Phosphate Report
Weekly review of the phosphate market

Fertecon
Agribusiness intelligence | informa

7 July 2016

- DAP barge trades at $299/ston fob NOLA, the lowest level seen since November 2009, amid falling corn prices
- Part cargoes Chinese and Russian DAP booked in Central America
- JPMC increasing Jordanian DAP production in July
- PhosAgro to return to full production in Russia in August
- RCF awards Wilson granular MAP 10-50-0 at $327.75 cfr India
- 11-44-0 MAP sold at $284 cfr in Brazil for July while August offers are lowered to $280-283 cfr
- EuroChem acquires controlling interest in Tocantins, subject to regulatory approval

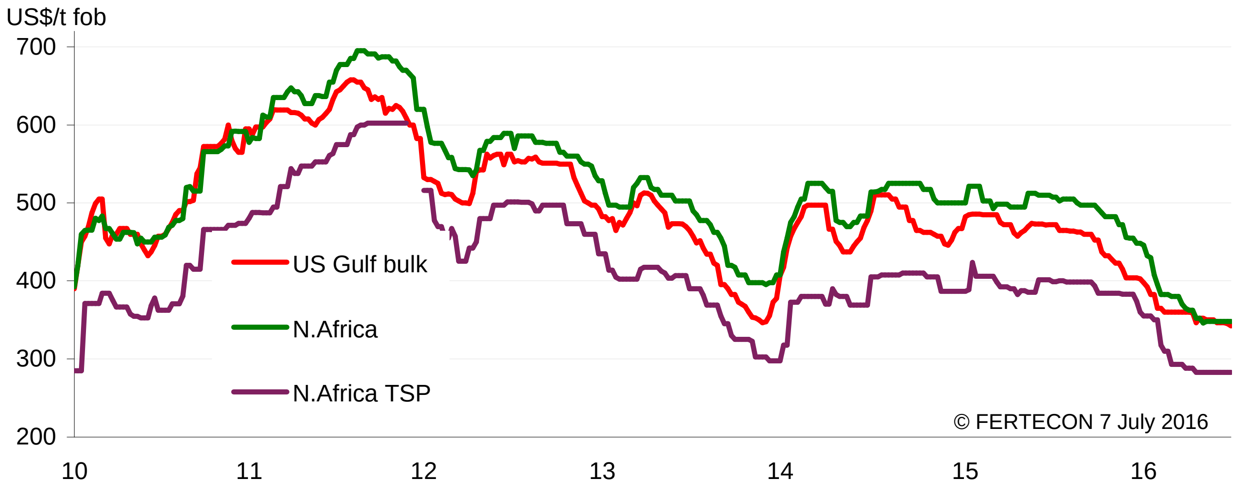
OUTLOOK

Stable to weak

KEY PRICES

	7 Jul	30 Jun	23 Jun
DAP $/t fob US Gulf	340-345	345	346-347
DAP $/t fob North Africa	341-355	341-355	341-355
DAP $/ston fob NOLA	299	305-310	305-312

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$

	7 July	30 June	23 June	Notes
DAP				
US Gulf fob bulk	340-345	345	346-347	
Morocco fob bulk	341-355	341-355	341-355	
Tunisia fob bulk	343-355	343-355	347-355	
Jordan fob bulk	336-341	336-341	336-341	
Saudi Arabia fob bulk	343-345	343-345	343-345	
Black Sea fob bulk	n.m.	n.m.	n.m.	
Baltic fob bulk	322-330	322-330	322-330	
Australia fob bulk	335-337	335-337	335-340	
China fob cash	328-331	330-335	332-335	
Benelux fca bulk duty paid/free	370-375	370-375	370-375	
India cfr bulk	342-348	342-350	342-350	
US domestic st NOLA	299	305-310	305-312	
Ctrl Florida st for	325	325	325	
GTSP				
Bulgaria fob bulk	290	290	290	
Morocco fob bulk	275-280	275-280	275-290	
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	335	335	
Baltic fob bulk	330-335	332-335	332-335	
Brazil cfr bulk	350-352	350-355	350-355	
PHOSPHORIC ACID				
US Gulf fob (P_2O_5)	n.m.	600	600	
India cfr (P_2O_5)	600	600-715	600-715	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	7-8
Saudi Arabia-India	30,000	6-7

