

## 18 August 2016

- DAP and MAP barges trade higher in the US NOLA market
- Large DAP quantities loading in Jordan in August for Turkey
- India buys Chinese DAP as low as the mid \$330s cfr
- Pakistan buys Chinese DAP in the low \$340s cfr
- Prices in Brazil slip to \$355 cfr on Moroccan MAP sales
- Nitron buys Australian MAP from Quantum for Latin America
- IFFCO agrees 2-half 2016 Peruvian 66.5% BPL rock phosphate contract in the low \$90s cfr

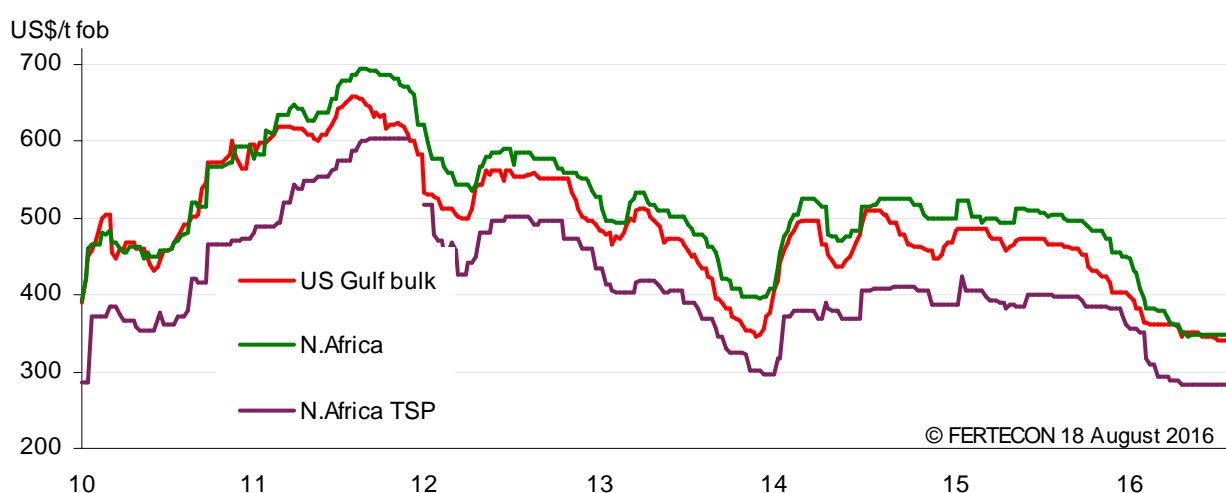
## OUTLOOK

Slightly soft

## KEY PRICES

	18 Aug	11 Aug	4 Aug
DAP \$/t fob US Gulf	335-337	335-337	340
DAP \$/t fob North Africa	340-355	340-355	340-355
DAP \$/ston fob NOLA	321-326	312-320	309-315

## 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\$

	18 August	11 August	4 August	Notes
<b>DAP</b>				
US Gulf fob bulk	335-337	335-337	340	
Morocco fob bulk	340-355	340-355	340-355	
Tunisia fob bulk	343-350	343-350	343-350	
Jordan fob bulk	335-336	335-336	336-342	
Saudi Arabia fob bulk	334-342	334-342	338-340	
Black Sea fob bulk	n.m.	n.m.	n.m.	
Baltic fob bulk	322-330	322-330	322-330	
Australia fob bulk	330	330	332-335	
China fob cash	325-329	325-330	325-330	
Benelux fca bulk duty paid/free	370-375	370-375	370-375	
India cfr bulk	335-343	335-343	336-345	
US domestic st NOLA	321-326	312-320	309-315	
Ctrl Florida st for	325	325	325	
<b>GTSP</b>				
Bulgaria fob bulk	290	290	290	
Morocco fob bulk	275-280	275-280	275-280	
Tunisia fob bulk	285-290	285-290	285-290	
Lebanon fob bulk	270	270	270	
Mexico fob	300	300	300	
China fob bagged	250-255	250-255	250-255	
<b>MAP</b>				
Black Sea fob bulk	337-340	337-340	335-340	
Baltic fob bulk	337-338	337-340	337-338	
Brazil cfr bulk	355	355-358	355	
<b>PHOSPHORIC ACID</b>				
US Gulf fob (P <sub>2</sub> O <sub>5</sub> )	n.m.	n.m.	n.m.	
India cfr (P <sub>2</sub> O <sub>5</sub> )	600	600	600	30 days
<b>PHOSPHATE ROCK</b>				
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	18-25
North Africa-India	30-35,000	21-23
Jordan-India	40,000	8-9
Saudi Arabia-India	30,000	6-8

