TBN*	Aug
IFFCO	Fertrade/China	50	*Brave Heart*	2-half Aug
IFFCO	Fertrade/China	50	*Sea Wind*	2-half Aug
Aug	**To date**	**1,121-1,146**		
Total	**Estimate to date**	**3,446-3,471**		

JAPAN: There were imports of 43,257 t DAP in June, including 20,149 t from China and 17,593 t from the US, bringing 1-half imports to 197,405 t, up 2% on January-June 2015. The main sources of supply were ('000 t) China 104 (up 5%), US 74 (up 1%).

There were also imports of almost 18,000 t MAP in June, including 15,800 t from the US, bringing January-June imports to 56,373 t, 28% above 1-half 2015. The main sources of supply were ('000 t) US 50 (up 16%), China 6 (up 889%). Source: GTIS/Japan Ministry of Finance

PAKISTAN: The DAP import market is quiet at present with all the major importers holding inventory although there is some anticipation that Engro and Agven may look for August-September cargoes soon with price expectations in the low $340s cfr.

DAP business reported so far for 2016 arrival is as follows:

Pakistan DAP Arrivals 2016				
Buyer	**Supplier/Origin**	**'000 t**	**Vessel**	**Arrival**
Jan-May		**160.0**		
Chawla	Quantum/Australia	27.0	*Eastern Cape*	Jun
Engro	Dreymoor/China	45.0	*Courageous*	Jun
United Agro	Quantum/China	30.0	*Aurora Bulker*	Jun
Pacific Chartering	Ameropa/China	25.0	*New Lotus*	Jul
Engro	Ma'aden/Saudi Arabia	25.0	*Ananya Naree*	Jul
United Agro	Quantum/Australia	33.0	*Four Butterfly*	Jul
Agven	Kailin/China	33.0	*Glarus*	Jul
Engro	Dreymoor/China	40.0	*Minoan Grace*	Aug
	Total	**418.0**		

PHILIPPINES: Anecdotal evidence suggests that fertilizer application in the current rainy season is above average, maybe by around 5%, probably due to lower usage earlier in the year due to drought. The Soiltech-Agri steam granulation NPK plant has closed for maintenance and an upgrade of equipment but is expected to restart before the end of the year. Soiltech-Agri is at the same time building a new port in La Union, about 2km distance from the NPK plant.

SRI LANKA: Agstar has issued a tender, closing tomorrow, 5 August, for just over 25,000 t fertilizers including 2,000 t TSP and 500 t granular superphosphates for November delivery.

OCEANIA

AUSTRALIA: There have been heavy rains in north New South Wales and southern Queensland and in some areas the land is too wet for working the fields. Long range weather forecasts point to higher than usual rainfall over much of Southern and Eastern Australia for the rest of the year.

MAP imports were only 534 t in June compared to 14,745 t in June 2015, bringing 2015-16 fertilizer imports to 956,742 t, 18% above July 2014-June 2015. The main sources of supply were ('000 t) China 386 (up 65%), US 335 (up 5%), Mexico 125 (down 29%), Saudi Arabia 60 (10-fold increase), Canada 37 (up 84%) Morocco 12 (nil in 2014-15).

Imports of DAP were 5,538 t in June, all from China, compared to zero in June 2015. This brought July 2015-June 2016 imports to 187,111 t, 23% lower than the 2014-15 fertilizer year. The main supply sources were ('000 t) US 64 (up 19%), China 60 (down 51%), Saudi Arabia 57 (up 83%), Mexico 6 (down 83%). Source GTIS/Australian Bureau of Statistics

NORTH AMERICA

UNITED STATES: Prices for DAP barges have continued to climb this week, rising to $309-312/ston fob NOLA for imported product by yesterday and with Mosaic selling 6 domestic DAP barges at $315 late last week for prompt shipment.

The premium for MAP over DAP has increased as the market has tightened, with an imported barge reported to have traded at $317/ston fob NOLA and offers now at $320. Mosaic sold 7 US granular MAP barges at $320/ston fob NOLA late last week for prompt loading.

Mosaic continues to indicate $325/ston fca central Florida for DAP with granular MAP at a $15/ston premium.

The 38,056 dwt *Roztocze* is due to arrive in Murmansk in the Baltic on 6 August reportedly to load Russian DAP for NOLA with ADM reported to have booked 30-35,000 t from PhosAgro.

The 63,385 dwt *Oceanus* is due to arrive with a panamax volume MAP/DAP in NOLA on 10 August having sailed from Morocco on 20 July.

Helm is reported to have concluded with OCP a handysize TSP cargo for end August/early September loading in Morocco.

Import cargoes reported for July-August 2016 arrivals are as follows ('000 t):

US DAP/MAP/TSP Arrivals 2016/2017						
Supplier/Origin	**DAP**	**MAP**	**TSP**	**NP+S+Z**	**Vessel**	**Arrival**
United Suppliers/PhosAgro, Russia	-	33	-	-	*Dolce Vita*	7 July
Koch/Morocco	25	25	-	-	*TBN*	July
Gavilon/Morocco	25	25	-	-	*TBN*	July
Helm/Morocco	-	-	30	-	*IVS Phinda*	26 July
TBC/Morocco	30	30	-	-	*Oceanus*	10 Aug
TBC/Morocco	30	30	-	-	*TBN*	Aug
Russia	30-35	-	-	-	*Roztocze*	31 Aug
TBC/Morocco	30	30	-	-	*TBN*	Sep
TBC/Morocco	30	30	-	-	*TBN*	Sep
Total July-September 2016	**200-205**	**203**	**30**	**0**		

LATIN AMERICA

ARGENTINA: Cagsa is reported to have bought 8,000 t Russian MAP from Nitron for September shipment to two ports, reportedly in the mid $360s cfr.

