Phosphate Report

Weekly review of the phosphate market

Fertecon
Agribusiness intelligence | informa

9 June 2016

- Pakistan to continue subsidy on DAP but at slightly reduced rate
- NP 11-44-0 prices decline to nearer $270 fob China as industry comes under pressure to move tonnes
- YUC taking 30 day turnaround, reducing production
- Tampa price for DAP falls back into mid $340s fob on new sales
- OCP sold out for June
- Stevedores threaten strike action at all ports in Brazil on 13 June
- No settlement yet for Q2 phosphoric acid in India

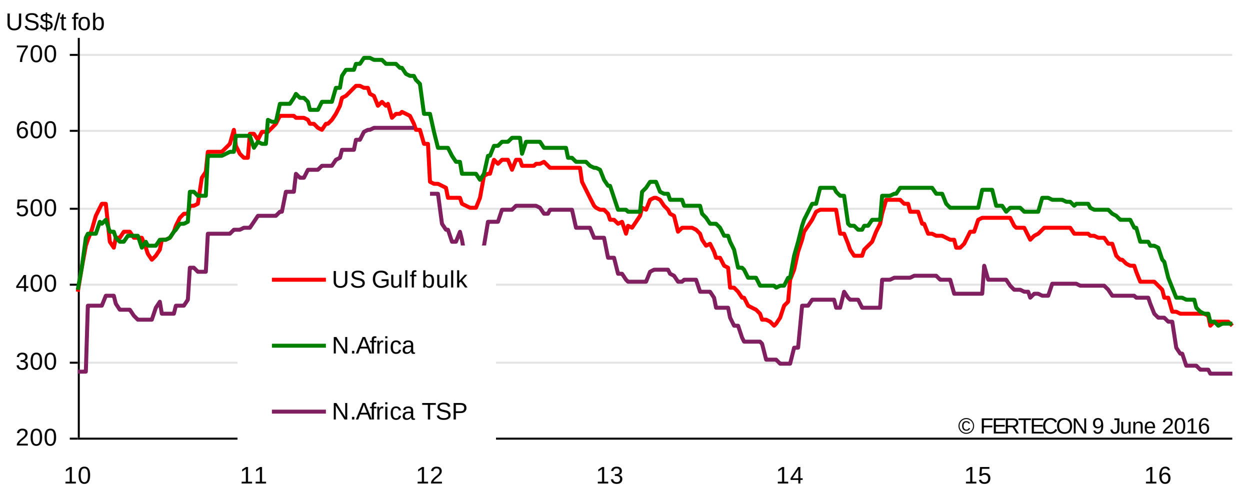
OUTLOOK

Stable to slightly soft

KEY PRICES

	9 Jun	2 Jun	26 May
DAP $/t fob US Gulf	346-347	350	350
DAP $/t fob North Africa	341-355	341-355	341-355
DAP $/ston fob NOLA	305-308	305-308	305-308

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$

	9 June	2 June	26 May	Notes
DAP				
US Gulf fob bulk	346-347	350	350	
Morocco fob bulk	341-355	341-355	341-355	
Tunisia fob bulk	347-349	347-349	347-349	
Jordan fob bulk	336-341	340-341	340-341	
Saudi Arabia fob bulk	343-350	343-350	343-350	
Black Sea fob bulk	n.m.	n.m.	n.m.	
Baltic fob bulk	322-330	322-330	330-333	
Australia fob bulk	335-340	335-340	335-340	
China fob cash	333-338	330-335	330-335	
Benelux fca bulk duty paid/free	370-375	370-375	370-375	
India cfr bulk	342-350	342-350	342-350**	
US domestic st NOLA	305-308	305-308	305-308	
Ctrl Florida st for	355	355	355	
GTSP				
Bulgaria fob bulk	290	290	290	
Morocco fob bulk	275-290	275-290	275-285	
Tunisia fob bulk	285-290	285-290	285-290	
Lebanon fob bulk	285-290	285-290	285-290	
Mexico fob	300	300	300	
China fob bagged	250-255	250-255	250-255	
MAP				
Black Sea fob bulk	335-350	335-350	335-350	
Baltic fob bulk	335	335	335	
Brazil cfr bulk	350-355	350-355	350-355	
PHOSPHORIC ACID				
US Gulf fob (P_2O_5)	600	600	600	
India cfr (P_2O_5)	715	715	715	30 days Provisional
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	7-8
Saudi Arabia-India	30,000	6-7

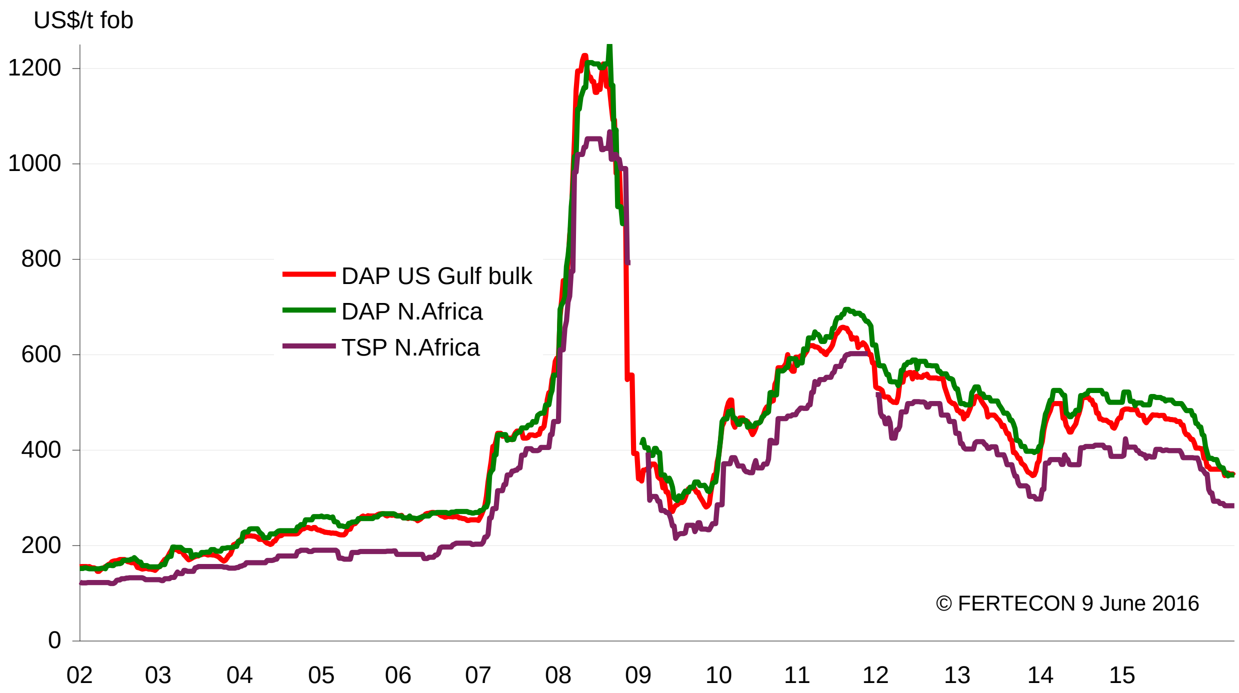
NB: All rates indicated are based on averages. Exact rates will depend on port loading and discharge rates