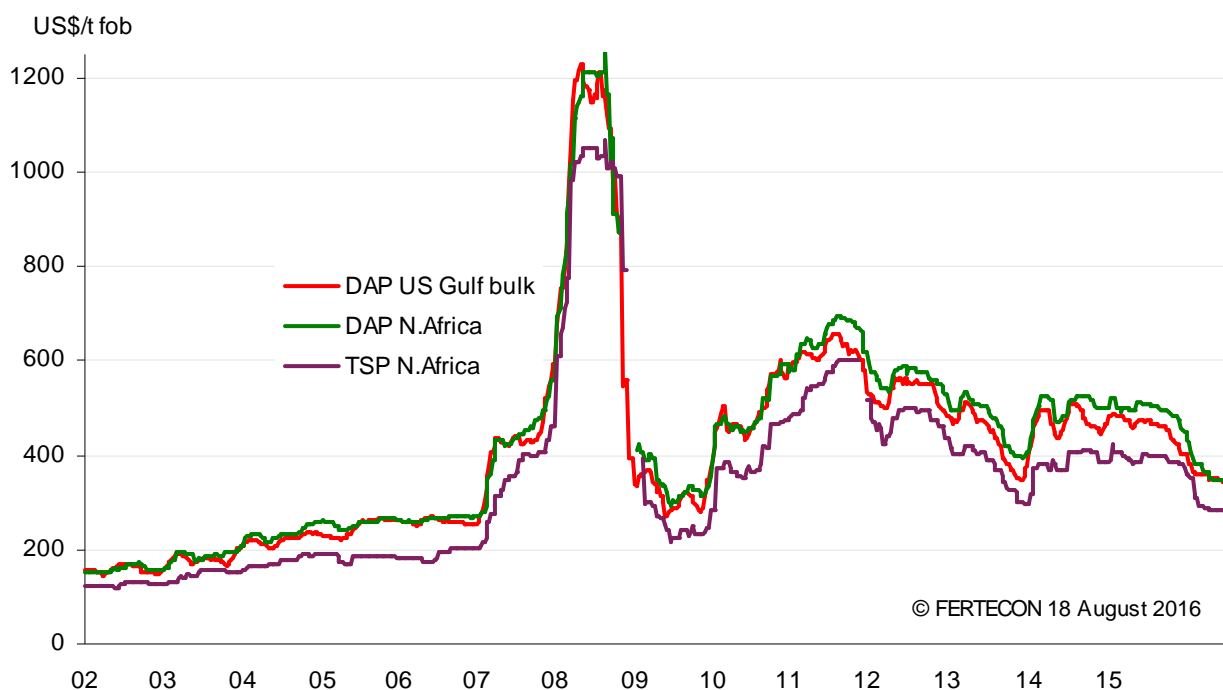
NB: All rates indicated are based on averages. Exact rates will depend on port loading and discharge rates

## FERTECON TENDER SERVICE

Country/Holder	Product	'000 t	Date	Shipments	Remarks
Bangladesh/BCIC	MGA	50	25/5	Sep-1-half Nov	Three offers received
Bangladesh/BCIC	MGA	10	11/7		Awarded
Bangladesh/BCIC	Phos rock	30	11/7		Two offers received
India/RCF	NP	30	25/7	Aug	Two offers received
Algeria/Asfertrade	MAP	40	2/8	Aug-Sep	
India/NFL	NP	30	3/8	Aug	Three technical offers
India/NFL	DAP	50	5/8	Aug	Five price offers opened
India/RCF	NPK	30	8/8	Aug	
India/FACT	NP	25	16/8	Aug-Sep	Two technical offers
Pakistan/Fauji	DAP	40	16/8	Aug-Sep	Rumoured awarded
India/RCF	MAP Lite/DAP Lite	40	18/8	Sep-Oct	11 technical offers
India/NFL	NPK	45	19/8	Aug-Sep	
Nepal/AIC	DAP	20	5/9		