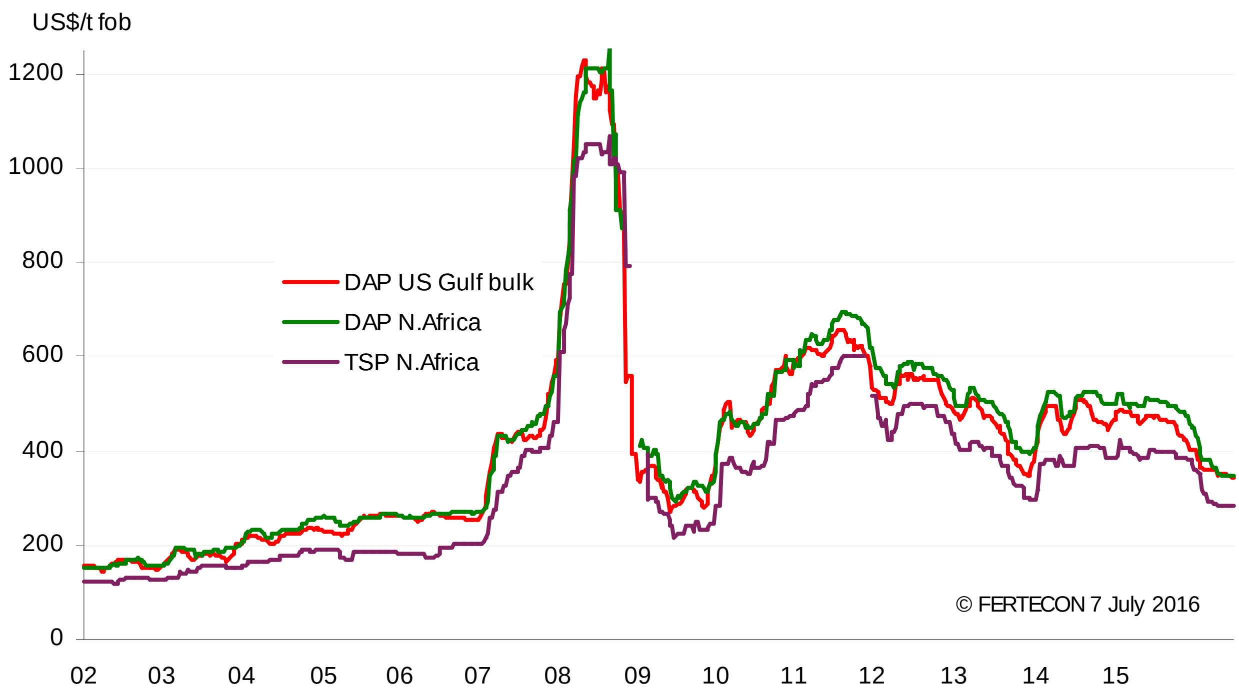
NB: All rates indicated are based on averages. Exact rates will depend on port loading and discharge rates

FERTECON TENDER SERVICE

Country/Holder	Product	’000 t	Date	Shipments	Remarks
Bangladesh/BCIC	MGA	50	25/5	Sep-1-half Nov	Three offers received
Bangladesh/BCIC	Phos rock	30	7/6		OCP lowest
India/RCF	MAP Lite/DAP Lite	20	15/6	July	Awarded to Wilson
India/RCF	NPK	30	13/7	July	
Bangladesh/BCIC	MGA	10	10/7		
Bangladesh/BCIC	Phos rock	30	11/7		
India/FACT	NPK	25	20/7	Jul-Aug	

EXCHANGE RATES (local currency:US$1)			
	7/07/2016	23/06/2016	7/07/2015
€ Euro	0.90349	0.90219	0.90546
£ Pound Sterling	0.77282	0.74635	0.64211
Turkish Lira	2.93670	2.89764	2.69565
Rupee India	67.44	67.6217	63.2313
Real Brazil	3.30855	3.27889	3.14542
China RMB	6.68851	6.64413	6.08876

DAP/TSP PRICES – 14 YEAR SERIES



ANALYSIS

There has been limited activity in the DAP and MAP markets with many countries observing Eid although prices have slipped on new business concluded this week. Brazilian and Argentinean imports are running ahead of last year, limiting the pressure on buyers to step back into a weak market at a time when shipments are usually at a quarterly seasonal peak. Argentinean and Brazilian buyers are being presented with lower offers to entice them back to the table, with trader positions of Chinese 11-44-0 weighing heavily on the latter. In Central America, DAP has been bought from China in the high $340s cfr west coast and from Russia, also taking much needed sales away from Mosaic despite the producer cutting offers for exports to $340-345 fob US Gulf.

The US market is also quiet and prices have eased further. Inventories in the US pipeline are believed to be relatively thin and trader length in the river limited. However in this market, as in others, concern about finished phosphate fertilizer oversupply in the international market, partly due to the lack of an agreement on Moroccan phosphoric acid, remains the overriding factor and is keeping most buyers on the sidelines. While this factor looks set to see the market remain soft in the short term, there is cautious optimism among suppliers that prices may be approaching a floor. The corollary of low demand at present for July shipment may be a higher concentration of monthly demand in August and September as requirements in Latin America and Asia become more pressing. However, whether this potential demand will permit prices to rise significantly later in Q3 remains to be seen. There is plenty of room for the currently reduced operating rates to be increased and there are still July tonnes hanging over the market. Raw material prices are weak, giving suppliers flexibility to make concessions on prices whist maintaining margins.

MARKETS

EUROPE

TURKEY: DAP imports were 32,390 t in May, bringing the y-t-d figure to 238,271 t compared to 81,322 t January-May 2015. The main sources of supply were ('000 t) Tunisia 92 (up 699%), Jordan 49 (up 19%), Russia 44 (up 83%), Lithuania 31 (nil Jan-May 2015), and Morocco 22 (nil Jan-May 2015). Source: GTIS/state Institute of Statistics

DAP imports in May included 16,500 t from Jordan, 14,000 t from Russia and 2,000 t from Tunisia.

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
Gemlik Gubre	EuroChem/Lithuania	30	Jul/Aug
Toros	OCP/Morocco	25	Jul/Aug
Total		**371**	

SOUTH AFRICA: Gavilon is in the freight market for 26,500 t bulk fertilizers loading Ust Luga (5,500 t MAP) and Riga (21,000 t CAN) in the Baltic 24-26 July for Durban.

ASIA

INDIA: No new DAP business has been reported this week, leaving prices to mark time, although Chambal is still said to be negotiating a second Kailin cargo with Aries for July shipment from China.

RCF is reported to have awarded Wilson 20,000 t granular MAP Lite 10-50-0 at $327.75 cfr under its 15 June tender.

The *Genco Ocean* has been fixed to load 30-35,000 t DAP in China in 1-half July, covering Chambal's purchase from Aries at $347 cfr including 180 days' credit that was reported last week.

The *Great Ocean* is loading about 30,000 t DAP in Saudi Arabia for mid July delivery to Kandla, covering Sabic's earlier reported sale which it has emerged was booked by KIT/IFFCO. Pricing of the cargo is now variously reported in the range $345-350 cfr.