FERTECON TENDER SERVICE

Country/Holder	Product	'000 t	Date	Shipments	Remarks
India/RCF	NP/NPK	70	12/5	1-half June	Two offers received
Bangladesh/BCIC	MGA	50	25/5	Sep-1-half Nov	Three offers received
Nepal/AIC	DAP	30	27/5		Awarded to Wilson
Bangladesh/BCIC	Phos rock	30	7/6		OCP lowest
Bangladesh/BCIC	MGA	10	10/7		
Bangladesh/BCIC	Phos rock	30	11/7		

EXCHANGE RATES (local currency:US$1)			
	09/06/2016	02/06/2016	09/06/2015
€ Euro	0.87882	0.89672	0.89587
£ Pound Sterling	0.68753	0.69185	0.65447
Turkish Lira	2.89157	2.94727	2.75968
Rupee India	66.5552	67.3236	63.9988
Real Brazil	3.41532	3.58842	3.13015
China RMB	6.56652	6.58177	6.09415

DAP/TSP PRICES – 14 YEAR SERIES



ANALYSIS

The market has been extremely quiet this week in the wake of the IFA meeting last week in Moscow. Little new spot business has been reported in any of the major markets and as such most benchmarks remain unchanged. The main change to price this week has been a decline in the US export price down to $346-347 fob Tampa on the back of new sales to Central America. However this is not necessarily a function of a weaker market, simply a lack of export sales out of the Gulf in recent weeks on which to pin prices.

The market going forward is supported by solid demand in all key regions, namely India, Pakistan, Turkey and the Americas. In India the monsoon has made landfall this week and the government is expecting much improved crop production following the back to back drought suffered by India over the past two years. In Pakistan the government will continue the subsidy on DAP in 2016/17 albeit at slightly reduced rates but overall prices are far lower than they were through much of 2015/16. In Brazil importers hope that higher crop prices will boost demand. In the meantime 11-44-0 prices have come off this week in China, falling nearer $270 fob and a new wave of buying is expected to take place over the coming weeks as producers move to offload stocks into the export market, namely Brazil.

Despite the generally positive drivers, the issue remains that supply has been clearly outstripping demand thereby placing constant pressure on the price and not allowing it to move up in line with seasonal demand.

This has prompted a move by YUC to curtail production by taking a partial 30 day turnaround and other producers in China are reported to have also curtailed output. Chinese prices in Vietnam have moved up this week possibly signalling a move upwards but whether this can be transferred into other markets and be sustained for any length of time remains unclear.

OCP meanwhile is sold out through June and anticipating carrying forward shipments into July on the back of robust demand in Africa for NPKs and in Europe also. It is currently negotiating June/July shipments for the Brazilian market with a price ideas of around $354-358 cfr for MAP/DAP.

The phosphoric acid price is yet to be finalised for Q2 in India contrary to rumours earlier in the week that it had been settled at $610/t P_2O_5 cfr. As yet OCP's customers continue to receive acid at the provisional price of $715. Nevertheless, the stalemate has not put off would be takers of phosacid as the line up for May shows a substantial volume moving into India as producers appear to have switched allegiance towards phosacid and away from imported rock and sulphur.

MARKETS

EUROPE

EUROPE: Eurochem has sold 10-15,000 t DAP into NW Europe, France, Benelux and Germany for June shipment and is anticipating placing more this month. OCP is anticipating a robust European market over the coming months, even though it is out of season for much of West Europe. It has allocated up to 120,000 t DAP/MAP for delivery across all Europe for June.

Just 9,500 t DAP were imported into France in April this year, in line with previous years and marking the end of the spring season. (Source GTIS/French Customs)

TURKEY: Negotiations have been underway for Turkish requirements between the major buyers and suppliers including GCT and JPMC. As yet no new sales have been confirmed since last week – see last report for details.

The latest GTIS/State Institute of Statistics data for April show a total of 206,000 t DAP imported in the first four months including 90,000 t from Tunisia and over 30,000 t each from Lithuania, Jordan and Russia. OCP supplied the balance. In April itself, 56,000 t came in including 49,000 t from Tunisia.

TURKEY: DAP PURCHASES 2016 ('000 t)			
Buyer	**Supplier**	**DAP**	**Arrival**
Jan-April		**208**	
Gemlik Gubre	PhosAgro/Russia	15	May/Jun
Various	Ameropa/Jordan	8	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
Total		**300**	

ASIA

BANGLADESH: The *MVT Symphony* is due to arrive into Chittagong today, 9 June with 26,250 t TSP ex OCP/Safi.

INDIA: Kanpur Fertilizer has bought around 30,000 t DAP from Sabic that is expected to load on the *Apostolos II*/sub for 2-half June.

The 20,000 t Jordanian DAP, reported last week, that will be delivered into Krishnapatnam on 14 June on the *Caravos Liberty* against JPMC's MoU with IPL were priced in the mid $340s cfr. The tonnes were loaded in combination with 15,000 t phosphate rock and 20,000 t potash.

Aries/Kailin will load around 39,000 t DAP on the *Pintail*, currently at Zhenjiang, of which 20-25,000 t will be delivered to Zuari and the balance to MCFL against the previously reported deal.

IPL will receive around 30-35,000 t on the *Nord Imabari* ex Ma'aden in Vizag on 9 June against their long term contract.

GSFC will receive around 50,000 t DAP ex Morocco against its earlier purchase from OCP. The *Pan Begonia* is currently on the water and due to arrive into Kandla around 17 June.

The *Stellar Eagle* is loading 42,000 t DAP this week in Fangcheng for delivery to India. Further details on this shipment have not yet been confirmed but it is rumoured to be supplying tonnes against YUC's MoU with Chambal.

The *Blue Angel* arrived in Tuticorin this week carrying 45,000 t DAP from Beihei against the previously reported sale by Swiss Singapore, believed to be to IPL ex Wengfu and priced in the low $340s cfr.

The onset of the SW monsoon was officially declared yesterday, 8 June. This is a few days later than normal and therefore to date the overall rainfall across India so far for the monsoon season is 15% below the LPA (long period average). However the overall outlook suggests above normal rainfall for the season and the government is anticipating higher production this year following back to back droughts. The announcement of the higher MSP (minimum Support Price) will also help to boost sales.