Nidera is reported to have bought 15,000 t TSP from Ameropa in the low $280s cfr for August shipment from Lebanon. The trader is in the freight market for 25-30,000 t to load in Lebanon 12 August onwards for three discharge ports. It is understood that Ameropa will supply the balance of the cargo to Profertil, covering their earlier reported deal initially intended for supply from Mexico.

MAP imports registered a 67% increase in 1-half 2016, rising to 326,754 t from 195,944 t January-June 2015. The main sources of supply were ('000 t) Russia 143 (up 1,340%), Saudi Arabia 103 (up 239%), Morocco 35 (nil 1-half 2015), China 23 (down 72%), US 22 (up 93%).

June arrivals totalling 77,445 t, up 46% on June 2016, included 27,500 t from Saudi Arabia, 22,217 t from US, 10,066 t from China, 9,385 t from Russia, 8,270 t from Morocco.

Imports of DAP at 181,973 t January-June 2016 were 88% higher than the 96,996 t imported 1-half 2015. The main sources of supply were ('000 t) Russia 143 (up 593%), Saudi Arabia 47 (up 13%), Morocco 36 (nil 1-half 2015), China 25 (virtually nil 1-half 2015), US 6 (down 19%).

June imports were 52,236 t, 63% above June 2015, including 28,596 t from Russia, 11,000 t from Morocco, 4,400 t from China, 1 100 t from US. Source: GTIS/ INDEC

BRAZIL: Competitive offers for MAP are holding in the mid $350s cfr while it is reported that Yara has bought 15,000 t MAP from EuroChem for mid-September shipment from Russia, apparently in the high $350s-360 cfr.

Yara is reported to have bought 11-44-0 MAP from YUC at $277 cfr for delivery to Paranagua from China while a trader is understood to have placed the balance of a Chinese cargo for August shipment at $281 cfr Rio Grande, reflecting an increase on prices last concluded in this market.

Prices for TSP are reported to have eased to about $285 cfr.

According to the statistics from GTIS/SECEX, MAP imports edged higher January-July 2016 to 1.256 million t compared with 1.208 million t in the same period last year. The quantity of US material has risen by 82,000 t or 31% year-on-year at the expense of Russian and Chinese. The quantity imported from Saudi Arabia was also up on last year at almost 150,000 t.

NP imports (including 11-44-0) in January-July 2016 reached a high of 815,000 t with increased quantities from all major sources, even China, when compared with the same period last year. The market share for imported product this year was split as follows – Mosaic 40%, China 36%, OCP 15% and Russia 9%. Total January-July imports reached 532,000 t in 2015 and 725,000 t in 2014.

Vessels arriving into the main ports in July are as follows:

Brazil Phosphate Fertilizer Arrivals, late July/Aug					
Charterer/Receiver	**Product**	**Origin**	**'000 t**	**Arrived/ETA**	**Vessel**
Paranagua					
Mosaic	MAP/MES	US	35.8	29 July	*Clipper Bettina*
Nitron	NP 11-44	China	30.0	31 July	*Slavyanka*
Mosaic	DAP/MAP/MES	US	38.8	4 Aug	*Discovery Bay*
EuroChem	MAP	Russia	14.7	4 Aug	*Lyulin*
Helm	NP 11-44	China	30.0	8 Aug	*Clipper Isabela*
Mosaic	DAP/MAP/MES	US	30.5	13 Aug	*Strategic Alliance*
Mosaic	MES/DCP	US	38.0	16 Aug	*Olga Topic*
Rio Grande					
Piratini	MAP	US	6.0	30 July	*Baltic Fox*
Mosaic	MAP	US	4.7	30 July	*Baltic Fox*
Piratini	DAP	US	5.2	30 July	*Baltic Fox*
Ourofertil	DAP	US	1.0	30 July	*Baltic Fox*
Multifertil	DAP	US	1.0	30 July	*Baltic Fox*
Mosaic	NP	US	11.4	30 July	*Baltic Fox*
Yara	MAP	Morocco	7.0	2 Aug	*Interlink Tenacity*
Heringer	MAP	Morocco	3.1	2 Aug	*Interlink Tenacity*
Josapar	MAP	Morocco	1.0	2 Aug	*Interlink Tenacity*
Ourofertil	MAP	Morocco	1.0	2 Aug	*Interlink Tenacity*
Piratini	DAP	Morocco	7.7	2 Aug	*Interlink Tenacity*
Yara	DAP	Morocco	7.0	2 Aug	*Interlink Tenacity*
Coxilha	DAP	Morocco	1.5	2 Aug	*Interlink Tenacity*
CHS	DAP	Morocco	1.0	2 Aug	*Interlink Tenacity*
Ourofertil	DAP	Morocco	1.0	2 Aug	*Interlink Tenacity*
Mosaic	MAP	US	20.9	3 Aug	*Sea Maple*
Mosaic	TSP	Israel	7.3	4 Aug	*Suprastar*
Yara	TSP	Israel	7.0	4 Aug	*Suprastar*
CHS	TSP	Israel	3.0	4 Aug	*Suprastar*
Unifertil	TSP	Israel	2.0	4 Aug	*Suprastar*
3 Tentos	TSP	Israel	1.0	4 Aug	*Suprastar*
Yara	SSP	Israel	8.0	4 Aug	*Suprastar*
CHS	SSP	Israel	2.0	4 Aug	*Suprastar*
Piratini	NP 9-46	China	8.5	5 Aug	*Andromeda*
Piratini	TSP	China	2.9	5 Aug	*Andromeda*
Ourofertil	NP 11-44	China	3.3	5 Aug	*Andromeda*
Ourofertil	TSP	China	1.1	5 Aug	*Andromeda*
Mosaic	MAP	US	6.0	8 Aug	*Puget Sound*
Timac	MAP	US	5.2	8 Aug	*Puget Sound*
Piratini	MAP	US	5.0	8 Aug	*Puget Sound*
Josapar	MAP	US	1.5	8 Aug	*Puget Sound*
Multifertil	MAP	US	1.0	8 Aug	*Puget Sound*
Mosaic	DAP	US	5.0	8 Aug	*Puget Sound*
Yara	SSP	Gabes, Tunisia	10.0	12 Aug	*Ekaterina*
TBC	SSP	Gabes, Tunisia	11.3	12 Aug	*Ekaterina*
Yara	MAP	Morocco	15.0	12 Aug	*Strategic Endeavour*
Piratini	MAP	Morocco	10.3	12 Aug	*Strategic Endeavour*
Heringer	MAP	Morocco	3.1	12 Aug	*Strategic Endeavour*
Piratini	TSP	Morocco	3.0	16 Aug	*Clipper Triumph*
Mosaic	TSP	Morocco	2.0	16 Aug	*Clipper Triumph*
Heringer	TSP	Morocco	2.0	16 Aug	*Clipper Triumph*
Heringer	NP	Morocco	5.0	16 Aug	*Clipper Triumph*
Mosaic	TSP	Israel	4.0	25 Aug	*African Halcyon*

