

Ammonia Report

Weekly review of the ammonia market

18 August 2016

- Iffco buys 23,000 t from Trammo at \$265 cfr for end August or early September arrival at Kandla, west coast India
- PPL tenders for 15-18,000 t ammonia for shipment in the second week of October into Paradeep, India
- CJ tenders next week for three 6,000 t lots of ammonia for delivery to Gresik in September, November and December
- Investigation underway after an ammonia leak at the new Petronas' Sabah plant in Malaysia causes two fatalities
- The new Incitec Pivot ammonia plant at Waggaman in Louisiana, United States starts up
- The new vessel *Warisoulx* lifted an export cargo from Donaldsonville for delivery to Morocco

OUTLOOK

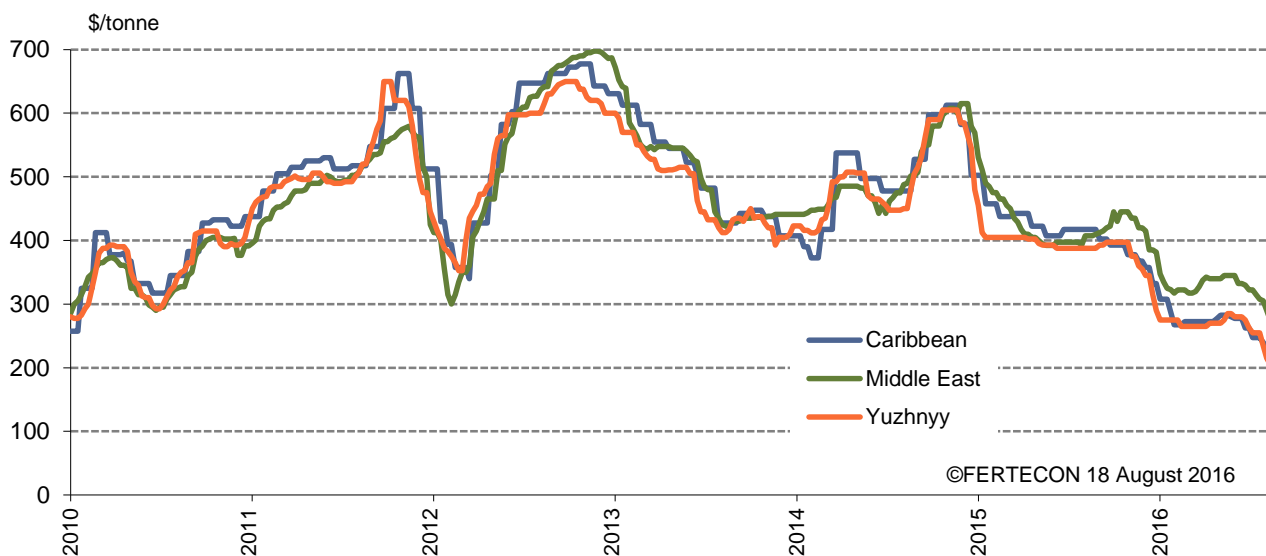
Continuously weak.

KEY PRICES

	18 August	11 August	4 August
Yuzhnyy fob \$/t	190-200*	200-210*	210-220*
Middle East fob \$/t	240-280*	260-290*	280-300*
Tampa/US Gulf cfr \$/t	270-275	270-275	270-275

* nominal

AMMONIA PRICES



Fertecon's ammonia prices are available to analyse and download immediately after publishing [via this link](#).

AMMONIA PRICE INDICATIONS ALL PRICES IN US\$

	18 August	11 August	4 August
Fob prices			
Caribbean	230-235	230-235	230-235
Middle East	240-280*	260-290*	280-300*
<i>Of which:</i>			
- Netbacks on contract/formula-priced sales	260-280*	260-290*	280-300*
- Spot fob	240	n.m.	295*
Yuzhnyy/FSU fob	190-200	200-210*	210-220*
Baltic/FSU	200-210*	210-220*	220-225*
Southeast Asia	275-290	285-300	290-300
Delivered prices			
NW Europe (duty paid/duty free) *	258-274	269-285	285-295
NW Europe (duty unpaid) *	245-260	255-270	270-280
Far East	307-330	307-340	307-350
India	265-325	280-325	280-325
US Gulf/Tampa	270-275	270-275	270-275
- Tampa	270	270	270
- US Gulf (MS, LA, TX)	275	275	275
<p align="center">FERTECON PRICE DEFINITION</p> <p>Prices, rounded to the nearest US\$, represent the last known spot and contract business and current indications, for 4-40,000 t cargoes, net of credit. * nominal; n.m. – no market; ^corrected</p> <p>The full history of Fertecon's ammonia prices is available to view and download by clicking here.</p>			

FREIGHT INDICATIONS US\$/TONNE (RATES BASIS 1-1 UNLESS STATED)

Route	Cargo size (t)	Latest rate
Caribbean –Tampa/USG	23,500	38-42
Baltic (Ventspils) – Antwerp/Belgium	23,500	23-25
Baltic (Ventspils) – NW Europe (France)	8-15,000	42-45
Black Sea – NW Europe (excl Scandinavia)	12-15,000	75-80
Black Sea – Antwerp/Belgium	23,500	60-65
Black Sea – Morocco	23,500	35-45
Black Sea – US (1-1 Tampa)	40,000	60-65
Black Sea – India (1 port E. Coast)	40,000	80-85
Middle East – India (1 port W. Coast)	23,500	25-30
Middle East – India (2-3 ports W. Coast)	15,000	40-45
Middle East – India (1 port E. Coast)	15,000	50-65
Middle East – India (1 port E. Coast)	23,500	45-55
Middle East – Far East (Taiwan)	23,500	70-75
Middle East – Far East (South Korea)	23,500	75-85
Indonesia – Taiwan	15-20,000	40-45

July issue of the Fertecon's **Ammonia Outlook** is available now

New format, new style, new brand, new content



Contact us on feritecon@agra-net.com

Special focus: Race to the bottom – have ammonia prices reached the floor yet?

Special focus

- ✓ Is there room for further price cuts?
- ✓ What are the margins of the key ammonia suppliers?
- ✓ Trade dynamics in H2 – who will be forced out of the market?
- ✓ Maintaining market share at the expense of price?

Ammonia shipping

- ✓ Update on time-charter rates and bunker costs – volatility & implications for NH₃ freight costs
- ✓ New pipeline tariffs in the USA
- ✓ Fleet update: new vessels in ammonia shipping – new opportunities for ammonia players

Latest revisions & updates

- ✓ Global ammonia trade matrix for 2015, with commentary;
- ✓ Trade matrix for 2025 updated
- ✓ Development of two-tier pricing & disrupted price differentials
- ✓ Discussion of evolving trade dynamics & changes to key routes
- ✓ Update on projects and supply disruptions by plant

New features

- ✓ New benchmark added to price forecast coverage – fob SE Asia
- ✓ Expanded discussion of risks and alternative long-term price scenarios
- ✓ Impact of phosphate fertilizer market on ammonia price (on the back of newly launched Phosphate Outlook report)
- ✓ Restructuring of chapters to make the content easily accessible

ANALYSIS

Despite further unexpected ammonia plant closures, the sentiment in ammonia markets continued to be widely bearish.