2016-17 fertilizer year DAP imports are as follows:

India DAP Arrivals, 2016/17

Buyer	Supplier/Origin	'000 t	*Vessel*	Arrival
April		**182**		
May		**511**		
Mosaic	Mosaic/US	60	*TBN*	June
RCF	Fertrade/China	35	*Western Aida*	2 June
IPL	Swiss Singapore/China	43	*Blue Angel*	3 June
Chambal	YUC/China	36	*Mare Forum*	4 June
IPL	Trammo/China	50	*Reborn*	5 June
NFL	Aries/Kailin	50	*Christina IV*	7 June
Deepak	PhosAgro/Russia	40	*Anangel Dawn*	9 June
Zuari	Sabic/Saudi Arabia	30	*Martin Island*	9 June
Kribhco	OCP/Morocco	50	*Columbia*	9 June
GSFC	Sabic/Saudi Arabia	40	*Rhl Clarita*	9 June
IPL	JPMC/Jordan	20	*Caravos Liberty*	14 June
IPL	Fertrade/China	50	*Shao Shan 8*	15 June
IPL	Koch/China	50	*Nikolaos*	June
GSFC	OCP/Morocco	50	*Pan Begonia*	June

Zuari	Sabic/Saudi Arabia	35	*TBN*	June
TCL	Ameropa/China	55	*Ever Success*	June
IPL	Rare Earth/China	40	*Corviglia*	June
Deepak	Swiss Singapore/China	42	*Venus Halo*	June
TBC	Xiangfeng/China	50	*TBN*	June
IPL	Ma'aden/Saudi Arabia	35	*Nord Imabali*	9 June
Greenstar	Sabic/Saudi Arabia	30	*TBN*	June
Chambal	PhosAgro/Russia	15	*Top Rich*	28 June
TBC	PhosAgro/Russia	60	*TBN*	June
June	**To date**	**966**		
Greenstar	PhosAgro/Russia	45	*TBN*	July
IPL	Trader/China	55	*TBN*	July
IPL	Aries/China	45	*TBN*	July
Chambal	YUC/China	40	*TBN*	July
Chambal	Aries/China	35	*TBN*	July
Zuari/MCFL	Aries/China	39	*Pintail*	July
Zuari	Dreymoor/China	45	*TBN*	July
Kanpur Fertilizers	Sabic/Saudi Arabia	30	*Apostolos/Sub*	July
July	**To date**	**334**		
Total	**Estimate to date**	**1,993**		

NEPAL: An award against AIC Ltd's 27 May tender for 30,000 t bagged DAP for delivery to Biratnagar/Birgunj/Bhairahawa is awaiting final approval; in line Wilson International is in line for the business having offered the full quantity at the lowest price of $427.75 bagged delivered. The freight and bagging package on this business is estimated at around $95 giving a netback to China of around $333 fob. See last report details of all offers.

PAKISTAN: The government presented its annual budget on Friday 3 June. The subsidy on DAP will be continued through 2016/17 and it has allocated PKR 10 billion for this purpose however it appears that the subsidy per bag will be nearer PNR 250-300/bag, down from Rs. 500/bag in 2015/16. It has asked that DAP prices should be reduced accordingly from the current level of PKR 2,800/bag down to PKR 2,500/bag by 1 July, including 17% GST and net of subsidy.

The subsidy will be available to both importers and Fauji/FFBL and allocated in the same way as before.

The general sales tax on DAP remains unchanged at 17%. For urea it has been reduced to 5%.

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

Pakistan DAP Arrivals 2016				
Buyer	**Supplier/Origin**	**'000 t**	**Vessel**	**Arrival**
United Agro	Quantum/Australia	26.5	*Bright Hope*	Feb
Chawla	Quantum/Australia	26.0	*JF Rhone*	Mar
Engro	Quantum/Australia	55.0	*JS Rhone*	Apr
Engro	Sabic/Saudi Arabia	25.0	*Calm Bay*	Apr
Fauji	Sabic/Saudi Arabia	27.5	*Martin Island*	May
Chawla	Quantum/Australia	25.0	*Eastern Cape*	May
Engro	Dreymoor/China	45.0	*Courageous*	Jun
United Agro	Quantum/China	30.0	*Aurora Bulker*	Jun
Pacific Chartering	Ameropa/China	25.0	*TBN*	Jun
	TOTAL	**285.0**		

THAILAND: April imports include 85,300 t NP fertilizers, including 32,400 t from China, 27,100 t from Korea and 22,300 t from Russia. NPK imports are shown as 33,000t, with 28,600 t from Russia. (source GTIS)

VIETNAM: Local prices of dark brown Chinese DAP have firmed up by as much as $9 over last week, with sales reported at 9000 dong/kg. This may be due to higher offer prices as local traders report offers of Chinese DAP are off the bottom seen two weeks ago.

OCEANIA

AUSTRALIA: The latest import data show that a further 150,000 t MAP arrived into Australia during April, according to GTIS/Australian Bureau of Statistics, comprising 91,000 t from the US and 60,000 t from China.

This brought the total for the fertilizer year 2015/16 to almost 940,000 t MAP, a record import volume for Australia. China's share in the Australian import market for MAP has risen to 40% this year with around 380,000 t. The US supplied some 325,000 t over this same period.

Just 25,000 t DAP arrived in April, all from the US, bringing the total for the 2015/16 year to date to 160,000 t, including 52,000 t from China and 57,000 t from Saudi Arabia.

NORTH AMERICA

UNITED STATES: Few DAP barge sales have been reported this week and all within the published range of $305-308 st NOLA. As such the price remains unchanged from last week.

Mosaic continues to indicate a central Florida price of $355/ston for DAP with a premium of $10-15/ston for MAP.

The *Sea Pioneer* is currently at Jorf Lasfar and is rumoured to be the vessel loading for the US. Confirmation on final destination is still awaited. OCP has indicated that a second panamax will load this month for the US.

YUC is bringing in one vessel this month, mostly DAP and is expected to ship further tonnes through Q3 into the US domestic market. The *Navios Alegria* has an ETA for the US Gulf of 25 June.

Import cargoes reported for July 2015-June 2016 arrival are as follows ('000 t):

US DAP/MAP/TSP Arrivals 2015/2016						
Supplier/Origin	**DAP**	**MAP**	**TSP**	**NP+S+Z**	**Vessel**	**Arrival**
Imports July-2015-March 2016	**416**	**553**	**121**			
Koch/Morocco	30	20	-	-	*TBN*	Apr
Helm/Morocco	-	-	17-18	-	*TBN*	Apr
PhosAgro/Russia	10	20-25	-	-	*Indigo Spica*	May
EuroChem/Russia	-	7-10	-	-	*Arinaga*	Jun
PhosAgro/Russia	30	-	-	-	*King Coffee*	Jun
YUC/China	25	25	-	-	*Navios Alegria*	Jun
OCP/Morocco	25	25	-	-	*Tbn*	Jun
Total April-June 2016	**120**	**100**	**17**			
Total Crop Year	**536**	**650-658**	**138-139**	**30**		

BRAZIL: Brazilian MAP prices are still in the range of $350-355 cfr despite unconfirmed reports of a sale concluded in the high $340s cfr.

Nitron is reported to have sold 10,000 t 11-52-0 to Fertipar at $350 cfr ex PhosAgro/Russia and will be combined with 10,000 t already destined for Porto Alegre.

Cibrafertil is reported to have purchased 7,000 t MAP for delivery into Aratu at around $355 cfr.

OCP is still discussing June and July shipment of up to 150,000 t MAP/DAP/NPS into Brazil with price ideas around the $354-358 cfr level.

Prices for 11 -44-0 are coming under pressure with fob values in China falling to nearer $270 fob this week as producers try and prompt export activity – some even expect prices to weaken further with buyers wanting to see prices at around $280 cfr. Nevertheless importers anticipate a renewed wave of buying over the next week or two in order to line up these cheaper tonnes in time for the season.

There are currently delays of up to 29 days at Paranagua. Operations at all ports could be affected due to threatened strike action by stevedores at all Brazilian ports on 13 June.