Mosaic	SSP	Israel	1.0	25 Aug	*African Halcyon*
Ourofertil	MAP	China	3.0	29 Aug	*Captain D*
CHS	MAP	China	2.0	29 Aug	*Captain D*
Coxilha	MAP	China	2.0	29 Aug	*Captain D*
Josapar	MAP	China	2.0	29 Aug	*Captain D*
Multifertil	MAP	China	2.0	29 Aug	*Captain D*
Coxilha	NP 11-44	China	4.1	29 Aug	*Captain D*
Josapar	NP 11-44	China	3.9	29 Aug	*Captain D*
Multifertil	NP 11-44	China	3.4	29 Aug	*Captain D*
Ourofertil	NP 11-44	China	2.9	29 Aug	*Captain D*
3 Tentos	NP 11-44	China	1.5	29 Aug	*Captain D*
Santos					
Yara	NPK	Norway	30.5	5 Aug	*Tenshou Maru*
Sao Francisco do Sul					
Mosaic	Ferts	US	25.0	24 July	*Sea Maple*
EuroChem	MAP	Russia	14.0	31 July	*Lyulin*
Imbituba					
TBC	Ferts	China	6.0	26 Aug	*Captain D*

LATIN AMERICA: Ma'aden has concluded 25,000 t MAP, priced according to a formula, for August shipment from Saudi Arabia.

SUPPLIERS

EUROPE

LITHUANIA: DAP production was 67,670 t in June, bringing 1-half output to 369,775 t, 1% below January-June 2015.

FSU

RUSSIA: **PhosAgro** is reported to have sold 30,000 t MAP to Nitron, priced under formula, for September shipment to Argentina. Prices for MAP in Brazil have firmed slightly to the mid $350s cfr, giving netbacks in the high $330s fob.

The 38,056 dwt *Roztocze* is due to arrive in Murmansk on 6 August reportedly to load 30-35,000 t PhosAgro DAP for the US, reported to have been booked with ADM. Prices for imported DAP in the NOLA barge market are currently estimated to net back to the low $320s fob. Higher netbacks are achievable for DAP in Argentina, reflecting about $330 fob, while cfr values have come off in India and would provide high $320s fob netbacks to DAP producers.

PhosAgro's DAP/MAP/NP/NPK commitments for August-September shipment are reported as follows:

August

- 30-35,000 t DAP on the *Roztocze* for the US
- 10,000 t DAP to UralChem for Central America
- 30,000 t MAP for Latin America
- 300,000 t NPKs/MAP for domestic and regional markets

September

- 30,000 t MAP to Nitron for Argentina

PhosAgro published its phosphate-based fertilizer production and sales statistics on 2 August, which were as follows:

PhosAgro/Russia	H1 2016 ('000 t)	H1 2015 ('000 t)	% change
Production			
DAP/MAP	1,406.0	1,382.5	+1.7
NPK	955.1	942.2	+1.4

NPS	229.0	100.0	+129.0
PKS	50.6	51.4	-1.6
APP	63.4	49.6	+27.8
MCP	175.7	128.1	+37.2
Sales			
DAP/MAP	1,369.0	1,353.5	+1.1
NPK	955.2	953.2	+0.2
NPS	233.5	114.9	+103.2
PKS	53.3	57.3	-7.0
APP	65.4	48.1	+36.0
MCP	165.5	119.9	+38.0

EuroChem is reported to have sold 15,000 t MAP to Yara for mid-September shipment to Brazil, reportedly at about a $340 fob Baltic netback.