In the **Black Sea**, prices continued to decline and have now fallen below the \$200 fob level. Ameropa sold around 13,000 t to Igsas in Turkey for shipment at the end of August at a delivered price understood to be around \$190 fob Yuzhnyy equivalent. Moreover, it is understood that Ameropa and OCP agreed upon the price of the next ammonia delivery and with the latest Moroccan delivered prices reported to be at \$235-245 cfr this would give a netback somewhere within the \$190-200 fob range.

This week Iffco has reportedly bought 23,000 t of the **Middle East** ammonia from Trammo at \$265 cfr for end August or early September delivery to Kandla, west coast India. The price is estimated to be around \$240 fob Middle East equivalent assuming that the shipment will be made on the 1-1 port basis.

In the **Far East**, in Indonesia CJ will have an import tender on 23 August for three lots of 6,000 t ammonia each for delivery to Gresik in September, November and December. Forward demand from industrial consumers of ammonia is reportedly stable and downturn of Yara Pilbara ammonia plant in Australia due to technical issues as well as the closure of the new Petronas' ammonia plant in Sipitang, Malaysia due to ammonia leak incident, are tightening regional supply balance in Asia/Oceania.

The major price development in **India** this week was the above mentioned deal between Iffco and Trammo at \$265 cfr Kandla for end August or early September delivery from the Middle East. Yesterday, 17 August PPL was due to close a tender for 15-18,000 t ammonia for delivery to Paradeep in the second week of October but the outcome of the tender is not yet known.

In the **United States**, demand for ammonia remains subdued during off-season although some usual local movement is taking place. The new Incitec Pivot/Dyno Nobel ammonia plant at Waggaman, Louisiana is believed to have started up recently and is now heard to be producing on-spec ammonia which is soon to be shipped to domestic customers.

Despite on-going and new outages at numerous ammonia plants, the short term outlook for ammonia prices continues to be weak.

SUPPLIERS

FSU

BLACK SEA: The Black Sea prices continue to slide week-on-week with the latest indications of concluded business pointing to \$190-200 fob range.

Ameropa sold around 13,000 t to Igsas in Turkey for end August shipment. The cargo has been priced on a delivered basis and will be combined with around 10,000 t delivery to Bagfas at Bandirma. The sale price is understood to give around \$190 fob Yuzhnyy netback.

It is understood that Ameropa and OCP have agreed the next cargo for delivery to Morocco. With the recent delivered price quotations to Morocco reported to be at \$235-245 cfr Jorf Lasfar, it is estimated that this would produce an equivalent in the \$190-200 fob Yuzhnyy range.

The OPZ ammonia/urea plant in Odessa remains off-line due to lack of gas supply.

The known ammonia vessel schedule for August so far is tabulated below.

Vessel	Trader/Buyer	'000 t	Destination	Load date
JULY		257.5		
AUGUST		268.7		
<i>Solaro</i>	Ameropa on b/h of Muntajat	23.5	Jordan (Aqaba)	3-4 August
<i>Marycam Swan</i>	Trammo	15	Turkey (Aliaga & Ceyhan - 10) & Israel (Haifa - 5)	5-6 August
<i>Gas Manta</i>	Ameropa	23.4	Turkey (Bandirma)	8-9 August
<i>Gas Cobia</i>	Ameropa	23.4	Belgium (Antwerp)	13 August
<i>Clipper Moon</i>	Ameropa/Mitsubishi	40	Taiwan & S. Korea (2 ports)	17-18 August

<i>Gas Snapper</i>	Ameropa	23.4	EC India	Arrived 16 August, to load 19-20 August
<i>Clipper Odin</i>	Ameropa	25	TBC	Arrived 18 August, to load 20-21 August
<i>Gas Manta</i>	Ameropa	23.4	TBC	Arrived 16 August, waiting to load
<i>Solaro</i>	Ameropa	24.8	TBC	ETA 19 August
<i>Cambridge</i>	OCP	23.4	Morocco (Jorf Lasfar)	22-23 August
<i>Gas Grouper</i>	Ameropa	23.4	TBC	27 August

BALTIC: There have been no new spot deals reported in the Baltic this week and our price indication for the region is adjusted down by \$10 on a nominal basis following latest price developments in Yuzhnyy.

Known loadings out of the Baltic ports for August so far are tabulated here:

Vessel	Trader/ Buyer	'000 t	Destination	Load date
JULY		71.4		
AUGUST		71.4		
<i>Coral Ivory</i>	Yara	4	Sweden (Köping)	1-2 August (Ventspils)
<i>Wilhelm Schulte</i>	OCP	11	Morocco (Jorf Lasfar)	4-5 August (Sillamäe)
<i>Coral Ivory</i>	Yara	4	Finland (Uusikaupunki)	5-6 August (Ventspils)
<i>Gas Grouper</i>	Ameropa	23.4	Belgium (Antwerp)	7-8 August (Sillamäe)
<i>Coral Ivory</i>	Yara	4	Sweden (Köping)	9-10 August (Sillamäe)
<i>Antarcticgas</i>	Yara	10	Norway (Porsgrunn)	12-13 August (Sillamäe)
<i>Coral Ivory</i>	Yara	4	Sweden (Köping)	16-17 August (Sillamäe)
<i>Wilhelm Schulte</i>	OCP	11	Morocco (Jorf Lasfar)	20-25 August (Sillamäe)

EUROPE

UNITED KINGDOM: According to customs' data total ammonia exports during January-June reached 110,205 t, down by 16,990 t or 13.4% from 127,195 t in the first half of 2015. Monthly exports of ammonia in June reached 15,969 t, nearly double the 7,997 t shipped in May. (Source: GTIS/HMRC)

The known ammonia vessel schedule for August so far is tabulated below:

Vessel	Trader	'000 t	Destination	Load date
JULY		8		
AUGUST		22		
<i>Pertusola</i>	Yara	12	Finland (Uusikaupunki)	6-7 August (Hull)
<i>Antarcticgas</i>	Yara	10	TBC	19 August (Hull)

NORTH AMERICA

UNITED STATES: The new vessel in ammonia trade, reportedly chartered by Trammo, the *Warisoulx*, loaded ammonia from the **CF Industries** plant at Donaldsonville on 7-8 August and is heading for Jorf Lasfar, Morocco with delivery to OCP.

CARIBBEAN

TRINIDAD: The known vessel line-up for lifting out of Point Lisas for August so far is tabulated below.

Vessel	'000 t	Destination	Load date
JULY	435.7		
AUGUST	380.6		

<i>Clipper Sky</i>	40	United States (Tampa)	1-2 August
<i>Yara Kara</i>	14	Cuba (Nuevitas)	2-3 August
<i>Kaprijke</i>	25	Unites States (Taft & Freeport)	3-5 August
<i>Libramont</i>	25.4	South Africa (Richards Bay)	7-9 August
<i>Clipper Neptun</i>	40	TBC via Panama Canal	8-10 August
<i>Sanko Innovator</i>	23	Morocco (Jorf Lasfar)	9-11 August
<i>Sombeke</i>	25.4	Unites States (incl. Freeport)	11 August
<i>Marola</i>	17	Brazil (Santos)	11-12 August
<i>Clipper Venus</i>	40	Unites States (incl. Beaumont)	14-15 August
<i>Yara Kara</i>	13	France (Montoir)	15-17 August
<i>Clipper Sky</i>	40	Unites States (Tampa)	16-18 August
<i>Yara Aesa</i>	23	TBC	17-18 August
<i>Navigator Galaxy</i>	15	TBC	18August
<i>Luigi Lagrange</i>	24.8	TBC	18 August
<i>Navigator Grace</i>	15	TBC	End August

AFRICA

ALGERIA: The **Sorfert** ammonia/urea complex in Arzew remains down for a major turnaround lasting 3-weeks which is expected to be completed by early September.