For the second month in a row, cumulative Brazilian MAP imports for the year to date remained almost exactly in line with last year, at just over 700,000 t for the period between January and May. The difference is in the market share with the US accounting for over 35% of the import market for MAP so far, up from 24% last year. This increase by Mosaic has eroded not only the Russian share but more significantly the share held by China.

The quantity of Chinese MAP has fallen by half to date this year, down from over 100,000 t 10-50-0 and 11-52-0, to less than 50,000 t this year. Looking at the quantity of all grades of MAP that loaded out of China in the first four months of the year, a sharp reduction of around 200,000 t can be noted when compared with last year.

Just two Chinese vessels appear to be in the line-up at the moment, reflecting the lower volumes currently being imported. A round up of vessels arriving into the main ports in Brazil through May/June is as follows:

Brazil Phosphate Fertilizer Arrivals, May/June					
Charterer/Reciever	**Product**	**Origin**	**'000 t**	**Arrived/ETA**	**Vessel**
Paranagua					
Ameropa	MAP	Saudi Arabia	16.5	12 May	*Golden Hawk*
OCP	MAP	Morocco	33	2 June	*Halki*
Ameropa	MAP	Tuapse	27.5	18 June	*Persenk*
Bulk Fertz	SSP/TSP	Egypt	31.3	19 June	*Intrepid Joanne*
OCP	MAP	Morocco	21	3 July	*Mazury*
Fospar	MAP/NP	Mosaic	37.4	21 May	*Mosaic*
Fitco	MAP/NP/DAP	Mosaic	36.5	13 June	*Florianna*
Ameropa	NP	China	28	19 June	*Josco Hangzhou*
Mosaic	DAP/NP	Mosaic	27.2	31 May	*Royal Justice*
Mosaic	NP	Mosaic	37.3	18 June	*Cielo di Monaco*
Mosaic	MAP/NP	Mosaic	34	21 May	
Recife					
Fertine	SSP	Egypt	4	14 June	*Koznitza*
Aratu					
Tbc	MAP	Morocco	15.4	14 June	*Clipper Brilliance*
tbc	MAP		13.9	19 June	*Ultra Dynamic*
Rio Grande					
Yara	MAP/DAP	Saudi Arabia	35.2	20 May	*Common Spirit*
Yara	MAP/DAP	Morocco	17.7	8 June	*Daiwan Wisdom*
Yara	TSP	Morocco	22	5 June	*Sea Smile*
Mosaic	MAP/NP	US	21	4 June	*Rauli N*
Mekatrade	NP 11-44	China	17	14 June	*African Puffin*
Mosaic	MAP/DAP	US	15.3	14 June	*Nord Houston*
Heringer	MAP	Morocco	4	8 June	*Daiwan Wisdom*
San Fransico do Sul					
Mekatrade	Ferts	China	25	29 May	*African Puffin*
Ameropa	Ferts	China	25	5 June	*Josco Hangzhou*
Porto Alegre					
Heringer	MAP	Morocco	7	20 June	*Daiwan Wisdom*
Unifertil	MAP/DAP	US	6.3	21 June	*Rauli N*
tbc	MAP/DAP	Morocco	11	4 June	*Shou Chen Shan*

SUPPLIERS

EUROPE

BULGARIA: Agropolychim is understood to have been down for a two-month turnaround. This would be in line with the extended two month turnaround scheduled by Aurubis for the Pirdop copper smelter through much of April/May thereby removing the source of sulphuric acid.

LITHUANIA: EuroChem has sold 10-15,000 t Lithuanian DAP into Northern Europe, primarily Germany, Benelux and France with another 30,000 t under discussion for June. No new business has yet been confirmed into Turkey.

EuroChem produced 65,128 t DAP in April, bringing the total for the calendar year to date to 263,964 t.

TURKEY: The latest GTIS data showing DAP exports from Turkey reports almost 19,000 t delivered into Iraq during April. This quantity represents virtually all the DAP exported from Turkey since the beginning of the year. (source: GTIS/State Institute of Statistics)

FSU

RUSSIA: PhosAgro's DAP/MAP/NP/NPK commitments for June shipment are reported as follows:

June

- 60,000 t DAP to India
- 280-290,000 t NPKs for domestic and regional markets,

PhosAgro began its summer rolling turnaround programme in May and this will continue through to the end of Q3.

AFRICA

EGYPT: Intecsa has been awarded a contract to develop the DAP and TSP facilities at NCIC's new phosphate project to be located at Ain Sohkna in the Gulf of Suez in the northeastern part of the country. The complex will include production facilities for sulphuric acid as well as DAP and TSP.

The whole complex will be the largest fertilizer plant in Egypt.

MOROCCO: OCP has not yet finalised June shipments for Brazil. It is currently negotiating around 100-150,000 t MAP, NPS and DAP, understood to be for June and July, with a price idea of around $354-358 cfr for the MAP/DAP.

OCP will also load 2 panamaxes for the US this month. With the Brazilian shipments it will be sold out for June and anticipates some shipments falling into July.

JPH-2 is currently in the commissioning phase and commercial production is anticipated later in Q3.

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

OCP/Morocco	June
Est. Production	**550**
E. and W. Europe	90
Turkey	30
Africa	230
Bangladesh	30
US	100
Argentina	35
Paraguay/Uruguay	35
Total	**550**

TUNISIA: No new business has been confirmed this week although negotiations have been ongoing in Turkey with three major buyers for shipment June onwards.

GCT's May DAP commitments are as follows ('000 t):

GCT/Tunisia	May
Est. Production	**60**
Turkey	24
Total	**24**

MIDDLE EAST

JORDAN: Pricing details have emerged for the 20,000 t DAP being shipped from Aqaba for IPL in early June on the *Caravos Liberty* indicating a price in the mid $340s cfr India which equates back to around $336 fob Aqaba. It is loading the tonnes in combination with phosphate rock and potash. JPMC has also been linked with a new sale in Turkey but no further details have emerged.

JPMC's May/June DAP commitments are as follows ('000 t):

JPMC/Jordan	May	June
Turkey	8	
India	63	20
Total	**71**	**20**

SAUDI ARABIA: Ma'aden loaded 30-35,000 t DAP on the *Nord Imabari* end May/early June against its supply contract with IPL.

No new business has been reported for either supplier this week and as such the price remains unchanged. It has loaded close to 40,000 t this week on the *RHL Clarita* against its previously reported sale to GSFC.

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

MPC/Saudi Arabia	May	June
Est. Production	**240**	**240**
East Africa – Ma'aden	-	20
India – Ma'aden	85	90
India – Sabic	70	65
Pakistan – Ma'aden	25	-
Pakistan – Sabic	25	-
East Asia – Ma'aden	-	11
Brazil – Ma'aden	35	-
Total sales	**240**	**186**

ASIA

CHINA: DAP prices have been assessed slightly higher at $333-338 fob China this week on the back of higher netbacks in Vietnam and supported by prevailing prices in India that continue to netback within this range. The proposed award in Nepal also gives a netback of $333 fob China.