NFL and RCF have reduced their prices for DAP to Rs 21,200 bagged delivered farm.

The latest provisional data from the FAI show producers' and importers' DAP/DAP Lite sales to dealers totalled 807,688 t in June, 36% higher than the 505,908 t sold in May but 27% below the 1.101 million t placed in June 2015. This brought April-June sales to 1.507 million t, down 33% on sales of 2.25 million t in the first three months of the 2015-16 fertilizer year.

The opening stock with States as at 1 July was reported to be 927,576 t, 23% higher than the 757,369 t 1 June opening inventory.

DAP stocks are estimated at around 395,500 t at various ports as at 4 July 2016, as follows:

Port	'000 t
Kandla	91.0
Mundra	114.5
Tuticorin	35.0
Krishnapatnam	11.0
Gangavaram	30.0
Kakinada	99.0
Total	**395.5**

RCF has extended to 13 July the closing date of its tender for 30,000 t NPK 10-26-26 and revised the shipment period to Mundra to 2-half July.

FACT has announced a tender, closing on 20 July and valid to 4 August, for 25,000 t NPK 20-20-0+13S for August arrival at Tuticorin.

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	**To date**	**937**		
Chambal	YUC/China	42	*Stellar Eagle*	2 July
IFFCO	China	50	*LMZ Pluto*	9 July
Mosaic	Mosaic/US	61	*TBN*	July
TBC	Sabic/Saudi Arabia	35	*TBN*	July
IPL	Ma'aden/Saudi Arabia	40	*TBN*	July
Deepak	Swiss Singapore, Xiangfeng/China	32	*V Red Knot*	July
TBC	PhosAgro/Russia	60	*TBN*	July
Greenstar	PhosAgro/Russia	45	*TBN*	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
TBC	Ma'aden/Saudi Arabia	40-45	*TBN*	July
IPL	JPMC/Jordan	14	*TBN*	Mid July
Chambal	Sabic/Saudi Arabia	30	*TBN*	2- half July
TBC	Ma'aden/Saudi Arabia	35-40	*TBN*	2-half July

IFFCO	Yihua/China	50	*Jia Foison*	2-half July
July	**To date**	**729-739**		
Kribhco	OCP/Morocco	50	*TBN*	Aug
Chambal	Aries/China	30-35	*TBN*	Aug
Aug	**To date**	**80-85**		
Total	**Estimate to date**	**2,377-2,392**		

PAKISTAN: No new DAP business has been reported this week with the market interrupted by Eid.

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	Sabic/Saudi Arabia	25.0	*Calm Bay*	Apr
Engro	Quantum/Australia	55.0	*JS Rhone*	Apr-May
Fauji	Sabic/Saudi Arabia	27.5	*Martin Island*	May
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*	Jun
Engro	Ma'aden/Saudi Arabia	25.0	*TBN*	Jul
United Agro	Quantum/Australia	30.0	*TBN*	Jul
Agven	Kailin/China	33.0	*Glarus*	Jul
	TOTAL	**372.0**		

Kharif DAP balance sheet April-September 2016	**'000 t**
Opening stock 1 April	253
Forecast local production	422
Imports booked to date	263
Forecast availability	938
Forecast offtake	555
Closing stock 30 September 2016	383

THAILAND: About 20,000 t PhosAgro DAP arrived on the *Shao Shan 8 at* Ko Sichang that started unloading 21 June having sailed from Russia in early May, as previously reported.

VIETNAM: Sales of small lots Chinese DAP continue, typically for 3,000 t parcels and bagged prices are now reported to have gone below $360 cfr HCM.

The *Shao Shan 8* discharged 8,200 t PhosAgro DAP at Phu My on 4 July, understood to be for Tuong Nguyen. The 75,366 dwt *vessel* sailed from the Russian Baltic on 11 May, also with about 20,000 t for Thailand that arrived at Ko Sichang on 21 June and 47,500 t NP/NPK for east coast India that started discharging mid-June to cover a deal that Fertrade struck with IPL.

Unofficial port data show the import of 53,100 t DAP in June, including 43,000 t from China and 6,800 t from Russia.

OCEANIA

AUSTRALIA: MAP imports were 17,299 t in May compared to only 854 t in May 2015 and bringing the fertilizer y-t-d figure to 956,206 t, 21% above July 2014-May 2015. The main sources of supply were ('000 t) China 386 (up 66%), US 335 (up 5%), Mexico 125 (down 29%), Saudi Arabia 60 (almost 11-fold increase), Canada 37 (four-fold increase) Morocco 12 (nil July 2014-May 2015).

MAP imports in May included 10,000 t from US and 7,000 t from China.

Imports of DAP were 23,278 t in May, comprising 21,078 t from the US and 2,200 t from China, compared to just 24 t in May 2015. This brought July 2015-May 2016 imports to 181,573 t, 25% lower than the prior year period. The main supply sources were ('000 t) US 64 (up 19%), Saudi Arabia 57 (up 83%), China 54 (down 55%), Mexico 6 (down 83%).

The customs figures show the import of almost 35,000 t superphosphates in May, all coming from China. Imports over the first five months of 2016 total almost 220,000 t, a near 74% increase over imports in the same period of 2015.

Source GTIS/Australian Bureau of Statistics

NORTH AMERICA

UNITED STATES: Amid extremely thin liquidity this week, the DAP barge price has fallen to $299/ston fob NOLA, reflected in the sale of a dark material that traded yesterday for July loading.

Mosaic has sold a US MAP barge at a lower $312/ston fob for prompt shipment but rejected bids at $310.