EXCHANGE RATES (local currency:US\$1)			
	18/08/2016	11/08/2016	18/08/2015
€ Euro	0.88699	0.89623	0.90150
£ Pound Sterling	0.76747	0.76691	0.63969
Turkish Lira	2.92966	2.95957	2.84800
Rupee India	66.8452	66.6342	65.1880
Real Brazil	3.20713	3.13639	3.48074
China RMB	6.63066	6.64167	6.38465

## DAP/TSP PRICES – 14 YEAR SERIES



## ANALYSIS

New business in the phosphate market has been reported at stable or lower prices in most countries this week, with the US the only one to have bucked the trend. OCP is reported to have sold a large volume of mainly MAP at \$355 cfr for September shipment to Brazil. While this is marginally firmer than last done for Moroccan product in this market, it is lower than prices concluded on sales of Russian product in recent weeks. In the wake of the Moroccan sales, buyers are reported to have taken to the sidelines, showing little to no interest at \$355 cfr for new vessels for September/October loading.

Another DAP sale has been reported in the low \$350s cfr in Turkey, again for Moroccan tonnes, down from the high \$350s-low \$360s cfr agreed late last and earlier this month for Jordanian product. Besides Tunisian DAP, Turkey is absorbing large quantities of Jordanian DAP, with the Aqaba line-up showing more than 90,000 t loading for this market this month. Turkey has lessened the pressure on GCT and JPMC to find a home for product but with plenty of DAP available from other sources the prospects for prices are not overly promising. OCP still appears to be driving volume to justify the additional capacity it is bringing on stream this year and China also appears to be a weak link, particularly in terms of supply from Hubei producers.

In the east, traders seem to have started to go short, lacking confidence in the phosphate market for the remainder of Q3 and into Q4. There are reports of lower prices of just above \$340 cfr secured for Chinese DAP in Pakistan while a tender in India has been awarded at \$335 cfr sight equivalent. This would net China the low \$320s fob and while producers do not appear ready to accept this level yet, the market appears to be heading in this direction.

As prices come under pressure in the east and start to stabilise and even soften in South America, this could well see current rising prices in the US attract more imports and the DAP market stall above \$330/ston fob NOLA. Prices for DAP barges have this week traded up from \$321 to \$326/ston fob NOLA.

Competition in deep-sea markets in late Q3 and into Q4 from US, FSU and Moroccan producers is likely to add to the downward pressure on prices. Europe is unlikely to absorb large quantities of North African and FSU DAP and MAP until late in Q4 with buyers eying lower prices between now and then for spring 2017 application. OCP, GCT, PhosAgro and EuroChem will likely be obliged to cut prices to sell October-November tonnage to deep-sea markets, where there will be reduced opportunity to sell DAP and MAP as Latin American and Asian enquiry subsides and African and Australian demand fails to take up the slack, exacerbated by likely relatively large supply from China again in Q4 this year.

## MARKETS

## EUROPE

**TURKEY:** GubreTas is reported to have bought 30-35,000 t DAP from OCP in the low \$350s cfr for September shipment from Morocco.

The *Uni-Brothers* is loading 18,000 t JPMC DAP and 5,000 t Nippon DAP in Jordan, covering an early August purchase by Ost Olgun at a price equivalent to the low \$350s cfr including 180 days' credit for the JPMC DAP.

The *Comet* sailed from Jordan on 14 August, reportedly with 3,900 t JPMC DAP and 5,700 t Nippon DAP purchased by Sirkenli from Ameropa at \$358 cfr and \$382 cfr, respectively.

The *Al Hani* is due to arrive in Jordan shortly, reportedly to load 5,500 t Nippon DAP for Toprak.

The *Ince Inebolu* is scheduled to arrive in Jordan tomorrow, 19 August, reportedly to load 40,000 t JPMC DAP for Samsung and Yarimca. This may be to cover a purchase by GubreTas although this has not been confirmed.