By contrast prices for 11-44-0 have come under renewed pressure this week with latest indications close to $270 fob China as producers attempt to move product out of stock and the ports. It is hoped that the lower prices will prompt interest in Brazil where demand for the NP has been extremely lacklustre so far this year with traders unwilling to book the Chinese lower grade MAP while the differential between that and 11-52-0 from other sources remains insufficient to justify taking positions.

YUC is reported to be taking two lines down for a 30 day turnaround which will reduce production accordingly. There had been rumours this week that operating rates for YUC had fallen to 45% but actual rates are said to be higher although remaining curtailed as mentioned. Dongsheng has also been linked with a reduction in production while Wengfu and Xiangfeng are heard to be operating at higher levels of around 70% and Kailin at 80%.

Kailin will shortly bring up the first of two 600,000 t DAP plants scheduled to be commissioned this year. The second plant will start up at the end of the year.

OCEANIA

AUSTRALIA: IPL's DAP/MAP commitments for May and June shipment are reported as follows ('000 t):

IPL/Australia	May	June
Pakistan	25	-
Thailand	25	-

EC Latin America	35	35-40
Total sales	**50**	**35-40**

The latest GTIS data show Australian DAP exports for the calendar year to end April at 170,000 t including 40,000 t that loaded in April itself for India. (Australian Bureau of Statistics)

NORTH AMERICA

UNITED STATES: Mosaic reports sales of 15,000 t DAP into Central American markets at $346-347 fob Tampa for June/early July shipment in combination with a total of 8,000 t MES and powdered MAP.

The latest GTIS/USDC data show the general decline in US DAP exports out of the US with less than 90,000 t shipped in April and the total volume of January-April 123,000 t below last year and 387,000 t below exports of DAP in the same period in 2014.

United States DAP Exports ('000 t product)

	January - April			April		
	2014	**2015**	**2016**	**2014**	**2015**	**2016**
Mexico	94.0	93.0	106.0	32.3	20.2	43.9
Brazil	166.4	85.8	56.7	55.5	24.0	12.6
Colombia	58.1	57.5	43.9	16.0	16.9	8.8
Japan	55.7	53.5	40.9	9.0	20.8	7.9
India	-	-	37.7	-	-	-
Peru	23.4	10.8	36.5	-	-	16.8
Australia	73.6	38.5	33.5	7.7		
China	58.2	-	-	-	-	-
Argentina/Uruguay	65.6	-	-	-	-	-
Other	181.4	173.2	34.0	52.4	21.8	3.3
Total	**776.4**	**512.3**	**389.2**	**172.9**	**103.7**	**93.3**

Source: GTIS/USDC

By contrast the volume of MAP exports has remained in line with last year due to the large quantities being moved into Mosaic's distribution network in Brazil this year. As the data show, the volume shipped to Brazil in the first four months reached new heights at almost 230,000 t including over 90,000 t in April alone. Canada has also been taking more MAP from the US and together the two markets, according to the data shown, accounted for almost 70% of all US MAP exports over this four month period.

United States MAP Exports ('000 t product

	January - April			April		
	2014	**2015**	**2016**	**2014**	**2015**	**2016**
Canada	268.1	294.8	327.5	94.4	69.6	90.8
Brazil	140.0	190.4	228.6	53.0	56.5	92.8
Australia	159.0	169.8	149.6	14.2	-	-
Mexico	6.9	16.9	44.1	1.2	7.7	9.9
Colombia	42.2	47.2	36.4	11.1	13.0	13.2
Japan	20.1	32.1	21.4	0.0	16.4	2.0
Other	79.8	40.6	2.4	12.6	7.7	0.1
Total	**716.0**	**791.7**	**809.9**	**186.6**	**170.8**	**208.8**

Source: GTIS/USDC

MEXICO: Fertinal appears to be committed through July and August with shipments to Chile and the domestic market. It is expected to load a combination cargo of around 35-40,000 t for Chile in both July and August. The remaining production from each month will go into the domestic market, similar to last year when Fertinal loaded around 10-11,000 t mostly MAP on the *Mar de Cortes*, delivering on a regular basis into domestic ports including Topolobambo. The last price indications for Mexican DAP/MAP business were heard in the mid $340s fob Lazaro Cardenas.

The major turnaround of Fertinal's sulphuric acid facilities is still on the cards for September and will likely continue through to end October with some disruption expected to overall phosphate production during this period. The extent of such a curtailment is not yet clear.

Fertinal's DAP/MAP/TSP commitments for May, June and July shipment are reported as follows ('000 t):

Fertinal/Mexico	May	June	July	August
Est. Production	**65**	**65**	**65**	**65**
Chile	30	36	35-40	35-40
Colombia	-	10	-	-
Mexico	15	15-20	22	22
Latin America (containers)	2	2	-	-
Total sales	**57**	**63-68**	**57-62**	**57-62**

Q1 export data reflect the lower production levels at Lazaro Cardenas. MAP exports were reported at just 106,000 t, down from 127,000 t last year and 145,000 t in Q1 2014. Shipments to Australia were lower at just 75,000 t in the three month period.

DAP exports from Mexico in Q1 reached 51,000 t, boosted by the 21,500 t that went to Germany, in combination with 10,000 t MAP. Total DAP/MAP exports were 157,000 t, down from 171,000 t last year and 181,000 t in Q1 2014. (Source GTIS/INEGI)

PHOSPHORIC ACID

TUNISIA: As part of a project to reduce pollution from the phosphoric acid plant in Gabes, an agreement has been signed between GCT and DuPont MECS Group to convert the 2nd sulphuric acid unit from simple to double absorption with energy recovery through the Heat Recovery System. The work will reduce sulphur dioxide emissions by 85% while producing an additional 32 t of steam per hour. According to the TAP news agency, the European Investment Bank has pledged €19 million to GCT to enable the company to complete an environmental upgrade of its facilities in Gafsa, primarily La Skhira and M'dhilla, and Gabes.

BANGLADESH: BCIC has issued a tender for 10,000 t +/- 5% phosphoric acid solution (52-54% P_2O_5), closing 11 July for delivery to the TSP plant at Chittagong and for shipment within 30 days of receipt of L/C. Offers to be valid for 90 days after closing date.

No award has yet been confirmed against BCIC's last tender of 25 May for 50,000 t phosphoric acid solution. Aries offered 30,000 t, lots 1-3 various origins, at the lowest price of $355.41 cfr per tonne solution. Commodities First offered the full quantity at $358.47 cfr ex Morocco.

INDIA: Q2 contracts for phosphoric acid have still not been finalised between OCP and its customers in India despite rumoured price agreements beginning to circulate in the market.

India Phosphoric Acid Imports ('000 t P_2O_5)						
	January - March			March		
	2014	**2015**	**2016**	**2014**	**2015**	**2016**
Morocco	192.0	214.1	212.9	45.8	42.6	46.4
Jordan	-	50.1	93.0	-	20.2	39.4
Senegal	44.2	31.5	89.5	14.7	15.5	15.4
Tunisia	13.3	33.6	69.1	13.3	-	20.9
US	52.2	49.2	51.5	-	-	-
S.Africa	10.1	-	20.0	10.1	-	18.6
Israel	8.1	19.7	19.8	-	9.7	10.1
Vietnam	0.9	16.4	18.7	0.4	7.6	4.1
Misc.	8.1	5.9	38.2	1.9	18.3	32.6
Total	**328.8**	**420.5**	**612.7**	**86.2**	**113.9**	**187.5**

Source:GTIS/Ministry of Commerce

The latest GTIS data show the sizeable increase in demand for **imported phosphoric acid** in Q1 as producers ramped up indigenous DAP production in India to lock in the higher subsidy ahead of its reduction on 1 April. Some decline in imports compared with Q1 was expected for Q2 as the industry pulls back on DAP production however from the large volume imported in May, over 200,000 t P_2O_5, this may not be the case.