The *Dolce Vita* was due to arrive at NOLA today, 7 July, shipped by PhosAgro as previously reported. However, it is now understood that the cargo is carrying 33,000 t Russian MAP, reportedly booked by United Suppliers.

Mosaic continues to indicate a central Florida price of $325/ston for DAP with a premium of $15/ston for MAP.

DAP imports were 571,817 July 2015-May 2016, 28% lower than the prior year period. The main sources of supply were ('000 t) Russia 201 (up50%), Morocco 184 (down 12%) and China 155 (down 64%).

Imports of MAP were 830,730 July 2015-May 2016, down 10% on the prior year period. The main sources of supply were ('000 t) Russia 418 (up 73%), Morocco 303 (down 13%) and China 86 (down 65%).

Source GTIS/U.S. Department of Commerce, Bureau of Census

Import cargoes reported for July-August 2016 arrival 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	-	*TBN*	July
TBC/Morocco	30	30	-	-	*TBN*	Aug
TBC/Morocco	30	30	-	-	*TBN*	Aug
Total July-August 2016	**110**	**143**	**30**			

LATIN AMERICA

ARGENTINA/URUGUAY: Competitive offer for MAP/DAP are understood to be in the low/mid $350s cfr although no new business has been reported this week.

The buying group comprising Profertil, YPF and ASP is reported to be in the market again for 15-18,000 t MAP/DAP for 2-half July shipment.

The buying group comprising Bunge/ACA is reported to be contemplating a return to the market for 10-12,000 t MAP/DAP for 2-half July-1-half August loading.

Nitron is reported to be offering Innophos TSP in the low/mid $300s cfr duty free for shipment from Mexico while Kailin is said to be asking about $290 cfr duty unpaid for Chinese TSP, equivalent to about $307 cfr duty paid.

BRAZIL: Prices for MAP have eased this week, with 11-52-0 falling to the low $350s cfr and reports that a parcel of 11-44-0 has been purchased at $284 cfr for July shipment from China. Competitive offers for 11-44-0 for August loading are cheaper, in the range $280-283 cfr, also reflecting a reduction on values available last week. However, bids have similarly moved south to below $275 cfr.

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

Brazil Phosphate Fertilizer Arrivals, July					
Charterer/Receiver	**Product**	**Origin**	**'000 t**	**Arrived/ETA**	**Vessel**
Paranagua					
TBC	TSP/NP 11-44	China	20.1	5 July	*Andromeda*
OCP	TSP	Morocco	25.0	6 July	*Miltiades*
Ameropa	MAP	China	20.0	8 July	*Seto Gloria*
Ameropa	MAP	Australia	25.5	9 July	*Nordrubicon*
TBC	TSP/SSP/Phos Rock/MOP	Israel	39.2	9 July	*Nikiforos*
Mosaic	MAP/MES	US	37.3	10 July	*Cielo Di Tocopilla*
Mosaic	MAP/MES	US	35.4	15 July	*Adfines North*
Mosaic	MAP/MES	US	35.6	16 July	*Nord Mumbai*
Mosaic	DAP/MAP/MES	US	34.4	17 July	*Discovery Bay*
7Seas	MAP	China	30.0	20 July	*Western Santos*
TBC	NP	China	30.0	25 July	*Slavyanka*
Rio Grande					
Yara	MAP	Saudi Arabia	33.0	1 July	*Ocean Glory*
Yara	MAP	Morocco	12.0	1 July	*Indigo Silva*
Unifertil	MAP	Morocco	6.0	1 July	*Indigo Silva*
CHS	MAP	Morocco	1.0	1 July	*Indigo Silva*
Yara	TSP	Morocco	1.5	1 July	*Indigo Silva*
Mosaic	MES 15	US	6.0	5 July	*Federal Tiber*
Piratini	MAP	US	8.0	9 July	*Orient Tribune*
Mosaic	MAP	US	6.7	9 July	*Orient Tribune*
Timac	MAP	US	6.2	9 July	*Orient Tribune*
Unifertil	MAP	US	3.5	9 July	*Orient Tribune*
Piratini	NP 9-46	China	8.5	18 July	*Andromeda*
Piratini	TSP	China	2.9	18 July	*Andromeda*
Ourofertil	NP 11-44	China	3.3	18 July	*Andromeda*
Ourofertil	TSP	China	1.1	18 July	*Andromeda*
Itaqui					
Risa	MAP	Nitron, PhosAgro	36.2	3 July	*Capetan Vassilis*
Recife					
Fertine	Ferts	US	4.0	22 July	*Chise Bulker*
Maceio					
Mosaic	Ferts	US	3.5	19 July	*Chise Bulker*
Aratu					
Mosaic	Ferts	US	TBC	13 July	*Chise Bulker*
Itacoatiara					
Amaggi	SSP/MOP	Israel	42.5	18 June	*Hemus*
Santos					
Mosaic	MAP/MES	US	25.2	3 July	*Cielo Di Venezia*
Yara	NPK	Norway	30.5	31 July	*Tenshou Maru*
Sao Fransico do Sul					
OCP	MAP/DAP	Morocco	11.0	4 June	*Shou Chen Shan*
Mosaic	Ferts	US	19.0	4 June	*Orient Accord*
Ameropa	Ferts	China	25.0	5 June	*Josco Hangzhou*
OCP	MAP	Morocco	18.0	26 June	*Clipper Brilliance*
Imbituba					
Mosaic	Ferts	US	5.6	15 July	*Discovery Bay*
Porto Alegre					
Heringer	MAP	Morocco	7.0	20 June	*Daiwan Wisdom*
Unifertil	MAP/DAP	US	4.0	21 June	*Rauli N*

CENTRAL AMERICA: Incofe is reported to have bought 9,000 t DAP and 20,000 t prilled urea from UralChem for Quetzal, Acajutla and Corinto, with the producer thought to be covering the DAP with PhosAgro product.