The latest known line-up for ammonia loading from the **Fertial** and **Sorfert** plants is below.

ALGERIA: 2016 AMMONIA EXPORT SHIPMENTS					
Vessel	Supplier	'000 t	Destination	Load Port	Load Date
JULY		79.9			
AUGUST		112.8			
<i>Queen Isabella</i>	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	1 August
<i>Navigator Gusto</i>	Sorfert	14.9	France (Montoir)/Yara	Arzew	2-3 August
<i>Andesgas</i>	Fertial	10	Spain (Aviles) & Portugal (Lisbon)/Fertiberia	Annaba	5-6 August
<i>Eupen</i>	Sorfert	24	India (EC India)/Trammo	Arzew	10-11 August
<i>Almajedah</i>	Fertial	15	France (Ambes & Montoir)/Yara	Arzew	14-15 August
<i>Queen Isabella</i>	Fertial	7	Spain (Sagunto)/Fertiberia	Arzew	16 August
<i>Navigator Gusto</i>	Sorfert	14.9	France (Montoir)/Yara	Arzew	16-18 August
<i>Andesgas</i>	Fertial	10	Spain (Aviles)/Fertiberia	Arzew & Annaba	18-19 August
<i>TBC</i>	Sorfert	10	TBC	Arzew	End August

MIDDLE EAST

BAHRAIN: Trammo will load a cargo from **GPIC** on the *Sylvie* once she arrives from current delivery to east coast India. The vessel was originally expected to lift ammonia in the 2-half of August but now is thought be targeting early September. The cargo is expected to be destined for west coast India, where the trader has recently sold a full cargo on a spot basis.

IRAN: Customs' data show that total ammonia exports of Iranian ammonia for January-July reached 384,136 t, posting a decline of 46,957 t or 10.9% y-o-y. The monthly ammonia exports for July were, at 71,385 t higher by 18,994 t or 36.3% m-o-m from the June exports of 52,391 t. As usual, the vast portion of the monthly exports in July was destined for India (53,883 t) with the remainder shipped to Taiwan (17,502 t). (Source: GTIS/Iran Customs)

SAUDI ARABIA: There have been no new known deals reported from Saudi Arabia but it is heard that Ma'aden has been offering first lots of ammonia for September from the new Wa'ad al Shammal plant at Ras al Khair which was expected to start up around this time. The quantity and exact timing could not be established but it is thought to be imminent.

The latest Middle East line-up is tabulated below.

Vessel	Supplier/Origin	'000 t	Destination	Price \$/t	Load date
JULY		190			
AUGUST		171.9			
<i>Al Barrah</i>	Sabic/S.A. (Al Jubail)	23	South Korea (Ulsan)	n/a	8-9 August
<i>Gas Cat</i>	Raintrade/Iran (BIK)	18.5	EC India	l-t contract	11-12 August
<i>Rose Gas</i>	Sabic/S.A. (RAK)	15-20	EC India	n/a	11-14 August
<i>Gas Quantum</i>	Mitsui/ex-S.A. (RAK)	23	Far East incl S. Korea	Spot formula	12-14 August
<i>Gas Line</i>	Raintrade/Iran (BIK)	23	India	l-t contract	18 August
<i>Almarona</i>	Muntajat/Qatar	15	India	l-t contract	2-half August
<i>Al Jabirah</i>	Sabic/S.A. (Al Jubail)	23	Far East	n/a	25 August
<i>Gaschem Stade</i>	TBC/ex-Middle East	23.4	TBC	n/a	End August
<i>Gas Columbia</i>	Muntajat/Qatar	23	TBC	n/a	End August
SEPTEMBER		15-17			
<i>Sylvie</i>	Trammo/ex-Bahrain (Sitra)	15-17	WC India: Iffco/Kandla (incl some balance from previous voyage)	n/a	1-half September

RAK = Ras Al Khair, S.A. = Saudi Arabia

ASIA/OCEANIA

AUSTRALIA: There are no news on the restart of the **Yara Pilbara** plant which has been down from early August due to technical issues.

The last known ammonia loadings are tabulated below.

AUSTRALIA: 2016 AMMONIA SHIPMENTS			
Vessel	'000 t	Destination/Supplier	Load Date/Port
JULY		40	
AUGUST		50	
<i>Nordic River</i>	25	Kwinana (domestic)/Yara	3-4 August (Dampier)
<i>Viking River</i>	25	China (Caojing)/Yara	8-9 August (Dampier)

INDONESIA: The latest ammonia loading schedule for Indonesian ports is below.

INDONESIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	'000 t	Destination/Supplier	Load Date/Port
JULY		83.3	
AUGUST		72.6	
<i>Gaschem Dollart</i>	2.3	Vietnam (Vung Tau)/Mitsui	3 August (Lhokseumawe)
<i>Gaz Millennium</i>	15	S. Korea (Yosu & Ulsan)/Mitsui	6-7 August (Bontang)
<i>Gaz Serenity</i>	15	Japan (Nagoya, Mizushima & Kuroaki)/Mitsui	17-18 August (Bontang)
<i>Gaschem Dollart</i>	2.3	Vietnam (Dinh Vu)/Mitsui	18 August (Bontang)
<i>Gaz Millennium</i>	15	Thailand/Mitsui	22 August (Bontang)
<i>Touraine</i>	23	S. Korea/Trammo	2-half August (Bontang)

MALAYSIA: The *Nordic River* sailed from Kerteh today, 18 August, with 15,000 t ammonia bought from Petronas. The vessel is going to Ulsan, South Korea where she is expected to arrive on 25 August.

The *Bunga Kemboja* arrived in Kerteh today, 18 August, for loading.

According to **Petronas'** press release, an accident on 16 August, involving ammonia leakage at the new Sabah plant at Sipitang, affected five sub-contractors who were performing maintenance work during commissioning activities of the ammonia/urea plant. Petronas regrets to inform that two fatalities have been reported and the other three affected workers received medical treatment at the hospital. The company conveys its deepest condolences to the families of the deceased and is extending all necessary assistance to their next of kin.

Petronas further reports that an emergency response team was immediately mobilised and contained the situation. The incident posed no immediate threat to surrounding communities or environment and the company continues to work closely with all relevant authorities in ensuring safety of the people in the vicinity. An investigation into the incident has been initiated and is currently ongoing.

The new Sabah plant has around 693,000 t/y ammonia capacity and following its recent commissioning some surplus ammonia was destined for export before downstream urea production starts-up.

The latest ammonia loading schedule for Malaysian ports is below.