The data also reinforces the view that supplies from non-Moroccan sources continues to improve with the additional demand covered by increased imports from Jordan, Senegal, Tunisia, South Africa and Vietnam.

Phosphoric acid vessels identified for May and early June arrival are as follows:

India – Phosphoric Acid Arrivals May/June				
Buyer/Port	**Supplier/Origin**	**'000 t solution**	**Vessel**	**Arrival**
IFFCO/Kandla	Potashcorp/US	30.1	*Bow Sagami*	01 May
IFFCO/Kandla	JIFCO/Jordan	30.0	*Stolt Vestland*	04 May
IFFCO/Kandla	JIFCO/Jordan	30.0	*Stolt Vinland*	04 May
ZIL/Goa	OCP/Morocco	13.0	*Chemroad Rose*	06 May
GSFC/Sikka	OCP/Morocco	18.7	*Lumphini Park*	07 May
FACT/Cochin	OCP/Morocco	5.0	*Chemroad Rose*	07 May
GSFC/Sikka	OCP/Morocco	10.2	*Chemroad Haya*	08 May
Tbc/Tuticorin	Duc Giang/Vietnam	7.6	*Eastern Neptune*	11 May
CIL/Vizag	GCT/Tunisia	18.8	*Elm Galaxy*	11 May
ZIL/Goa	OCP/Morocco	12.0	*Chembulk Westport*	12 May
FACT/Cochin	OCP/Morocco	8.7	*Chembulk Westport*	13 May
CIL/Kakinada	GCT/Tunisia	20.9	*Stolt Focus*	13 May
GSFC/Sikka	OCP/Morocco	19.0	*Princimar Equinox*	17 May
CIL/Kakinada	OCP/Morocco	20.0	*MTM Rotterdam*	17 May
MCFL/Mangalore	Duc Giang/Vietnam	8.0	*Shun Sheng*	24 May
IFFCO/Kandla	JIFCO/Jordan	24.4	*Chem Patriot*	24 May
IFFCO/Kandla	Senchim/Senegal	31.7	*Bow Hector*	27 May
GSFC/Sikka	GCT/Tunisia	20.0	*SC Taipei*	28 May
ZIL/Goa	OCP/Morocco	9.7	*Argent Star*	24 May
FACT/Cochin	OCP/Morocco	9.0	*Mid Fortune*	31 May
CIL/Kakinada	PotashCorp/US	30.3	*Chemroad Hope*	26 May
IFFCO/Kandla	JIFCO/Jordan	30.0	*Stolt Vestland*	30 May
		407.1		
IFFCO/Kandla	JIFCO/Jordan	29.0	*Stolt Endurance*	01 June
MCFL/Mangalore	OCP/Morocco	10.0	*Mid Fortune*	01 June
PPL/Paradeedp	OCP/Morocco	19.6	*TRF Kashima*	04 June
PPL/Paradeep	OCP/Morocco	9.8	*Greenwich Park*	06 June
DFCL/JNPT	OCP/Morocco	8.5	*Chemroad Wing*	09 June
ZIL/Goa	OCP/Morocco	8.1	*Chemroad Wing*	10 June
CIL/Kakinada	JPMC/Jordan	29.4	*Stolt Vestland*	10 June
ZIL/Goa	OCP/Morocco	8.8	*Chemroad Lily*	12 June
Total June to date		**123.2**		

Adani Entreprises is reported to be planning to construct a 1 million t/y copper smelter plant at the Adani Port Special Economic Zone (APSEZ) in Gujarat. The $1.5 billion project includes a copper refinery and smelter and production facilities for sulphuric acid and also **phosphoric acid**. The raw materials of copper concentrate and phosphate rock will be sourced from both local and import markets, according to the press reports.

Adani has been requested to organise a Public Hearing for the project to be conducted by the Gujarat Pollution Control Board.

PHILIPPINES: Philphos is understood to be enquiring for ammonia fuelling speculation that a re-start at the Leyte facility is imminent.

Whereas granulation is expected to be resumed, Philphos is not expected to bring back up its phosphoric acid unit and instead is likely to import from either Vietnam, Morocco or possibly Indonesia.

PHOSPHATE ROCK

BANGLADESH: BCIC closed a tender on 7 June for 30,000 t phosphate rock, 72% BPL minimum, for delivery to the TSP plant at Chittagong. Just two offers were submitted, from OCP and JPMC. Price details were opened on 8 June and were as follows:

BCIC Phosphate Rock tender, 7 June for 30,000 t			
Supplier/Origin	**$ fob**	**Freight $/t**	**$ cfr***
Commodities First/Morocco/Khouribga	108.00	21.59	129.84
Wilson International/JPMC/Al Hassa	115.37	14.00	129.87
*** with commission**			

BCIC has issued a new tender for 30,000 t +/-10% phosphate rock, 72% BPL minimum, closing on 11 July for delivery to the TSP jetty at Chittagong and for shipment within 30 days of receipt of L/C. Offers to be submitted with liner terms and remain valid for 90 days from closing date.

INDIA: Q1 rock imports were down compared with the last five years. While demand for phosphoric acid for DAP production soared in Q1, demand for phosphate rock for indigenous phosacid and SSP production fell accordingly. A similar trend can be seen for the start of Q2..

India Phosphate Rock Imports			
January-March ('000 t)			
	2014	**2015**	**2016**
Morocco	185.7	327.2	300.1
Egypt	538.2	457.1	323.5
Jordan	710.8	815.6	809.2
Peru	180.4	122.6	191.2
Israel	63.3	40.1	-
Togo	285.6	137.9	-
Nauru	-	25.8	-
Others	10.80	88.70	50.40
Total	**1,974.80**	**1,989.20**	**1,674.40**

Source: GTIS/Ministry of Commerce

Rock arrivals to date in Q2 have been down on normal levels and appear to be still making way for increased imports of phosphoric acid as well as reduced SSP production, given the lower quantities from Egypt. This is a reversal of the trend seen in recent years when indigenous production has been more attractive using imported rock and sulphur.