EuroChem's commitments for July-September shipment are reported as follows:

July

- 40,000 t MAP ex-Kingisepp to Ameropa for Argentina/Uruguay
- 10,000 t MAP to Poland and the Balkans ex-Kingisepp
- 10,000 t MAP for Belarus and the domestic market ex-Kingisepp
- 40,000 t MAP for domestic and regional markets ex-Belorechensk

August/September

- 25,000 t MAP ex-Kingisepp to Tocantins for Brazil
- 20-25,000 t MAP ex-Kingisepp for Brazil
- 20,000 t MAP ex-Kingisepp to Tocantins for Brazil
- 20,000 t MAP for Belarus, Ukraine and the domestic market ex-Kingisepp
- 7,000 t MAP for East Europe ex-Kingisepp
- 5,000 t MAP for Latin America ex-Belorechensk
- 35,000 t MAP for Ukraine and the domestic market ex-Belorechensk

Acron Group published the group's consolidated output figures and results (operating results for Acron, Dorogobuzh, Hongri Acron and NWPC). In H1 2016, Acron Group's commercial output was 3.206 million t, up 3.4% y-o-y, mostly owing to increases in the mineral fertilizer segment. Commercial output of mineral fertilizers was up 7.0% y-o-y in H1 2016 at 2.579 million t. Novgorod-based Acron, Dorogobuzh and NWPC meanwhile increased commercial output 8.8% y-o-y and reached another record high.

Acron Group produced 1.083 million t complex NPK fertilizers in H1 2016, down 5.5% on the 1.146 million t manufactured in H1 2015. While output at Novgorod and Dorogobuzh in Russia increased 3% and 10% to 590,000 t and 350,000 t, respectively, this was more than offset by a 44% decline in production at Hongri Acron in China to 142,000 t

Bulk blends output was 25,000 t in H1 2016, down 1% on H1 2015.

NPK prices declined in the second quarter following the prices for basic products – urea, DAP and MOP, but the premium on the basket of basic product remains at an "adequate level". The average price for 16-16-16 fob Baltic/Black Sea was $308 in Q2 compared to $326 in Q1 206 and $360 in Q2 2015.

AFRICA

MOROCCO: OCP is reported to have concluded with Helm a handysize TSP cargo for end August/early September loading for the US.

OCP's July-August DAP/MAP/NP/NPK commitments are reported ('000 t) as follows:

OCP/Morocco	July	August
Est. Production	**630-650**	**630-650**

E. and W. Europe	115	130-140*
Turkey	25	-
Africa	180	110-120*
Bangladesh	-	25
India	-	55
US	120	120
Argentina	35	-
Brazil	165	150
Total	**640**	**590-610**

*including allocations

TUNISIA: GCT has now sold a total of 10-15,000 t DAP at about $350 fob for August shipment to Italy. It is reported that the balance of the producer's slated output of 60-65,000 t DAP in August will be shipped to Turkey for GubreTas under their frame contract for 180,000 t DAP for 2016 shipment, following on from 60,000 t that are understood to have loaded under the agreement in July.

GCT's July-August DAP commitments are as follows ('000 t):

GCT/Tunisia	July	August
Est. Production	**60**	**60**
Italy	-	10-15
Romania	10	-
Turkey	60	50
Total	**70**	**60-65**

The producer's price for TSP for Europe is about $290 fob but it has limited quantities available, prioritising shipments to Bangladesh to cover previously reported commitments.

MIDDLE EAST

JORDAN: JPMC is reported to have sold a small parcel of DAP, perhaps 6,000 t, to a trader in the low $340s fob for August shipment to Turkey.

JPMC's July-August DAP commitments are as follows ('000 t):

JPMC/Jordan	July	August
Est. Production	**40-45**	**30**
Romania	11	6
Turkey	6	-
Iraq	12-13	12-13
Total sales	**19-20**	**18-19**

LEBANON: LCC is reported to have sold 25-30,000 t TSP to Ameropa for August shipment to Argentina, reportedly at about $270 fob. The trader is in the freight market for 25-30,000 t to load in Selaata 12 August onwards for two Argentinean discharge ports.

SAUDI ARABIA: Prices for DAP have fallen to the high $330s-340 fob RAK, reflected in the sale of 30,000 t DAP by Sabic for 1-half August shipment to India.

Ma'aden has concluded 25,000 t MAP, priced according to a formula, for August shipment to Latin America. This adds to the previously identified 35,000 t MAP it booked for Brazil, also priced under formula, for July loading that slipped into August.

The *Nan Hai* sailed from Ras Al Khair on 31 July, reportedly with 44,000 t DAP to cover Ma'aden's earlier reported sale netting the low/mid $340s fob for July loading for India with Kribcho emerging as the buyer.

MPC's DAP/MAP commitments for July and August shipment are reported as follows ('000 t):

MPC/Saudi Arabia	July	August
Est. Production	**240**	**240**
India – Ma'aden	170	90
India – Sabic	70	30
Pakistan – Ma'aden	30	-
Brazil – Ma'aden	-	35
Total sales	**200**	**180**

ASIA

CHINA: Prices for DAP have slipped firmly into the mid/high $320s fob in the main although $330 fob is still deemed achievable.