MALAYSIA: 2016 AMMONIA EXPORT SHIPMENTS			
Vessel	'000 t	Destination/Supplier	Load Date/Port
JULY	45.3		
AUGUST	56.5		
<i>Bunga Kemboja</i>	16.5	Thailand (Rayong & Map Ta Phut)/Petronas	1-2 August (Kerteh -11) 10-11 August (Sipitang – 5.5)
<i>Sylvie</i>	8.5	EC India (Paradeep)/Trammo	11 August (Kerteh)
<i>Nordic River</i>	15	South Korea (Ulsan)/Yara	17-18 August (Kerteh)
<i>Bunga Kemboja</i>	16.5	Thailand/Mitsubishi	18 August (Kerteh)

MARKETS

AFRICA

MOROCCO: The new vessel in ammonia trade, recently sub-let by Trammo the *Warisoulx*, loaded 25,000 t ammonia from the CF Industries plant at Donaldsonville on 7-8 August for delivery to Jorf Lasfar, Morocco for **OCP** where she is expected to arrive on 24 August.

The latest line-up for ammonia deliveries into Morocco:

MOROCCO: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
JULY	130.8		
AUGUST	117.3		
<i>Cambridge</i>	23.4	ex-CF Donaldsonville (US)	12 August
<i>Wilhelm Schulte</i>	11	ex-Acron (Baltic)	16 August
<i>Sanko Innovator</i>	23.5	Trammo/ex-Trinidad	19 August
<i>Warisoulx</i>	25	Trammo/ex-CF Donaldsonville (US)	24 August
<i>Cambridge</i>	23.4	ex-Rossosh (Yuzhnyy)	End August/early September
<i>Wilhelm Schulte</i>	11	ex-Acron (Baltic)	End August/early September
SEPTEMBER	29.4-31.4		
<i>TBC</i>	23.4	Ameropa/Yuzhnyy	1-half September
<i>Pertusola</i>	6-8?	ex-Nigeria (Onne)	1-half September

SOUTH AFRICA: According to customs' data, just 5,000 t of Trinidad ammonia have been delivered to South Africa in June, less than half of the 10,702 t which has been discharged during May. The total imports for January-June reached 59,505 t, which is 17,252 t or 40.8% higher y-o-y than the 42,253 t delivered during the same period in 2015. (Source: GTIS/South African Revenue Service).

The next delivery of Trinidad ammonia to Richards Bay is expected to arrive around 26 August on the *Libramont*.

TUNISIA: It is understood that the AN plant at the **GCT** complex in Gabes remains down with maintenance works heard to be underway. The plant is reportedly going to remain down for the rest of the month and possibly will restart in early September.

The producer is believed to be running one DAP line consuming around 400 t/d ammonia which means around 12-13,000 t/m ammonia requirement.

The last delivery by Ameropa took place around 2 August and the next cargo, which was originally expected to be shipped to Gabes for early September arrival is now likely to be postponed to the 2-half of September or even end of the month arrival.

The latest known ammonia deliveries into Gabes are as follows:

TUNISIA: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
AUGUST	23.4		
<i>Gas Cobia</i>	23.4	Ameropa/Yuzhnyy	31 July – 2 August
SEPTEMBER	23.4		
<i>TBC</i>	23.4	Ameropa/Yuzhnyy	2-half September

EUROPE

BELGIUM: The latest known ammonia deliveries into Antwerp are as follows:

BELGIUM: KNOWN 2016 AMMONIA IMPORTS			
Vessel	'000 t	Supplier/Origin	Discharge
JULY	56.8		
AUGUST	70.2		
<i>Gas Grouper</i>	23.4	Ameropa/Yuzhnyy	1-3 August
<i>Gas Grouper</i>	23.4	Ameropa/ex-Baltic	13 August
<i>Gas Cobia</i>	23.4	Ameropa/Yuzhnyy	20 August
SEPTEMBER	46.9		
<i>TBC</i>	23.5?	TBC	Early September
<i>TBC</i>	23.4	Ameropa/Yuzhnyy	2-half September

FRANCE: According to customs data, in June monthly ammonia imports into France were, at 60,376 t, marginally up by 1,224 t or 2.1% m-o-m from 59,152 t which arrived in May. Total imports for January-June reached 334,215 t, down by 23,530 t or 6.6% y-o-y from 357,745 t which arrived during the first half of 2015. (Source: GTIS/DNSCE)

NORWAY: Monthly ammonia imports into Norway in June totalled 29,841 t, up by 2,508 t or 9.2% m-o-m from the May deliveries of 27,333 t. Total imports for January-June 2016 reached 189,196 t, marginally down by 4,539 t or around 2.3% y-o-y. (Source: GTIS/Statistics Norway)

SPAIN: According to Spanish customs' data monthly ammonia imports in June reached slightly over 29,000 t, down by 13,003 t or nearly 31% m-o-m from the May arrivals of 42,004 t. This brought the total imports for January-June to 183,379 t, down by 49,056 t or 21.1% y-o-y from 232,435 t which arrived during the same period of 2015. (Source: GTIS/Eurostat)

ASIA/OCEANIA

CHINA: The *Viking River* arrived today, 18 August in Caojing, from Dampier, Australia.

INDIA: West Coast – Iffco bought 23,000 t of ammonia from Trammo at \$265 cfr for September delivery into Kandla from the Middle East.

Earlier on, Iffco will receive 4,999 t on the *Sylvie* at Kandla on 21 August.

East Coast – PPL was due to close an import tender yesterday, 17 August for 15-18,000 t ammonia for shipment in the second week of October but the outcome of the tender is not yet known.

We have previously reported that Raintrade's vessel, the *Gas Line* will deliver around 15,000 t to CIL at the end of August under their contract. It is now understood that this vessel will deliver 15,000 t to PPL at Paradeep followed by 8,000 t to CIL.

CIFC has fixed the *Gaschem Stade* to load around 23,000 t ammonia, of which 8,000 t will be delivered to Paradeep around 2 September to cover PPL's tender award of 6 July at \$325 cfr. This vessel will also deliver around 15,000 t CIL.

The list of known August and September deliveries into Indian ports so far is below:

Buyer/Location	Supplier	'000 t	\$/t cfr unless stated	Discharge	Vessel
JULY		248.6			
AUGUST		185.9			
West Coast		50.5			
Iffco/Kandla	Trammo/ex-Malaysia	5	n/a	21 August	<i>Sylvie</i>
GSFC/Sikka	Sabic/S. Arabia	15	n/a	2-half August	<i>Rose Gas</i>
Hindalco/Dahej	CIFC-Raintrade/ex-Iran	4	I-t contract	5-6 August	<i>Gas Line</i>
Deepak Fertilisers/JNPT-Mumbai	Ameropa/ex-Black Sea	8	n/a	2-3 August	<i>Clipper Odin</i>
Deepak Fertilisers/JNPT-Mumbai	CIFC-Raintrade/ex-Iran	6	I-t contract	11 August	<i>Gas Line</i>
Deepak Fertilisers/JNPT-Mumbai	Trammo/ex-Algeria	8	\$330?	1-half August	<i>Eupen</i>
MCFL/New Mangalore	Muntajat/ex-S. Arabia	4.5	I-t contract	6 August	<i>Almarona</i>
East Coast		135.4			
Greenstar/Tuticorin	Muntajat/Qatar	5.2	I-t contract	1 August	<i>Gas Columbia</i>
CIL/Vizag	Trammo/ex-Malaysia (10) and Indonesia (13)	12	Mid-high \$360s	1-2 August	<i>SCF Tomsk</i>
CIL/Vizag	Muntajat/ex-S. Arabia	3	I-t contract	11 August	<i>Almarona</i>
CIL/TBC	CIFC-Raintrade/ex-Iran	18	I-t contract	22 August	<i>Gas Cat</i>
CIL/TBC	CIFC-Raintrade/ex-Iran	8	I-t contract	End August	<i>Gas Line</i>
Iffco/Paradeep	Ameropa/ex-Black Sea	40	n/a	20 August	<i>Clipper Mars</i>
Iffco/Paradeep	Trammo/ex-Algeria	15	n/a	1-half August	<i>Eupen</i>
PPL/Paradeep	Dreymoor/ex-Black Sea	12	Mid-\$340s w120d	6 August	<i>Gaschem Stade</i>
PPL/Paradeep	CIFC-Raintrade/ex-Iran	15	\$325	End August	<i>Gas Line</i>
TCL/Haldia	Muntajat/ex-S. Arabia	7.2	I-t contract	12 August	<i>Almarona</i>
SEPTEMBER		84			
West Coast		23			
Iffco/Kandla	Trammo/ex-Bahrain	23	\$265	1-half September	<i>Sylvie</i>