India Phosphate Rock Arrivals, May/June				
Discharge Port	**Origin**	**Quantity**	**Vessel**	**ETA**
CIL/Chennai	ICL/ Israel	33,000	*Fadelsia*	02-May
Mangalore	Egypt	7,700	*Star Reliance*	04-May
CIL/Vizag	OCP/Morocco	41,895	*Tai ping Shan*	07-May
Hazira	Egypt	24,229	*Star Reliance*	09-May
SPIC/Tuticorin	JPMC/Jordan	52,440	*Nika*	10-May
Hazira	Egypt	31,900	*Heilan Brother*	11-May
IFFCO/Paradeep	JPMC/Jordan	54,300	*Trident Challenger*	14-May
GSFC/Dahej	JPMC/Jordan	35,000	*Sbi Hydra*	15-May
PPL/Paradeep	OCP/Morocco	10,474	*Tai ping Shan*	17-May
Khaitan/Vizag	Egypt	11,700	*Sakarya*	17-May
Jaigarh	Egypt	11,000	*Heilan Spring*	22-May
PPL/Paradeep	OCP/Morocco	60,500	*Jagora*	23-May
Kandla	Egypt	39,000	*Heilan Spring*	26-May

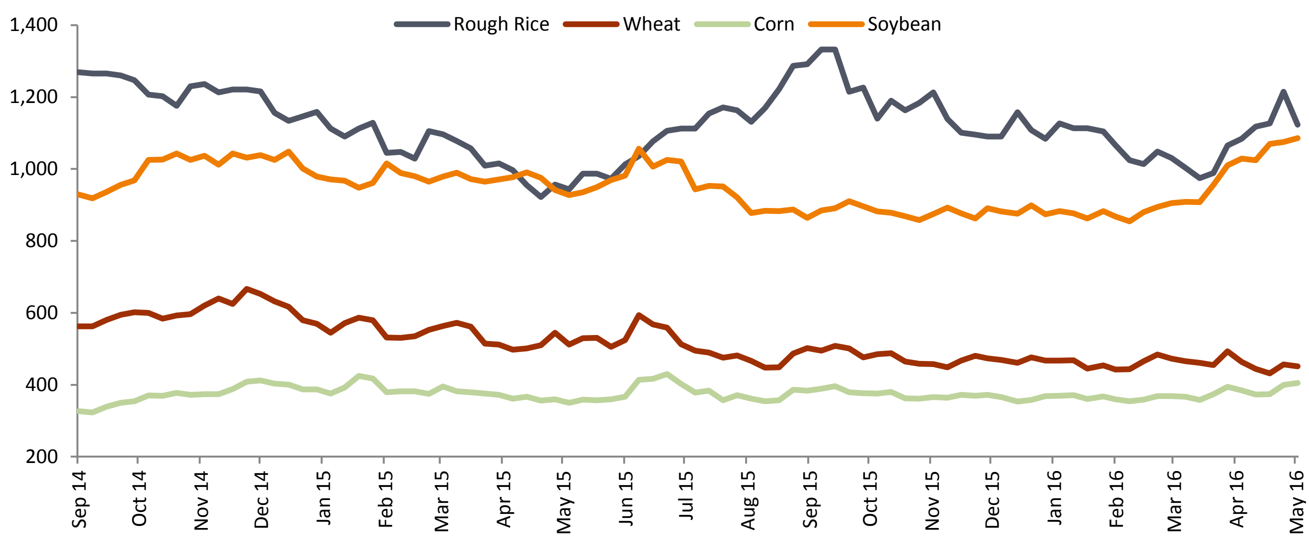
Kandla	Egypt	46,800	*Ark Royal*	27-May
Paradeep	JPMC/Jordan	58,850	*Infinity*	28-May
CIL/Vizag	Togo	49,170	*Tai Harvest*	29-May
Total May		**567,958**		
Sterlite/Tuticorin	JPMC/Jordan	54,000	*Yasa Aysen*	05-Jun
IFFCO/Paradeep	-	51,500	*MV Defiant*	05-Jun
Total June to date		**105,500**		

COMPANY NEWS

TURKEY: Zafer Yalcinkaya formerly of Keytrade and Nitora has moved to Istanbul and joined Bayegan Dis Tic AS to establish a fertilizer division which will focus on trading into Turkey. Zafer can be contacted on telephone +90 216 999 2600, mobile +90 538 544 0218 and email zyalcinkaya@bayecan.net.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	**July 2016**	**Weekly Change**	**September 2016**	**December 2016**	**June 2015**
Corn	431.2	+16.0	434.6	437.0	357.2
Wheat	492.6	+28.3	509.2	533.4	530.4
Soybean	1,177.6	+33.4	1,173.0	1,159.2	949.4
Rough Rice	1,153.0	+16.0	1,180.0	1,205.0	987.0

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

CORN:	**WHEAT:**
Stronger crude oil futures increase the likelihood that processors of ethanol, which is made from corn, will blend above mandated amounts – driving a 16 cent increase.	The pace of the US winter wheat harvest is behind the five-year-average, which is bearish for wheat. Rain and flooding in France, which puts the country's crop at risk, further propped up prices.
SOYBEAN:	**RICE:**

Prices have been supported by dryness in the US which could hurt crop development, as well as flooding in Argentina which is expected to increase demand for US soy.	International rice prices saw the largest month-on-month rise registered since February 2014, according to the Food and Agriculture Organization (FAO), driven by lower supplies.

REGIONAL MARKETS

GLOBAL: The International Grains Council (IGC) has boosted its forecasts for both global wheat and corn production in the upcoming 2016/17 season. The council's latest projection for world total grains production in 2016/17 is now 10 million t higher month-on-month, at 2.015 billion t, an increase of 1% year-on-year and the second largest harvest on record.

The IGC projected world wheat production in 2016/17 at 722 million t, up from a previous forecast of 717 million but below the prior season's record 736 million. The upward revision was driven by improved outlooks in Russia, the US and France, more than offsetting deteriorating prospects in Morocco as its crop drops to a nine-year low.

World corn production in 2016/17 was seen at 1.003 billion t, up from a previous projection of 998 million and the prior season's 971 million. The revision reflected an increase in the IGC's crop forecast for the US to 355.3 million t, up from last month's projection of 350.2 million.

Meanwhile for soybeans, the IGC forecast world production in 2016/17 at 320 million t, up from a previous forecast of 319 million and the prior season's 314 million. Due to reduced outlooks for Argentina and Brazil, the IGC forecasts lower world soybean output in 2015/16 at 314 million, a drop of 6 million, year-on-year – although still 14% above the prior five-year average.

FRANCE: The condition of cereal crops in France mostly declined, farm office FranceAgriMer said on 3 June, signalling that heavy rain is affecting crops in the EU's largest grain producer. Some 81% of soft wheat was rated good or excellent as of Monday (May 30) against 83% a week earlier, FranceAgriMer said in a weekly crop progress report

Winter barley was rated 78% good/excellent, down from 83% the previous week, although spring barley maintained a 93% score for third week in a row. The office estimated that 79% of grain corn crops were in good or excellent condition, down from 84% a week earlier.

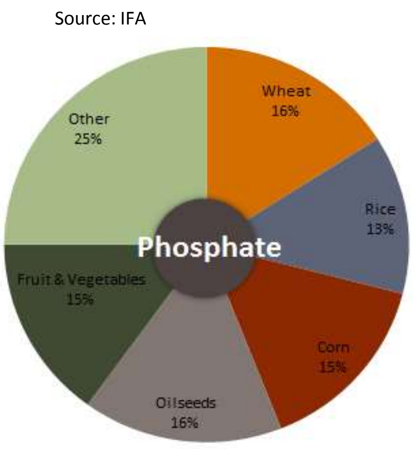
ARGENTINA: Rains this week in Argentina's top agricultural province, which was previously unaffected by recent wet weather, may further damage the 2015/2016 soybean harvest, the Buenos Aires Grain Exchange said on 3 June. Currently the exchange is still keeping output forecasts for soy at 56 million t this season, after severe April rains left crops under water and sent prices climbing on shortage fears.