A part cargo of about 20,000 t DAP is reported to have been sold at $324-325 fob for shipment from the north. NFL is reported to have awarded two traders 100,000 t DAP at prices estimated to net back to $326-327 fob before margins for August shipment to India.

Competitive offers for 11-44-0 MAP are reported to have held this week in the low/mid $250s fob but no new business has been reported. The shipping window for material to make it in time for the safrha season in Brazil is closing and demand for the product for this market's safrinha season has yet to get underway in earnest.

OCEANIA

AUSTRALIA: Trade figures show the export of 33,000 t DAP to Pakistan in June, that loaded on the *Four Butterfly*, bringing 1-half exports to 256,528 t, more than double the 125,365 t shipped offshore January-June 2015. The main destinations were ('000 t) Pakistan 167 (up 508%), Thailand 50 (up 67%), India 39 (nil 1-half 2015).

MAP exports were 35,719 t in June, including 35,563 t to Brazil on the *Nordrubicon*, bringing January-June exports to 35,888 t, 23% higher than 1-half 2015 thanks to the 24% rise in volume to Brazil. Source GTIS/Australian Bureau of Statistics

IPL reported a relatively high operating rate at Phosphate Hill during the first six months of its fertilizer year, ending March 2016, at 501,000 t ammoniated phosphates, including three record production months. If continued at this rate, the overall production for the full year ending September will be similar to 2015.

IPL's DAP/MAP commitments for July shipment are reported as follows ('000 t):

IPL/Australia	July
Southeast Asia	37
Latin America	35
Total sales	**72**

NORTH AMERICA

UNITED STATES: No new DAP business has been reported, as much due to tight supply as limited interest for August, leaving the price to mark time at $340 fob for another week.

In its Q2 results, Mosaic noted that its phosphates segment total sales volumes were 2.4 million t, down from 2.8 million t last year and that its North American finished phosphate production was 2.4 million t, or 82% of operational capacity, compared to 2.5 million t, or 86% a year ago.

Mosaic's export commitments for July-August shipment are reported to include:

July

- 7,000 t DAP to Latin America at $345 fob
- 46,000 t fertilizers including 21,000 t MAP on the *Sea Maple* to Brazil
- 35,800 t MAP/MES on the *Clipper Bettina* to Brazil
- 30,500 t MAP/DAP/MES on the *Strategic Alliance* to Brazil
- 38,000 t MES/DCP on the *Olga Topic* to Brazil

- 24,000 t MAP/DAP on the *Puget Sound* to Brazil

August

- 6,000 t DAP to Latin America at $340 fob and 2,000 t MES

MEXICO: Fertinal's DAP/MAP/TSP commitments for July-September shipment are reported as follows ('000 t):

Fertinal/Mexico	July	Aug	Sept
Carryover	**42**	**39-44**	**10-20**
Est. Production	**55-60**	**55-60**	**55-60**
Argentina – Ameropa – MAP/DAP	-	25	-
Chile – MAP/DAP/TSP	35	35	-
Helm – TSP	-	-	30
Mexico – MAP/DAP	22	22	22
Latin America (containers)	1	2	2
Total sales	**58**	**84**	**54**
Carryover	**39-44**	**10-20**	**11-26**

PHOSPHORIC ACID

RUSSIA: PhosAgro has published its phosphoric acid production and sales statistics, which were as follows:

PhosAgro/Russia	H1 2016 ('000 t)	H1 2015 ('000 t)	% change
Production	1,122.3	1,050.0	+6.9
Sales	8.2	25.1	-67.3

BANGLADESH: BCIC has issued a tender, closing on 26 September, for 50,000 t 52-54% phosphoric acid solution for delivery to the DAP jetty at Chittagong and for shipment in five 10,000 t lots to arrive by 15 December, 31 December, 15 January, 31 January and 15 February.

INDIA: MFL is reported to have opened three offers from Aries, MMTC and Sterlite under its 15 July tender for 20,000 t merchant grade phosphoric acid solution (52-54% P_2O_5) for shipment to Chennai in two lots. While the offers submitted have yet to be submitted, it is understood that they were made around or above $620 P_2O_5 cfr. If this is confirmed then Sterlite product could be the most competitive as there is no import duty of 5.15% on indigenous material.

Phosphoric acid vessels identified for July-early August arrival are as follows:

India – Phosphoric Acid Arrivals August				
Buyer/Port	**Supplier/Origin**	**'000 t solution**	**Vessel**	**Arrival**
Total July		**309.7**		
IFFCO/Kandla	JIFCO/Jordan	22.0	*Pacific Lady*	2 Aug
IFFCO/Kandla	Sinchem/Senegal	30.1	*Bow Tone*	4 Aug
CIL/Kakinada	GCT/Tunisia	10.6	*Delice*	4 Aug
DFCL/JNPT	-	10.0	*Forest Park*	10 Aug
FACT/Cochin	OCP/Morocco	12.0	*Chemroad Quest*	11 Aug
IFFCO/Kandla	-	9.0	*Stolt Spray*	14 Aug
IFFCO/Kandla	-	34.3	*Stolt Focus*	15 Aug
Total Aug to date		**128.0**		

PHOSPHATE ROCK

RUSSIA: PhosAgro has published its Apatit mine's and beneficiation plant's production and sales statistics, which were as follows:

PhosAgro/Russia	H1 2016 ('000 t)	H1 2015 ('000 t)	% change

Production			
Phosphate rock	4,226.3	3,940.7	+7.2
Nepheline concentrate	477.6	444.6	+7.4
Sales			
Phosphate rock*	1,226.3	987.5	+24.2
Nepheline concentrate	480.3	440.7	+9.0

*excluding intra-group sales

On 1 August, **Acron Group** published the group's consolidated output figures and results (operating results for Acron, Dorogobuzh, Hongri Acron and NWPC).