LATIN AMERICA: Incofe has awarded Trammo ex-China its 5 July tender for 20-31 July shipment to Buenaventura, Colombia and Caldera, Costa Rica, with the phosphates components as follows:

- 5,500 t dark DAP at $349 cfr
- 2,000 t 10-50-0 MAP at $321 cfr

Along with 20,000 t granular urea and 2,000 t amsul, freight is put at $18.

MEXICO: Tepeyac is reported to have bought 25,000 t MAP from Fertinal for August-October shipment in three lots to Topolobampo from Lazaro Cardenas.

SUPPLIERS

EUROPE

LITHUANIA: EuroChem is reported to have sold 15-20,000 t Lifosa DAP netting the low to the high $330s fob for July loading for various markets in west Europe.

DAP production was 38,141 t in May, bringing January-May output to 302,105 t, 0.5% below the first five months of 2015.

FSU

RUSSIA: **EuroChem** is reported to have sold another 20,000 t Kingisepp MAP to Ameropa netting about $330 fob for July shipment to Argentina, leaving it with 20-25,000 t of its slated production for this month available. The trader is in the freight market for 40,000 t MAP/DAP to load in Sillamae prompt-15 July onwards for Bahia Blanca plus 1-2 upriver ports in Argentina including San Nicolas.

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

- 15,000 t Kingisepp MAP and 15,000 t urea to Fertipar and Tocantins for Brazil
- 40,000 t MAP ex-Kingisepp to Ameropa for Argentina
- 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

PhosAgro is reported to have sold 30,000 t MAP to Latin America and 10,000 t DAP to Central America, both for August loading. The producer is understood to be anticipating similar demand for its NPKs and MAP in domestic and regional markets for August loading as it encountered in July, at about 300,000 t. The company is still understood to have August availability, however, with it reported to be planning to operate its plants at full capacity next month.

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

July

- 45,000 t DAP and 20,000 t 10-26-26 to Greenstar for India
- 300,000 t NPKs/MAP for domestic and regional markets

August

- 30,000 t MAP for Latin America
- 10,000 t DAP for Central America
- 300,000 t NPKs/MAP for domestic and regional markets

Gavilon is in the freight market for 26,500 t bulk ferts loading Ust Luga (5,500 t MAP) and Riga (21,000 t CAN) 24-26 July for South Africa.

AFRICA

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

OCP/Morocco	July
Est. Production	**630-650**
E. and W. Europe	115
Turkey	25
Africa	180
Bangladesh	-
India	55
US	120
Argentina	35
Brazil	165
Paraguay/Uruguay	-
Total	**695**

TUNISIA: GCT is reported to have sold 10,000 t DAP to Trammo for July shipment to Romania although price details are sketchy.

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

GCT/Tunisia	July
Est. Production	**60**
Romania	10
Turkey	16
Total	**26**

MIDDLE EAST

JORDAN: JPMC will increase DAP production to 40-45,000 t in July but output will be lowered again to about 30,000 t in August as it continues the revamp of its Aqaba plant.

SAUDI ARABIA: No new DAP/MAP business has been reported this week with the market interrupted by Eid.

The *Great Ocean* is loading about 30,000 t DAP for India, covering **Sabic's** earlier reported sale with it emerging that KIT/IFFCO was the buyer.

The supplier has a similar-sized cargo to load for Chambal this month, as previously identified.

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

MPC/Saudi Arabia	June	July
Est. Production	**240**	**240**
East Africa – Ma'aden	20	-
India – Ma'aden	95	75-85
India – Sabic	95	60
Pakistan – Ma'aden	-	25
Pakistan – Sabic	-	-
East Asia – Ma'aden	11	-
Brazil – Ma'aden	-	35
Total sales	**221**	**195-205**

ASIA

CHINA: Competitive offers for DAP have been reduced to $328-329 fob this week, helped once again by the further devaluation of the Chinese Yuan Renminbi against the US dollar.

Trammo has been awarded Incofe's 5 July tender for 20-31 July shipment based on supply from China, including 5,500 t DAP and 2,000 t 10-50-0 MAP netting $331 fob and $303 fob, respectively, before trader margins.

Aries is still said to be negotiating a second 30-35,000 t Kailin DAP cargo with Chambal for July shipment.

The *Genco Ocean* has been fixed to load 30-35,000 t DAP for India 1-half July, covering Aries' sale to Chambal netting the very low $330s fob that was reported last week.

Competitive offers for 11-44-0 MAP are reported to have been reduced to the low/mid $260s fob.

Extensive flooding has temporarily closed River navigation and some ports, for example, terminal 4 at Nanjing, which typically loads urea and phosphates. The heavy rains have disrupted loading for the past three days, affected Hubei phosphates producers' deliveries to the ports and apparently lead to a slight slowdown on the production front.

OCEANIA

AUSTRALIA: Trade figures show the export of nearly 53,800 t DAP in May, with 27,000 t to Pakistan and 26,750 t to Thailand.

Source GTIS/Australian Bureau of Statistics

The cargoes loaded on the *Eastern Cape* and the *Clipper Iwagi*, as identified previously.

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

IPL/Australia	June
Pakistan	30
Brazil	35-40
Total sales	**65-70**

NORTH AMERICA

UNITED STATES: Mosaic has lowered offers to $340-345 fob in an attempt to secure fresh sales for July-August shipment to Latin America although the producer has concluded no new business.