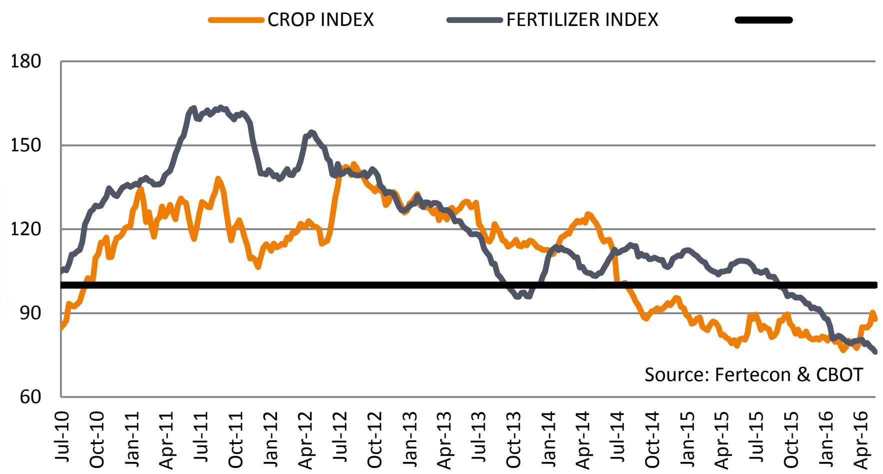
Buenos Aires province, the country's top agricultural area, had escaped bad weather until this week when rains hit the southern part of the region, along with some parts of La Pampa province. Farmers have harvested 78.7% of 20.1 million hectares dedicated to soy, a 6.5% point increase over last week and a delay of 14.8 points compared to last year. Analysts say the country could export up to 25% less soy than last season.

This year's El Niño phenomenon, which causes global climate extremes, has worsened floods in some parts of South America, including Argentina. In other areas like Colombia it has brought drought.

PHOSPHATES USE BY CROP

FERTECON FERTILIZER & CROP INDICES





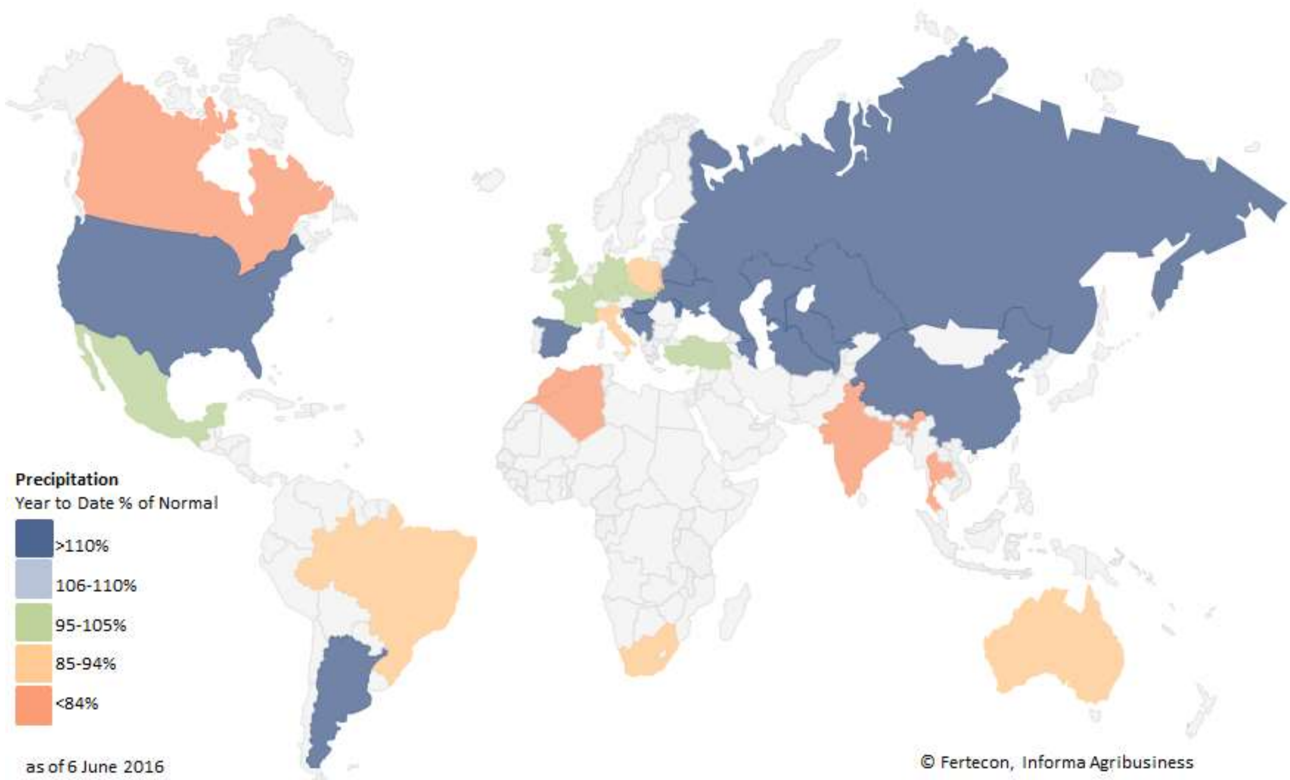
Using 6 January 2010 as the starting point (Jan 2010=100), the FERTECON indices aim to assess relative fertilizer affordability and illustrate the comparative movement of fertilizer prices (a basket of urea, DAP and MOP) against crop prices. The denotation is that the higher the crop index is relative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

WEATHER & LAND CONDITIONS

INDIA: The Indian government expects grain sowing to gain momentum in the coming days due to the onset of the monsoon, following a 7 day delay. The expectation is that this could lead to greater crop output in the 2016/2017 year than in previous two years, when drought hampered agricultural production. India's foodgrain production totalled approximately 252 million t in the 2015/2016 and 2014/2015 crop years.

India's Meteorological Department (IMD) has projected an "above normal" rainfall this year.

FERTECON GLOBAL PRECIPITATION TRACKER



FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
3 June	913	550	574	349	610
6 June	922	544	570	345	607
7 June	920	542	567	344	606
8 June	973	540	564	338	610
9 June	995	543	560	332	611

Source: Baltic Exchange

FERTILIZER DERIVATIVES

DAP fob Tampa (metric tonne)				DAP fob NOLA (short ton)			
Month	Bid	Offer	Mid	Month	Bid	Offer	Mid
June	346	363	354	June	304	310	307
July	343	352	347	July	305	310	308
Aug	336	347	341	Aug	305	310	308

For further information contact FIS: Ron Foxon: + 44 207 090 1122 / + 44 7738 726557 Alexey Paliy: +1 212 634 6424 / +1 203 979 7023 Rob Duncan: +1 502 357 0094 / +1 502 410 8899 Email: ferts@freightinvestor.com www.freightinvestor.com