Production of apatite concentrate at NWPC was up 4.8% to 584,000 t in 1-half 2016 from 557,000 t in the first six months of 2015 but after in-house consumption, total commercial output for the product was 179,000 t, down from 184,000 t in the January-June period a year earlier.

TUNISIA: Rock phosphate production by CPG was reported to be 2.1 million t January-July 2016, 44% lower than the company's target due to social unrest that interrupted operations at M'dhilla, Om Larayes and Redeyef

INDIA: JPMC is reported to have finalised contract volumes for rock phosphate with its usual customers for 2-half 2016 shipments from Jordan but it is understood that prices have yet to be settled. GNFC, Hindalco, Sterlite and IFFCO are JPMC's traditional buyers.

Phosphate rock vessels identified for July arrival are as follows:

India – Phosphate Rock Arrivals, July/early Aug				
Discharge Port	**Origin**	**Quantity**	**Vessel**	**ETA**
Hazira	-	50,450	*Pan Pride*	1 July
IFFCO/Paradeep	Jordan	57,200	*Kapta Mathios*	2 July
CIL/Vizag	Togo	50,957	*Sun Vil II*	4 July
SPIC/Tuticorin	JPMC/Jordan	49,500	*Alcyone*	4 July
Hindalco/Dahej	JPMC/Jordan	55,000	*Dimijohn A*	8 July
PPL/Paradeep	-	60,500	*Summer Lady*	9 July
SPIC/Tuticorin	JPMC/Jordan	9,280	*Konstantinos*	9 July
Kandla	Egypt	8,900	*Rising Falcon*	15 July
Dahej	Egypt	40,990	*Evangelistia*	15 July
IFFCO/Paradeep	OCP/Morocco	60,250	*Atout*	15 July
CIL/Vizag	Egypt	13,350	*Lady Amna*	17 July
Hazira	Egypt	47,500	*Intrepid*	17 July
Tuticorin	JPMC/Jordan	54,500	*Anna Meta*	17 July
Kakinada	JPMC/Jordan	25,000	*First Bridge*	18 July
Haldia	Egypt	16,850	*Lady Amna*	19 July
Hazira	Egypt	15,750	*Rising Falcon*	19 July
CIL/Vizag	JPMC/Jordan	11,645	*Konstantinos*	21 July
IFFCO/Paradeep	JPMC/Jordan	45,000	*Audacious*	22 July
IFFCO/Paradeep	Peru	60,903	*Zeyno*	24 July
Tuticorin	Egypt	6,600	*Lady Celine*	24 July
Tuticorin	JPMC/Jordan	51,530	*ATM M*	24 July
Haldia	Egypt	21,500	*Konstantinos*	25 July
Total July		**813,155**		
IFFCO/Paradeep	Peru	66,000	*Peney*	8 Aug
Total Aug to date		**66,000**		

Acron has announced the sale of its subsidiary holding 50.5% interest in Chinese Hongri Acron to an independent Hong Kong-based investment holding company.

COMPANY NEWS

RUSSIA: **Acron** has announced the sale of its subsidiary holding 50.5% interest in Chinese Hongri Acron to an independent Hong Kong-based investment holding company.

Acron's Board of Directors Chair Alexander Popov commented on the transaction:

"In line with Acron Group's long-term development strategy, we decided to sell our stake in Hongri Acron plant in China and focus on further development of our Russian production assets. Nevertheless, China has been and will remain our key partner and a priority market to sell our products outside Russia. For this reason, Acron Group will maintain its strong presence in China turning our efforts to advancing the local distribution network Yong Sheng Feng, which has been successfully selling Russian fertilisers under Acron brand in the Chinese market for eight years.

CANADA: **Agrium** reported Q2 2016 earnings before finance costs and income taxes of $677 million, up from $682 million in the same period 2015. Sales were down to $6.415 billion, from $6.992 billion in Q2 2015.

Q2 phosphate gross profit was 83% lower than Q2 2015 due predominately to lower realised selling prices. Higher sales volumes and lower cost of product sold partially offset the impact from the significant decline in prices.

Sales volumes were up 5% compared to Q2 2015, as phosphate sales were slightly delayed this year.

UNITED STATES: The **Mosaic Company** reported on 2 August a Q2 2016 net loss of $10 million, down from net earnings of $391 million in Q2 2015. Results in the quarter included after-tax charges of $69 million related to actions the Company has taken to lower spending on capital projects and reduce expenses. Net loss per share was $0.03 and included a negative impact of $0.09 from notable items.

Mosaic's net sales in Q2 2016 were $1.7 billion, down from $2.5 billion last year, reflecting lower potash and phosphate prices and lower sales volumes. Operating earnings during the quarter were $12 million, down from $510 million a year ago. The decline in operating earnings was driven primarily by lower net sales and the negative impact of notable items, partially offset by lower phosphate raw material costs and effective expense management.