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

- 7,000 t DAP to Latin America at $345 fob

The latest GTIS/USDC data show the general decline in US DAP exports out of the US with less than 210,000 t shipped in May and the total volume of January-May 197,000 t below last year and 401,000 t below exports of DAP in the same period in 2014.

United States DAP Exports ('000 t product)						
	January - May			May		
	2014	2015	2016	2014	2015	2016
India	55.0	150.0	149.1	55.0	150.0	111.4
Mexico	132.0	125.9	122.3	37.9	32.9	16.4
Brazil	212.0	114.9	88.9	45.6	29.1	32.2
Japan	77.3	53.5	58.5	21.6	-	17.6
Colombia	63.7	69.0	48.8	5.7	11.7	5.0
Peru	48.5	26.0	36.5	-	-	16.8
Australia	73.6	38.5	33.5	-	-	-
China	58.2	-	0.2	-	-	-
Argentina/Uruguay	79.8	-	5.5	-	-	5.5
Other	201.2	218.6	62.0	59.2	60.4	5.8

Total	**1,001.3**	**796.4**	**599.1**		**225.0**	**284.1**	**210.7**

Source: GTIS/USDC

MEXICO: Fertinal is reported to have 25,000 t MAP/DAP to load for a trader in 2-half July and 30,000 t TSP to load for another trader in 2-half August, the latter as reported previously in our 12 May report.

On the domestic front, the producer is reported to have sold 25,000 t MAP to Tepeyac for August-October shipment in three lots from Lazaro Cardenas to Topolobampo. This is 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 *Adfines South* is due to arrival at Lazaro Cardenas next week, reported to have been fixed to cover Fertinal's previously identified sale to Chile.

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

Fertinal/Mexico	June	July	August
Carryover	**55**	**42**	**24**
Est. Production	**50**	**65**	**65**
Chile	36	35	35
Colombia	10	-	-
Mexico	15	22	22
Latin America (containers)	2	1	2
Trader – MAP/DAP	-	25	-
Trader - TSP	-	-	30
Total sales	**63**	**83**	**89**
Carryover	**42**	**24**	**0**

PHOSPHORIC ACID

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

INDIA: CIL is reported to have agreed \$600 P_2O_5 cfr including 30 days' credit with a jv partner. It is also understood to have bought around 10,000 t JIFCO phosphoric acid solution at \$600 P_2O_5 cfr with 30 days' credit. The vessel is reported to have sailed.

It is understood that shipments of Moroccan phosphoric acid were suspended with effect from 1 July in the absence of OCP finalising a Q2 price.

MFL will close a tender tomorrow, 8 July, valid for 15 days, for 20,000 t merchant grade phosphoric acid solution (52-54% P_2O_5) for 2-half July and 1-half September shipment in two lots to Chennai.

Phosphoric acid vessels identified for July arrival are as follows:

India – Phosphoric Acid Arrivals July				
Buyer/Port	**Supplier/Origin**	**'000 t solution**	**Vessel**	**Arrival**
GSFC/Sikka	OCP/Morocco	19.0	*Argent iris*	1 July
IFFCO/Kandla	JIFCO/Jordan	10.3	*Stolt Sea*	2 July
IFFCO/Kandla	ICS/Senegal	29.5	*Bochem Oslo*	6 July
FACT/Cochin	OCP/Morocco	10.0	*Chemroad Dita*	8 July
GSFC/Sikka	OCP/Morocco	20.0	*Azalea Galaxy*	10 July
Total July to date		**88.8**		

PHOSPHATE ROCK

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

INDIA: Phosphate rock vessels identified for July arrival are as follows:

India – Phosphate Rock Arrivals, July				
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
PPL/Paradeep	-	60,500	*Summer Lady*	9 July
Total July to date		**219,107**		

COMPANY NEWS

SWITZERLAND/BRAZIL: **EuroChem** Group AG has announced today, 6 July, the acquisition of a controlling interest (50%+1 share) in Fertilizantes **Tocantins**, a leading fertilizer distribution company in Brazil. The deal is subject to regulatory approval and expected to be concluded by end August 2016.

The acquisition is in line with EuroChem's strategy to strengthen its presence in the fast growing Latin American fertilizer market. With Fertilizantes Tocantins' market expertise, blending facilities and established network of 2,000 customers, this acquisition will strengthen EuroChem's capabilities in the region. Fertilizantes Tocantins is strategically located in Brazil's emerging fertile farming regions in the North, Northeast and Mid-West, with fertilizer sales reaching 740,000 t in 2015.