East Coast		61			
CIL/TBC	CIFC/ex-Iran	15	n/a	1-half September	Gaschem Stade
CIL/2-ports	Ameropa/ex-Black Sea	23	\$303 w90d	Mid-September	Gas Snapper
Iffco/Paradeep	Yara/ex-TBC	15	\$280	Mid-September	TBC
PPL/Paradeep	CIFC/ex-Iran	8	\$325	2 September	Gaschem Stade

INDONESIA: CJ tenders next week, 23 August, for three lots of 6,000 t ammonia each to arrive at Gresik in September, November and December.

SINGAPORE: Ammonia imports into Singapore for January-June were, at 11,183 t not far from the total arrivals in the 1-half of 2015 amounting to 11,395 t. Monthly imports in June were 3,195 t of which 2,183 arrived from Indonesia and 361 t from Malaysia. (Source: GTIS/International Enterprise Singapore)

SOUTH KOREA: July trade figures report monthly imports of 114,150 t of ammonia, including 51,084 t shipped from Australia, nearly 40,000 t from Indonesia and around 23,200 t from Saudi Arabia This bought the total January-July import volume to 684,397 t, an increase of 80,868 t or 13.4% y-o-y from the 603,529 t which arrived during the first seven months of 2015 (Source: GTIS/Korea Customs and Trade Development Institution)

The latest known ammonia deliveries are provided in the table below.

Buyer/Location	Supplier	'000 t	Discharge	Vessel
JULY		112		
AUGUST		101		
Namhae/Yosu	Mitsubishi/ex-USA	15	17-18 August	Touraine
Namhae/Yosu	Mitsui/ex-Indonesia	10	13-14 August	Gaz Millennium
LFC*/Ulsan	Koch/ex-Trinidad	16	10 August	Clipper Orion
LFC*/Ulsan	Mitsui/ex-Indonesia	5	4 August	Gaz Serenity
LFC*/Ulsan	Trammo/ex-USA	10	15-16 August	Touraine
LFC*/Ulsan	Sabic/S. Arabia	23	28 August	Al Barrah
LFC*/Ulsan	Yara/ex-Malaysia	15	25 August	Nordic River
Hanwha/Incheon	Koch/ex-Trinidad	7?	8-9 August	Clipper Orion
SEPTEMBER		87-88		
Namhae/Yosu	Mitsubishi/ex-Black Sea	10	1-half September	Clipper Moon
Namhae/Yosu	Yara/ex-TBC	15	2-half September	TBC
LFC*/Ulsan	Mitsubishi/ TBC	15	Early September	TBC
LFC*/Ulsan	Mitsubishi/ex-Black Sea	5	1-half September	Clipper Moon
LFC*/Ulsan	Mitsui/ex-Saudi Arabia on b/h of Yara	15	1-half September	Gas Quantum
LFC*/Ulsan	Koch/ TBC	4-5	Mid-September	TBC
LFC*/Ulsan	Trammo/TBC	23	End September	TBC

* Lotte Fine Chemical

TAIWAN: According to customs data, June imports of ammonia were 82,676 t, including 23,225 t arriving from Saudi Arabia, 21,150 t from Australia, and around 15,000 t each from Indonesia and Bahrain. This brought total imports for 1-half of 2016 to 324,245 t, up by 16,211 t or 5.3% y-o-y from the 308,034 t which arrived in the 1-half of 2015. (Source: GTIS/Taiwan Directorate General of Customs)

NORTH AMERICA

UNITED STATES: In the domestic market for direct application ammonia, demand was light for ammonia going to dealer fill in central Illinois. Wholesalers report that corn and soybean crops are in an excellent condition, looking best ever. Ammonia is moving

to dealer storage in light volume in the centre and east of South Dakota, south-west Iowa as well as central and east Nebraska. Light volume of ammonia is going to dealer storage statewide in Kansas. Demand has been light for ammonia moving in south-central Oklahoma as well as north-central and central Texas ahead of wheat preplant.

Ammonia from the new plant at Waggaman, Louisiana is reportedly being accumulated in the tank for first shipments. The new **Incitec Pivot/Dyno Nobel** plant is understood to have started up at the end of July and from around mid-August was ramping up over the last couple of weeks and is now producing on-spec ammonia. The plant will mainly serve domestic requirements resulting in up to 726,000 t/y ammonia import substitution once running to capacity.

LATIN AMERICA

BRAZIL: The latest known ammonia vessel arrivals into Santos terminal are tabulated below.

Vessel name	Supplier	'000 t	Origin	Discharge date/ Estimated arrival
JULY		46.4		
AUGUST		17		
<i>Marola</i>	Yara	17	Trinidad	21-23 August

CHILE: According to customs' data, ammonia imports into Chile during January-June 2016 reached 166,463 t, down by 15,337 t or 8.4% y-o-y from the 181,800 t which arrived during the 1-half of 2015. Monthly imports in June were, at 23,001 t, just marginally below arrivals in the prior month of 23,350 t. Ammonia delivered to Chile in June was sourced solely from Venezuela. (Source: GTIS/Chile Customs – Servicio Nacional de Aduana)

COMPANY NEWS

RUSSIA: On 17 August, **PhosAgro** announced its interim condensed consolidated IFRS financial results for the six months ended 30 June 2016. PhosAgro's revenue for the period increased by 9% year-on-year to RUB 102.0 billion (\$1,452 million). EBITDA for 1-half 2016 was nearly unchanged year-on-year at RUB 41.6 billion (\$591 million).

As a result of debottlenecking activities, the Company managed to increase fertilizer production and sales volumes by 9% and 8%, respectively, year-on-year. During 1-half 2016, ammonia production volume increased by 12% year-on-year. Total revenue for the period grew by 9% year-on-year, supported by depreciation of the RUB against the USD.

Operating profit for the period was RUB 36.5 billion (\$520 million), down 2% from RUB 37.1 billion (\$647 million) in 1-half 2015. PhosAgro's EBITDA was RUB 41.6 billion (USD 591 million) in 6M 2016, nearly unchanged from the previous year's result of RUB 41.5 billion (USD 723 million). The EBITDA margin decreased to 41% for 1-half 2016, compared to 45% in the same period 2015.