"We are taking the necessary actions to ensure Mosaic remains competitive across all points of the business cycle," said Joc O'Rourke, President and Chief Executive Officer. "While the environment is challenging, we see signs of stabilization in the second half of the year, with fertilizer prices bottoming and solid demand for our products. At the same time, we are taking action to preserve cash and reduce operating expenses, and believe Mosaic is well positioned to outperform in better markets."

Cash flow provided by operating activities in the second quarter of 2016 was $583 million compared to $603 million in the prior year, as favourable changes in working capital offset lower earnings. Capital expenditures plus investments totalled $353 million in the quarter. Mosaic's total cash and cash equivalents were $1.1 billion and long-term debt was $3.8 billion as of June 30, 2016.

"We are focused on optimizing cash flow and protecting our balance sheet," said Rich Mack, Mosaic's Executive Vice President and Chief Financial Officer. "At the same time, we continue to look for new growth opportunities during the bottom part of the cycle."

Phosphates

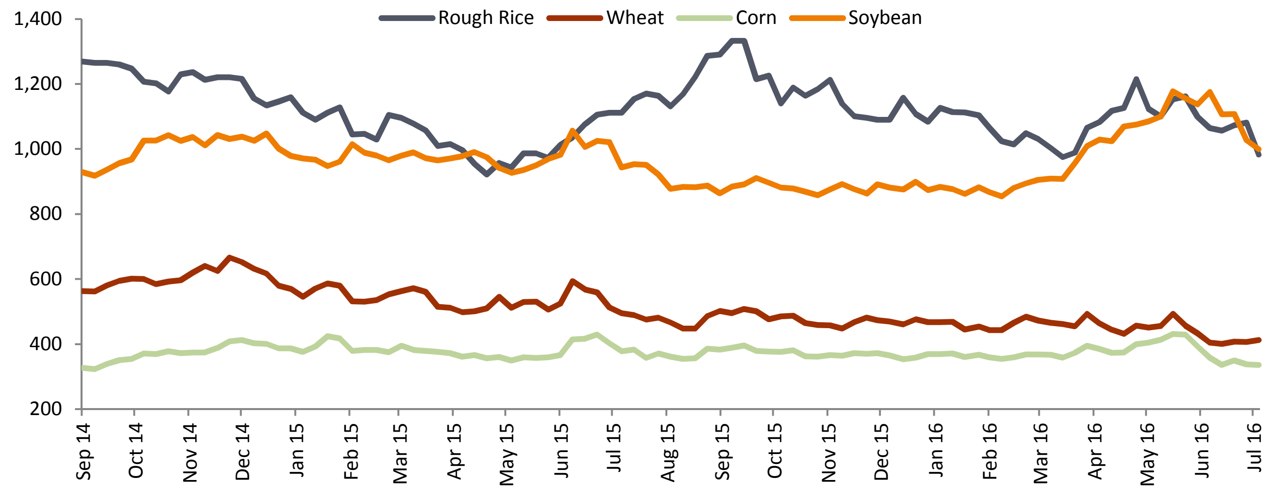
"Our phosphate business results improved from the first quarter despite a weak pricing environment and reduced operating rates, which is a testament to our efforts to reduce costs," O'Rourke said. "We expect a stronger second half of 2016, with increased shipments and improved profitability."

Net sales in the Phosphates segment were $976 million for the second quarter, down from $1.4 billion last year, driven by both lower prices of finished product and lower sales volumes. Gross margin was $100 million, or 10% of net sales, compared to $296 million, or 21% of net sales for the same period a year ago. The year-over-year change in gross margin rate primarily reflects lower average selling prices, higher phosphate rock costs and lower operating rate, partially offset by lower realized ammonia and sulphuur costs and our efforts to reduce costs.

The second quarter average DAP selling price, FOB plant, was $34/t, compared to $450 a year ago. Phosphates segment total sales volumes were 2.4 million t, down from 2.8 million t last year. Mosaic's North American finished phosphate production was 2.4 million t, or 82% of operational capacity, compared to 2.5 million t, or 86% a year ago.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	Q3 2016	Weekly Change	Q4 2016	Q1 2017	August 2015
Corn	325.0	-10.6	335.0	345.0	372.6
Wheat	412.2	-0.2	438.4	455.2	489.4
Soybean	990.4	-9.2	973.4	955.4	991.6
Rough Rice	954.5	-28.0	981.0	1,000.5	1,154.0

Prices are Wednesday's closing rates for the forward months indicated. The 2015 price is the forward price reported one year ago.

CORN:	WHEAT:
Predictions that US farmers will harvest massive corn crops this year continued to weigh on September contract prices and favourable weather in the US added further pressure.	Reports that Germany's grain crop could see yield losses of up to 20% this year was supportive, however ongoing concerns over total global wheat supply continued to weigh on values.
SOYBEAN:	**RICE:**
The IGC expects global carryover of 30 million t, up by 2 million t compared to last month, which weighed on soybean September contracts.	The trajectory of travel for the next few rice futures contracts remained negative as the stubborn supply glut in Southeast Asia continued to weigh on investor confidence.

REGIONAL MARKETS

EUROPE: The EU has left its forecast for soft wheat production almost unchanged despite leading producer France potentially producing its smallest harvest for three decades. Total soft wheat output is pegged by the European Commission at 144.483 million t, down slightly from 144.56 million t last month and the record 151.6 million t produced in 2015.