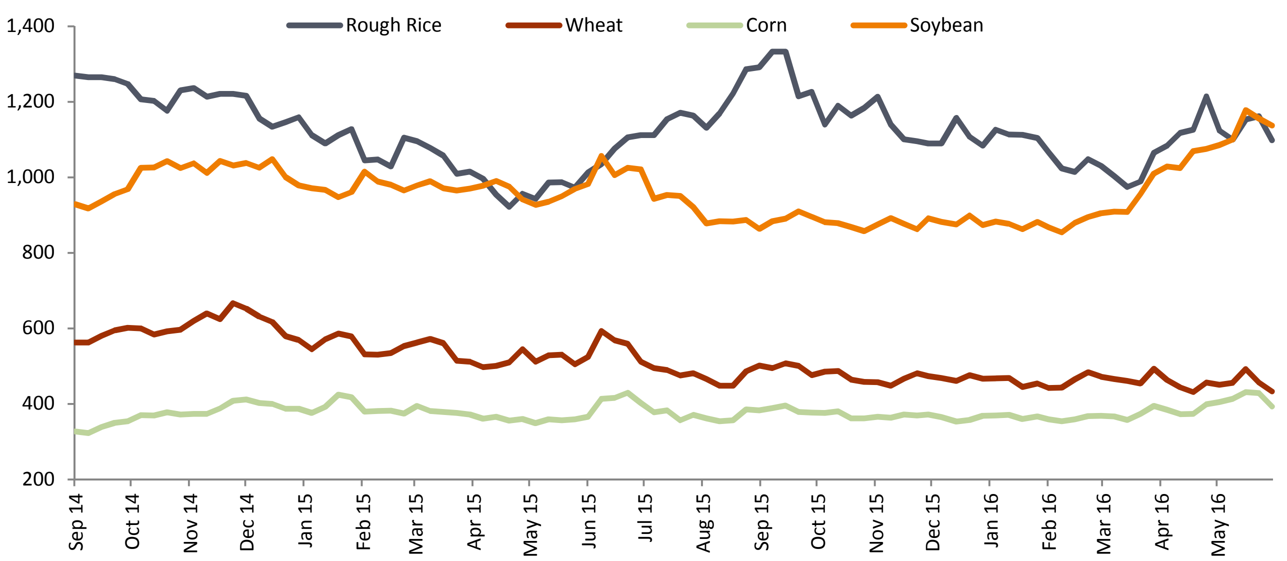
Under the terms of the acquisition, Mr José Eduardo Motta, Fertilizantes Tocantins' owner, will retain a significant interest in the venture whilst continuing to serve as CEO overseeing operational management and the strategic growth of the business.

Dmitry Strezhnev, EuroChem's CEO, commented: "The acquisition of Fertilizantes Tocantins creates compelling growth opportunities for EuroChem in Brazil, allowing us to significantly expand our offering of high-quality fertilizers to local farmers. With José Eduardo continuing as CEO, we are well placed to tap into Brazil's fast-growing fertilizer market."

José Eduardo Motta, Fertilizantes Tocantins' CEO, added: "With this backing from EuroChem, such an established global fertilizer producer, we are confident in our ability to significantly increase our market share in Brazil."

AGRICULTURE

WEEKLY CBOT CROP PRICES (¢/BU)



CROP FUTURES

CME CROP PRICES (cents/bushel)					
Product	**Q3 2016**	**Weekly Change**	**Q4 2016**	**Q1 2017**	**July 2015**
Corn	341.4	-36.2	348.2	357.6	416.2
Wheat	414.6	-4.9	438.6	455.2	568.2
Soybean	1,101.4	-21.6	1,073.2	1,072.0	1,006.2
Rough Rice	1,059.0	-31.0	1,086.5	1,111.0	1,076.5

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

CORN:	WHEAT:
Corn futures sank to a 2 year low as wet weather hit the US Midwest, easing the summer drought which had support the recent rally. More rain in dry areas is expected.	Wheat closed weaker again this week due to favourable US harvest progress and good crop conditions. The USDA's recent report showed wheat in a positive condition, adding pressure.
SOYBEAN:	**RICE:**
Good weather and excelling crop conditions in the US weighed on soybean futures – weakness was exacerbated by strong ratings last week from the USDA.	Another bad week for rice farmers with futures further deteriorating, partly due to spill over from weakness in other crops but also due to the excess supply situation.

FAO-OECD OUTLOOK

GLOBAL: Taking into consideration the discrepancy between projected global grain output and grain demand – and factoring in burgeoning grain inventory levels – the FAO and OECD expect crop prices to remain at relatively low levels in the short-term as well as over the next decade.

"Large stocks, low oil prices and a strong US dollar are likely to keep prices under pressure in the short run. Against this background, only radical or sudden changes in demand or supply are likely to alter the short-term outlook" the agencies said in the OECD-FAO Agricultural 2016-2025 report published on 4 July.

Global grain production is projected to increase by 12% by 2025 period compared to average output between 2013 and 2015. This increase is mainly driven by yield improvements, with limited area expansion, outlined the report. World trade in grains is projected to increase to 417 million t, up 10% from 2013-2015 to 2025.

In the medium-term nominal prices of wheat and coarse grains are projected to be primarily cost driven, increasing in nominal terms but not by enough to keep pace with inflation, which will likely result in slight declines in real terms.

On the demand side, developments in the fastest growing economies are also set to have more profound implications for trade as well as demand changes in China and their timing of releasing corn stocks creating a key uncertainty during the projection period.

REGIONAL MARKETS

FRANCE: France's soft wheat harvest will reach 37.26 million t this year, down by just over 9% from the record crop produced in 2015, according to the agricultural consultancy, Agritel. In its first estimate for this year, Agritel pegs the average yield at 7.09 t per hectare, down 10.4% from last year and 3.9% lower than the five-year average.

But a rise in area to an 80-year high - some 5% above the average for the past five years - will partly compensate for the drop in yields to the extent that this year's output will be up 0.8% on the average.

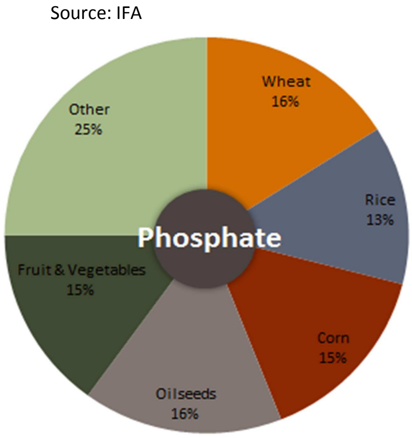
GLOBAL: The International Grains Council (IGC) raised its forecast for the 2016/17 world wheat crop in its latest report indicating that recent rains had helped increase volumes.

"Ample rains in recent months have improved wheat and barley prospects in a number of regions, particularly in Europe, the CIS (former Soviet Union) and North America, although concerns have arisen about below-average quality," the IGC said its report.