Net profit for 1-half 2016 increased by 30%, to RUB 36.1 billion (\$514 million), compared to RUB 27.7 billion (\$482 million) in 1-half 2015. Basic and diluted earnings per share increased by 30% to RUB 279 (\$4) for 1-half 2016 from RUB 214 (\$4) in 1-half 2015.

The higher average USD exchange rate during 1-half 2016 in comparison with the same period 2015 (average USD foreign exchange rates for 6M 2016 and 6M 2015 were RUB 70.26 and RUB 57.40, respectively) had a net positive impact on PhosAgro's results in the reporting period, as prices for most of the Company's products are denominated in USD, while costs are primarily RUB-based. Appreciation of the rouble as of 30 June 2016 (RUB 64.26 per USD) compared to 31 December 2015 (RUB 72.88 per USD) resulted in a foreign exchange gain of RUB 11,279 million (USD 161 million) in 1-half 2016; in 6M 2015 the foreign exchange gain was RUB 11 million (USD 0.19 million).

The average price of urea in 1-half 2016 was \$195/t fob Baltic, down by 30% from the 1-half 2015 average (\$280/t), driven by oversupply on the global market as a result of launching of new capacities in the US and Western Africa, as well as a significant increase in capacity utilisation in North Africa (Egypt, as a result of stabilisation of the natural gas supply).

Nitrogen segment revenue changed insignificantly from RUB 11,164 million (\$195 million) to RUB 11,207 million (\$160 million) in. PhosAgro increased production and sales volumes of nitrogen-based fertilizers by 10% year-on-year.

Export revenue from urea was slightly down, from RUB 7,342 million (\$128 million) in 1-half 2015 to RUB 7,316 million (\$104 million) in 1-half 2016. An increase in sales volumes by 13% year-on-year was balanced by a decrease in revenue per tonne of 12% year-on-year. Total revenue from ammonium nitrate (AN) decreased by 3% year-on-year, from RUB 3,548 million (\$62 million) in 1-

half 2015, to RUB 3,433 million (\$49 million) in 1-half 2016, due to a 2% year-on-year decrease in sales volumes and a 2% year-on-year decrease in revenue per tonne.

Nitrogen segment gross profit for 1-half 2016 was almost unchanged: RUB 5,576 million (\$79 million) in 1-half 2016 vs RUB 5,598 (\$98 million) in 1-half 2015. The gross margin for 1-half 2016 was the same as in 1-half 2015, at 50%. The 10% year-on-year increase in sales volumes was balanced by the 9% year-on-year decrease in average revenue per tonne denominated in roubles.

Phosphate-based products segment revenue grew by 11% year-on-year and totalled RUB 90,529 million (\$1,289 million) in 1-half 2016. PhosAgro increased production and sales volumes of phosphate-based fertilizers and MCP by 8% and 7%, respectively, year-on-year during 1-half 2016.

Phosagro further reports that in 1-half 2016 the average price of ammonia was \$275 fob Yuzhnyy, which implies a 32% year-on-year decline from \$402 fob Yuzhnyy for 1-half 2015. The decline in ammonia prices was triggered by lower natural gas prices coupled with an excess supply of commercial ammonia in the market due to the launch of new ammonia units in US.

Cash spent on capex in 1-half 2016 amounted to RUB 18,302 million (\$260 million), an increase of 20% in comparison with RUB 15,214 million (\$265 million) during the same period of 2015. PhosAgro's capital expenditure, which consists of additions to property, plant and equipment, amounted to RUB 19,724 million (\$281 million) for the first six months of 2016, compared to RUB 13,805 million (\$241 million) during the same period of 2015. Capital expenditure focused on construction of the new 760,000 t/y ammonia plant and the new 500,000 t/y urea plant at PhosAgro-Cherepovets.

All major development projects are on track, including the new ammonia plant designed to increase cost efficiency and support further expansion of PhosAgro's complex fertilizer production capacity.

Togliattiazot (TOAZ) in its H1 2016 results reported that ammonia production totalled nearly 1.484 million t, 13% higher than in the H1 2015 when output reached 1.312 million t. Urea production totalled 351,300 t, 24% higher than in H1 2015.

Sales were down 7% at RUB 27,126 million but, whilst the value for urea and ammonia fell, the producer increased the volume sold of both urea and ammonia. Net profit for H1 2016 was down to RUB 2,724 million from RUB 9,520 in H1 2015. In addition to the factors already mentioned a significant impact on the profit decline was the growth of prices for raw materials and supplies and transportation tariffs for railway and pipeline transportation, according to the company statement.

NATURAL GAS/COAL

QUICK GLANCE (change from last week)

Henry Hub (day ahead): \$2.61 (down)

TTF: €11.48 (down)

Brent: \$49.85 (up)

WEST EUROPE: The NBP day-ahead price closed at 30.05 p/therm on 17 August down from 33.00 p/therm on 10 August. A price of 30.05 p/therm equates to \$3.89/mmBtu at the £/\$ exchange rate of 1:1.29505 from 17 August.

The September 2016 contract on ICE natural gas futures for the NBP closed at 31.41 p/therm on 17 August down from 33.26 p/therm on 10 August. The average 6-month forward strip (Sep 2016-Feb 2017) is 40.88 p/therm, which equates to \$5.29/mmBtu at the £/\$ exchange rate of 1:1.29505 from 17 August.

Market fundamentals for natural gas in Europe are starting to look increasingly weak, with comparatively high storage figures and with more expected LNG volumes to move to Europe towards the end of the year. The overall bearishness has caused prices to correct lower most recently.

The Dutch TTF day-ahead price closed at €11.48/MWh on 17 August down from €12.75/MWh on 10 August, according to Tankard. The Tankard indices are trade-backed volume-weighted average price indices, calculated from trades arranged by ICAP, Marex Spectron and Tullett Prebon.

A price of €11.48/MWh equates to \$3.78/mmBtu at the exchange rate of €/£ 1:1.12386 on 17 August. In August so far, the TTF day-ahead average is estimated at \$4.10/mmBtu, which compares with \$4.63/mmBtu in July and with \$4.76/mmBtu in June. The May average was \$4.33/mmBtu, up from the April average of \$4.01/mmBtu, and up from March at \$3.99/mmBtu.

The average six-month ICE futures price for TTF for Sep 2016-Feb 2017 is €15.06/MWh on 17 August, and equating to \$4.96/mmBtu using the €/£ exchange rate of 1:1.12386 from 17 August.

Crude –The Brent crude oil contract for October 2016 settled at \$49.85/bbl on 17 August up from \$44.05/bbl on 10 August. While overall US inventories remain at historically high levels, according to EIA data, a w-o-w drop in stocks has prompted the rise in prices. The average price for the 3-month strip (Oct-Dec 2016) is \$50.14/bbl against \$44.48/bbl a week before, while the 12-month average (Oct 2016-Oct 2017) is \$51.76/bbl compared with \$46.56/bbl.