The slight revision down is in line with the recent yield forecast predicted by crop monitoring unit Mars, which pegged yields in France down to 7.37 tonne/ha compared with 7.45 tonne/ha in the previous month but increased the forecast for other member states, notably Bulgaria, which was revised up to 5.06 tonne/ha from 4.66 tonne/ha.

This week also saw consultancy Offre & Demande Agricole set its French wheat forecast at its lowest for almost three decades.

SOUTHEAST ASIA: Palm oil futures rallied to a six-week high on Wednesday 3 August, recording a fourth consecutive session of gains, as improved demand and a recovery in rival US soy supported prices.

Benchmark palm oil futures for October delivery on the Bursa Malaysia Derivatives Exchange gained 3.3% in evening trade, its strongest gains in 10 months, settling at MYR2,415 (US$595) per tonne at the end of the day. It earlier rose to an intraday high of MYR2,419, palm's strongest levels since 21 June.

Palm typically tracks the performance of its rival oilseed soy, as they both compete for a share in the global vegetable oils market. Palm oil shipments from Malaysia, the world's second-largest producer, rose 12-15% in July from June, supported by better demand from China and Europe.

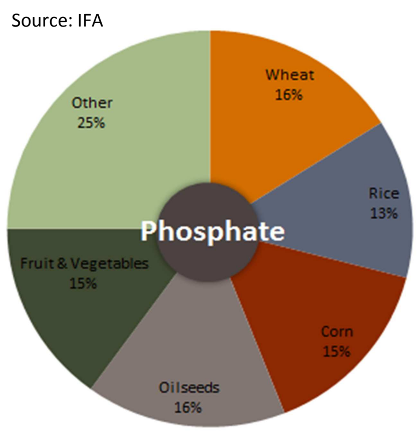
GLOBAL: The International Grains Council (IGC) raised its global wheat crop forecast for 2016-17 to 735 million t, up 6 million t from its last report a month ago. In total, the IGC projects global wheat carryover at 228 million t, up 2 million t from last month and 9 million t higher year-on-year.

The council indicated that much of the upward revision for wheat was attributed to increases for the CIS and US, which was offset slightly by a reduction in the EU due to "increasing evidence of yield and quality damage following untimely rains."

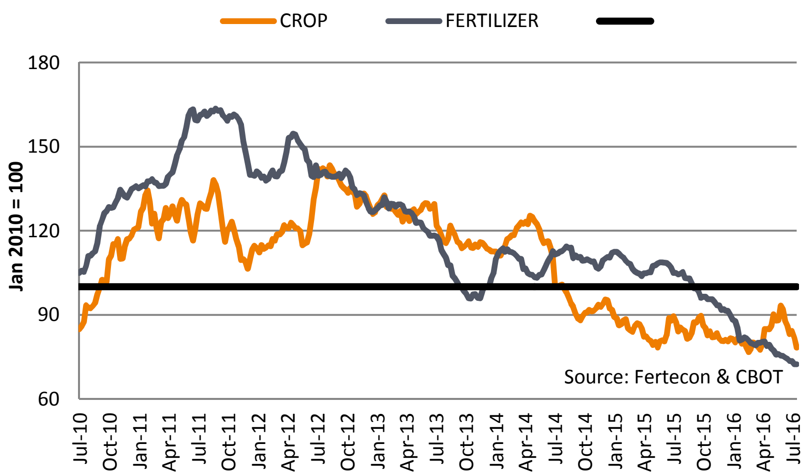
The report also saw global corn production boosted by 14 million t to 1.017 billion t, leading to a carryover of 213 million t, up from 205 million t last month and 207 million t in the 2015-16 season. The IGC outlined that much of the increase in the corn estimate came from an increase in US crop prospects. However, the council was optimistic about global feed demand, "Much of the month-over-month rise in grains supply is absorbed by increased feed use, lifting projected total consumption to a new peak of 2.029 billion t," it stated. "nevertheless, the forecast for stocks is 6 million t higher than last time, at 488 million t. Bigger numbers for wheat and corn boost the world trade forecast by 5 million t, but neither grain is seen matching the all-time highs of the year before."

Meanwhile the report raised global soybean production by 1 million t month-on-month, to 321 million t. This therefore amounted to a global carryover of 30 million t, up by 2 million t compared to last month but down from 35 million t in 2015-16.

PHOSPHATE USE BY CROP



FERTECON FERTILIZER & CROP INDICES



Using 6 January 2010 as the starting point (Jan 2010=100), the Fertecon indices aim to assess relative fertilizer affordability and illustrate the comparative movement of fertilizer prices (a basket of urea, DAP and MOP) against crop prices. The denotation is that the higher the crop index is relative to the fertilizer index, the more affordable fertilizers are to farmers – and vice versa.

http://agribusinessintelligence.informa.com/

FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
29 July	768	692	671	399	656

1 Aug	757	673	667	401	650
2 Aug	757	658	663	400	645
3 Aug	758	648	660	397	641
4 Aug	759	641	654	395	636

Source: Baltic Exchange

FERTILIZER DERIVATIVES

DAP fob Tampa (metric tonne)				DAP fob NOLA (short ton)			
Month	Bid	Offer	Mid	Month	Bid	Offer	Mid
Aug	337	352	345	Aug	307	312	310
Sep	336	347	342	Sep	308	312	310
Oct	334	350	344	Oct	299	305	302

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