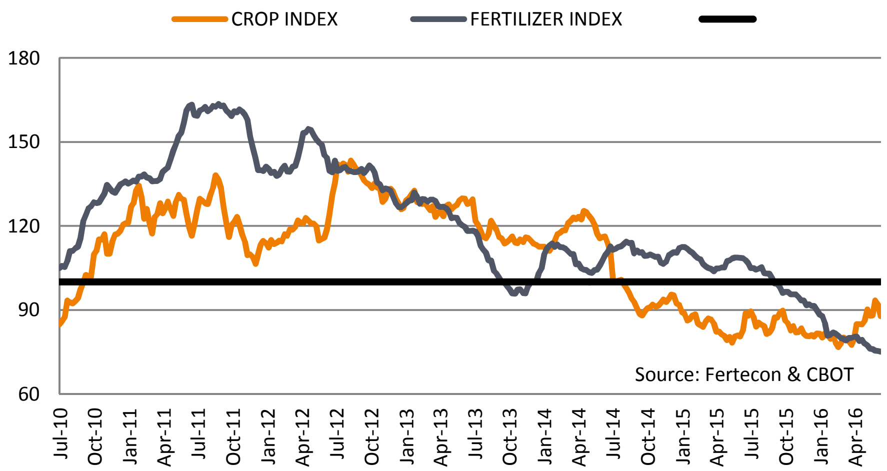
The Council projected a wheat crop of 729 million t, up 7 million t from the previous month's forecast but still below last season's 736 million t. The forecast for global grain stocks at the end of the 2016/17 season was raised by 8 million t to a record 482 million t, up from the previous year's 467 million t.

World corn production in 2016/17 was seen at 1.003 billion t, unchanged from a month earlier but above the previous season's 969 million t. The IGC also kept its forecast for the 2016/17 soybean crop unchanged at 320 million t, rebounding from the previous season's 312 million t and equalling production in 2014/15.

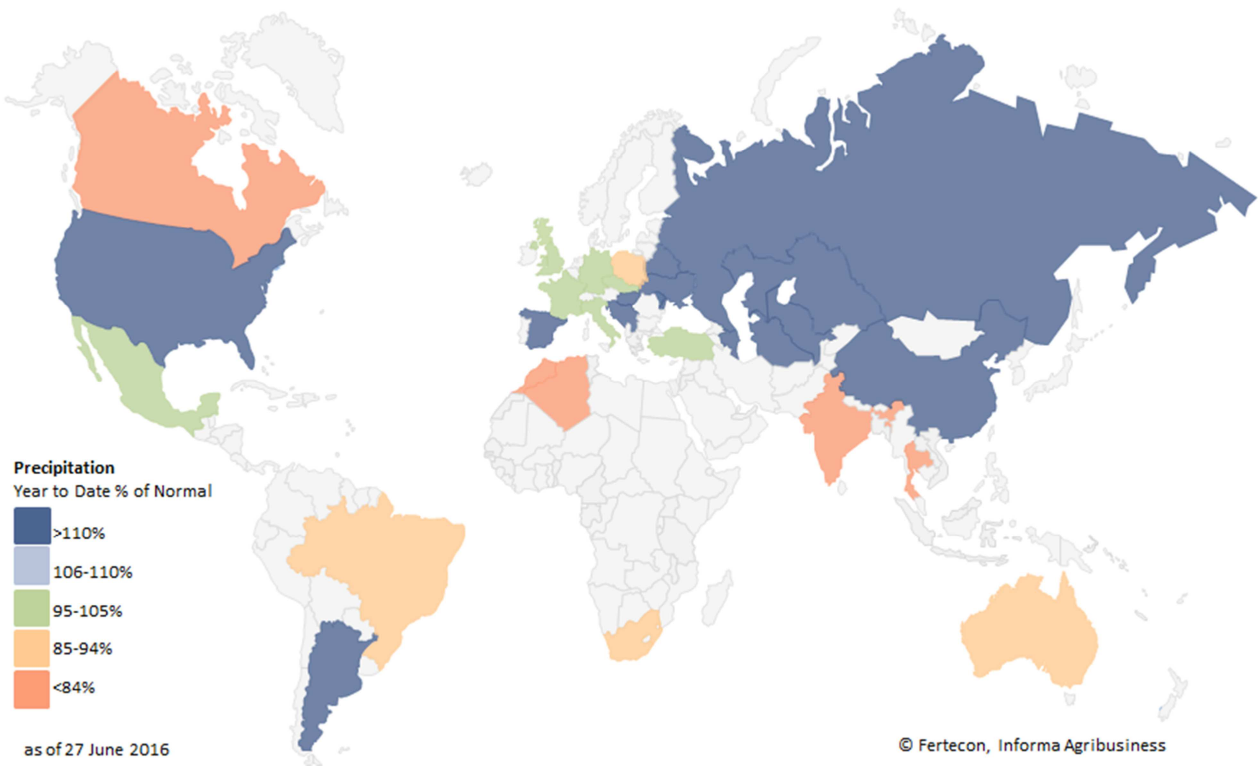
PHOSPHATE USE BY CROP



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.



FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
1 July	1030	691	627	344	677
4 July	1049	710	633	347	688
5 July	1034	735	637	349	692
6 July	1019	755	639	349	694
7 July	1008	779	644	352	699

Source: Baltic Exchange

FERTILIZER DERIVATIVES

DAP fob Tampa (metric tonne)				DAP fob NOLA (short ton)			
Month	**Bid**	**Offer**	**Mid**	**Month**	**Bid**	**Offer**	**Mid**
July	341	355	348	July	298	302	300
Aug	339	352	346	Aug	295	300	298
Sep	336	347	342	Sep	295	300	298

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