In its August Short-term Energy Outlook (STEO), the EIA is forecasting Brent crude oil prices to average \$42/bbl in 2016 (down \$2 from the July report) and \$52/bbl in 2017 (flat from the prior STEO), with annual average West Texas Intermediate (WTI) prices in 2016 expected to average slightly less than Brent prices while they are projected to be roughly the same as Brent in 2017. In its comments, EIA said the current values of futures and options contracts suggest a high degree of uncertainty in the oil price outlook. “WTI futures contracts for November 2016 delivery that were traded during the five-day period ending August 4 averaged \$42/b, and implied volatility averaged 42%. These levels established the lower and upper limits of the 95% confidence interval for the market's expectations of monthly average WTI prices in November 2016 at \$29/b and \$61/b, respectively. The 95% confidence interval for market expectations widens over time, with lower and upper limits of \$22/b and \$104/b for prices in December 2017”, the report reads.

RUSSIA: Rosneft increased natural gas production by almost 7% y-o-y in 1-half 2016 to 33.2 bcm, the Russian company said in mid-August. Gas production in calendar year 2015 had amounted to 62.5 bcm. The company sold 1.5 bcm of natural gas on the exchange in 1-half 2016.

Rosneft also completed its first LNG supply in January-June 2016 within the framework of a contract with Egyptian Natural Gas Holding Company.

Meanwhile, on 16 August, **Novatek** said it extended an existing natural gas supply contract with steel producer **NLMK** until 2025. Under the terms of the agreement, Novatek will supply 2.8 bcm/y of natural gas, which is understood to cover all requirements of NLMK's Russian entities. NLMK holds sales tender for steel grade AS on a regular basis.

Finally, **Gazprom** said on 15 August that it had increased its gas exports to Europe by just over 10% or 9.9 bcm y-o-y in the period from 1 January-15 August 2016.

CHINA: Thermal coal prices at Qinhuangdao for the 5,500 kcal grade increased again this week to Rmb465-475/t (around \$70.90/t). This compares with Rmb445-455/t (around \$67.60/t) last week. The average price in August so far is estimated at Rmb452/t (\$67.99/t), the highest monthly average since March 2015. It compares with a July 2016 average of Rmb421/t (\$63.02/t) and the year-ago average of Rmb410/t (\$64.62/t) in August 2015.

INDIA: In mid-August, **Petronet LNG** has reportedly commissioned the expansion of the regasification facility at Dahej LNG Terminal from 10 million t/y to 15 million t/y. Furthermore, two LNG storage tanks are expected to be expanded by an undisclosed amount by October 2016.

Meanwhile, the Indian government may allow the supply of **pooled gas** to companies producing phosphate (P) and potash (K) fertilizers, local press reported.

Last year, the government approved gas supply at uniform prices to all urea production units through a pooling mechanism. However, the guidelines related to the supply of gas to fertilizer units producing phosphate and potassium nutrients are yet to be finalised.

The inter-ministerial committee, which is headed by the Fertilizer Secretary, is understood to have recently decided that P and K producers may also be supplied pooled gas, initially meant for urea producers only, a ministry official was cited as saying. Previously, the government had decided to charge the highest existing re-gasified LNG price for P and K producers, which is now considered not to be viable.

AUSTRALIA: The Newcastle market for Q4 2016 is \$68.15/t up from \$65.30/t last week; Q1 2017 is \$67.85/t up from \$65.40/t; 2017 is \$64.65/t up from \$62.40/t; 2018 is \$63.50/t against \$61.60/t last week; and 2019 is \$62.85/t.

UNITED STATES: The Henry Hub day-ahead price closed at \$2.61/mmBtu on 17 August down from a revised price of \$2.76/mmBtu on 10 August.

In August so far, the Henry Hub has averaged \$2.80/mmBtu against a July average of \$2.82/mmBtu and June at \$2.59/mmBtu, May at \$1.92/mmBtu, and against April at \$1.91/mmBtu. This compares with a March average of \$1.72/mmBtu, which was down from February at \$1.98/mmBtu and \$2.28/mmBtu in January.

On NYMEX natural gas futures, the September 2016 contract settled at \$2.619/mmBtu on 17 August up from the \$2.561/mmBtu on 10 August. The average for the next three months – Sep-Nov 2016 – is \$2.703/mmBtu compared with \$2.659/mmBtu last week, while the average for the next 12 calendar months (Sep 2016-Sep 2017) is \$2.966/mmBtu against \$2.950/mmBtu.

The EIA Weekly Natural Gas Storage Report for the week ending 5 August showed a net injection of working gas stocks into underground storage of 29 bcf. The net injection compares with a median expectation of market analysts of a net injection of 24 bcf. It further compares with the year-ago injection of 57 bcf and the five-year-average injection of also 53 bcf. Natural gas stocks on 5 August were 3,317 bcf, which is 342 bcf (12%) above a year ago and 440 bcf (15%) above the five-year average.

In its August Short-term Energy Outlook (STEO), EIA expects the Henry Hub natural gas spot price to average \$2.41/mmBtu in 2016 (up from \$2.36/mmBtu in the July report) and \$2.95/mmBtu in 2017 (flat from the prior report), having averaged \$2.63/mmBtu in 2015.

Regarding the WTI, the CME September 2016 contract closed at \$46.79/bbl on 17 August up from \$41.71/bbl on 10 August. The forward 3-month strip (Sep-Nov 2016) is \$47.53/bbl against \$42.47/bbl a week before, while the 12-month forward average (Sep 2016-Sep 2017) is \$50.05/bbl compared with \$45.24/bbl.

US coal – The CAPP September 2016 contract closed at \$39.50/ston on 17 August flat w-o-w. The 3-month forward strip (Sep-Nov 2016) is stable on the week at \$39.67/ston, while the Sep-Dec 2016 forward average is also flat at \$39.69/ston.

NIGERIA: On 8 August, **Shell Petroleum Development Co** declared force majeure on gas supplies to the **Nigeria Liquefied Natural Gas (NLNG)** export facility on Bonny Island.

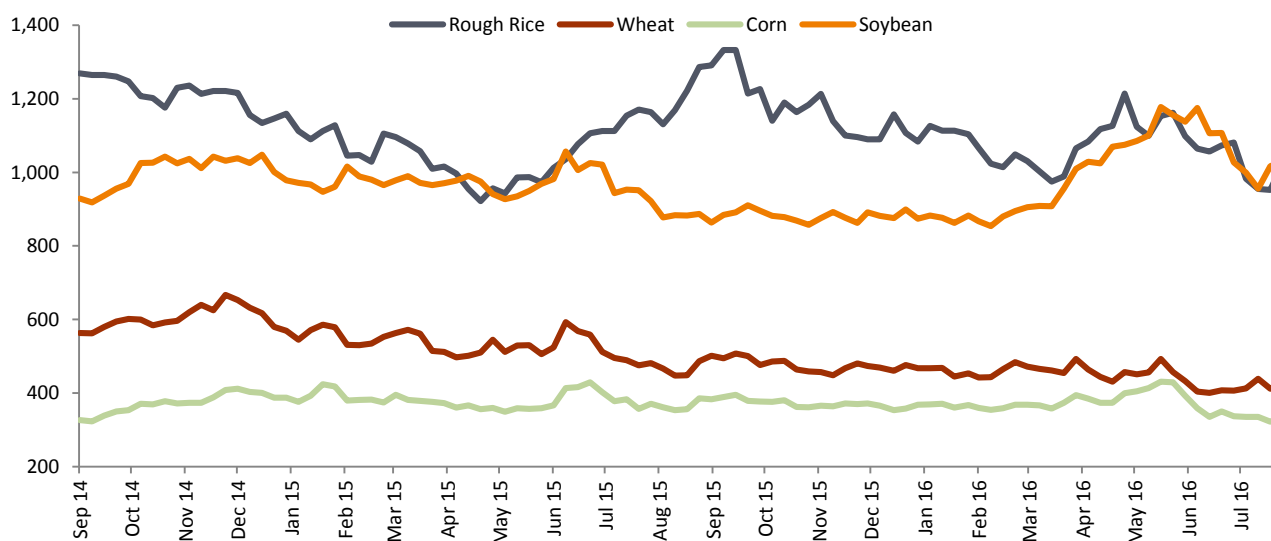
A spokesman said in a statement that "The Shell Petroleum Development Co. of Nigeria, Ltd. (SPDC) declared force majeure on gas supply to NLNG on 8 August, 2016, following a leak on the Eastern Gas Gathering System (EGGS-1) pipeline through which it supplies the bulk of its gas to NLNG."

The pipeline was shut down for an investigation and repairs, while SPDC was reported to be still supplying gas through other pipelines. The declaration may, however, impact exports from the facility.

SPDC, Royal Dutch Shell's Nigerian unit, is a joint venture with state oil company Nigerian National Petroleum Corp (NNPC). They supply gas to the LNG plant.

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP FUTURES (cents/bushel)						
Product	Q3 2016	Weekly Change	Q4 2016	Q1 2017	August 2015	Annual Change
Corn	330.2	+7.8	339.6	349.6	367.2	-10%
Wheat	418.2	+6.6	444.0	459.4	474.2	-12%
Soybean	1,030.5	+13.5	1,016.0	1,015.5	903.4	+14%
Rough Rice	1,022.5	+70.5	1,040.5	1,066.0	1,190.0	-14%

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

CORN:	WHEAT:
While the good US crop prospects continue to weigh on Corn futures, any bearish sentiment over the last week was countered by expectations for solid export demand.	Production issues in Europe and a downgrade in Ukraine's crop estimate were positive. However, a large Russian crop and the advancing US spring wheat harvest tempered the upside.
SOYBEAN:	RICE:
Solid export demand for soybeans supported September contracts. China continues to make large purchases, which should cut into the ending stocks projections going forward.	Whilst the fundamentals of supply and demand remain broadly unchanged, spill over from positive sentiment in neighbouring crop markets supported rice values in the last week.

REGIONAL MARKETS

EUROPE: In its latest EU crop report, analyst Strategie Grains (SG) pegged German wheat output at 25 million t, down by 1 million t from the analyst's previous estimate, while UK production is down 0.2 million t to 14.8 million t. France's output was lowered by 6 million t to 29.9 million t due to "disastrous" yields, SG said, although this was still not as low as some other forecasters have predicted in the past week.

For EU exports overall, SG forecast export volumes falling to 24.7 million t in 2016/17, a downgrade of 4.3 million t from last month, with shipments seen undermined by the relatively strong prices encouraged by France's poor harvest. If realised, this would be significant decline on the 33.663 million t (soft wheat and durum) achieved in 2015/16, according to European Commission estimates, and would be the poorest sales since 21.7 million t in 2012/13.

UNITED STATES: US corn conditions increased slightly this past week, now ranking the 4th highest since 1989, according to MDA Weather Services. Meanwhile, soybean conditions were again unchanged this past week, and are the third highest in the rankings since 1989. They also remained well above the 1989-2015 average and well above last year at this time.

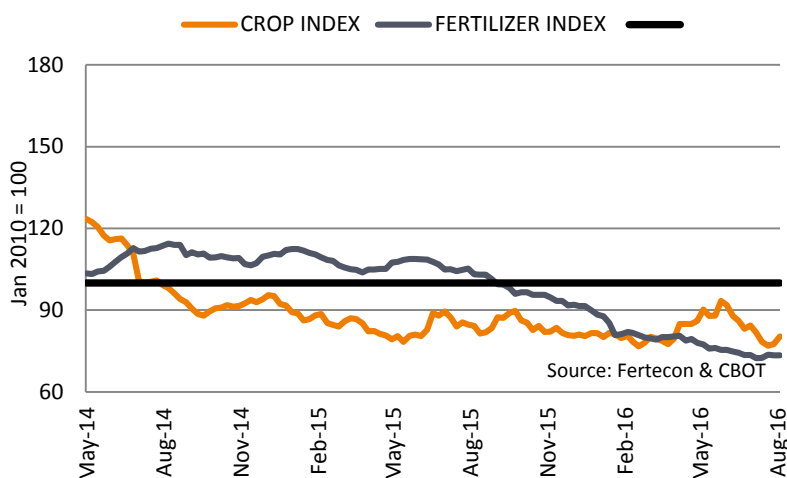
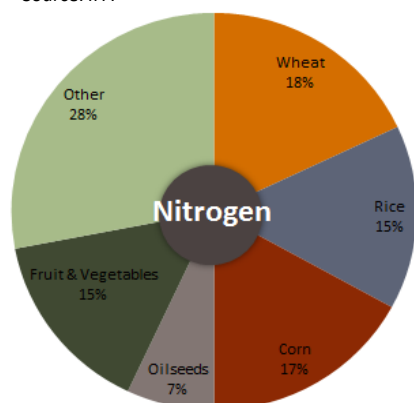
US corn doughing is now at 73% complete nationally, which is well ahead of the average of 60% and last year at this time, when 65% of the crop was doughing.

For soy, 95% of the crop is blooming nationally, slightly ahead of the 5-year average of 93% and ahead of last year at this time when 92% of the crop was blooming. Meanwhile, 80% of the soybean crop is also setting pods nationally, ahead of the 5-year average of 75% and slightly ahead of last year at this time when 76% of the crop was setting pods.

NITROGEN USE BY CROP

FERTECON FERTILIZER & CROP INDICES

Source: IFA



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.

AGRICULTURAL POLICY

CHINA: Whilst China has avoided commercialisation of genetically modified (GMO) soybeans for many years, there is now evidence that it is ready to push forward with their adoption. The country has already embraced GMO technology for cotton but has not yet permitted cultivation of any GMO food crops, fearing consumers would avoid health risks. However, this week China unveiled its plans for commercialising GMO soybeans in an effort to make its agriculture sector more efficient and boost crop growth.

In its latest five-year science and technology plan, ending in 2020, the government identified specific GMO crops, including soybeans. The government's website last week recommended "pushing forward the commercialization of new pest-resistant cotton, pest-resistant corn and herbicide-resistant soybeans."

A recent source of debate amongst fertilizer analysts has been the extent to which China's agriculture sector might adapt in order to grow more food whilst neutralising fertilizer application growth, as per the "0% Growth" policy it announced in 2015. And whilst commercial production of pest-resistant GMO soybeans won't immediately effect fertilizer consumption (least of all because Chinese soybean production pales in comparison to corn, wheat, and fruit and vegetables production – for all of which GMO production is currently banned) it may be an interesting indicator as to how the agriculture sector might develop over the next 5-10 years.

<http://agribusinessintelligence.informa.com/>

AMMONIA REPORT is prepared by **Marta Jamrozy** Phone: +44 20 7551 9798 Email: info@fertecon.com

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Subscriptions Enquiries: Phone: +44 20 7551 9664 Email: subscriptions@informa.com

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