The *Hanaro Melody* has been fixed to load 20,000 t DAP in Jordan 25-30 August, covering Toros' earlier reported purchase from Helm in the low \$350s cfr including 180 days' credit for shipment to Ceyhan.

A 20,000 t Greek NP 20-20-0 is reported to be combing for Igsas. There are unconfirmed reports it was purchased from Actatrade at about \$258 cfr.

## TURKEY: DAP PURCHASES 2016 ('000 t)

Buyer	Supplier	DAP	Arrival
Jan-April		208	

Various	Ameropa/Jordan	8	May
Gemlik Gubre	PhosAgro/Russia	15	May/Jun
Igsas	GCT/Tunisia	6	May/Jun
Igsas	GCT/Tunisia	6	May/Jun
Igsas	GCT/Tunisia	6	May/Jun
Distributor	GCT/Tunisia	6	May/Jun
Gemlik Gubre	PhosAgro/Russia	15	May/Jun
TBC	OCP/Morocco	30	Jun/Jul
Igsas	GCT/Tunisia	8	Jul
Distributor	GCT/Tunisia	8	Jul
Ost Olgun	JPMC/Jordan	3	Jul
Gemlik Gubre	EuroChem/Lithuania	30	Jul/Aug
Toros	OCP/Morocco	25	Jul/Aug
GubreTas	GCT/Tunisia	60	Jul/Aug
TBC	EuroChem/Lithuania	35	Aug
TBC	JPMC/Jordan	6	Aug
TBC	Helm/Jordan	12	Aug
Sirkenli	Jordan	10	Aug
GubreTas	GCT/Tunisia	50	Aug/Sep
Ost Olgun	Jordan	23	Sep
Toprak	Jordan	5	Sep
TBC	Jordan	40	Sep
Toros	Helm/Jordan	20	Sep
GubreTas	OCP/Morocco	30-35	Sep/Oct
GubreTas	GCT/Tunisia	70	Sep-Dec
<b>Total</b>		<b>735-740</b>	

## ASIA

**BANGLADESH:** BADC has finalised with Ma'aden about 25,000 t DAP, priced under formula, for September shipment from Saudi Arabia under their government-to-government agreement for 150,000 t DAP plus option for 2016. This will be the second cargo to load under the contract, following on from the 26,250 t DAP loaded on the *Sea Lion* in April.

The *Paris Trader* is due to arrive with 27,800 t TSP from Sfax, Tunisia in Chittagong tomorrow, 19 August, understood to be the third vessel to be received by BADC under its 2016 contract with GCT.

**CHINA:** There is some activity in the DAP market but it is not meaningful and only picking up slowly. Despite the low level of demand, prices are holding in a wide range from Rmb 2,000 up to the low Rmb 2,100s bagged ex-works. The winter wheat season starts in September and runs through October.

**INDIA:** NFL is reported to have awarded Amber 50,000 t DAP at \$339.75 cfr west coast including 180 days' credit under its 5 August tender.

Chambal is reported to have booked a second 35,000 t Kailin DAP from Aries in the high \$330s-340 cfr for August shipment from China with the 56,147 t *Eleftherotria* due to arrive early September to supply the tonnes.

Chambal is due to receive the *Sea Arrow* with 35-37,000 t Kailin DAP end August, representing the earlier reported first August shipment by the supplier.

The *Rave* is reported to have been nominated to load 45-50,000 t DAP in China, covering IPL's purchase from Ameropa at \$340 cfr that was reported last week.

Chambal is due to receive the *Pan Bonita* with 35,971 t Chinese DAP at Vizag on 20 August under its long term contract likely with YUC.

IPL is due to receive the *Jun Hao* with 30,660 t DAP and 35,340 t NPS 20-20-0-13s ex-China at Krishnapatnam under an earlier purchase likely from Drey Moor.

Zuari closed a limited participation e-tender on 16 August for 10,000 t powder 11-44-0 MAP and 5,000 t amsul for arrival by 7 September.

RCF has received 11 technical offers under its 18 August tender, valid for 30 days, for 2 x 20,000 t granular MAP Lite 10-50-0/DAP Lite 16-44-0 for September and October shipment to MBPT, as follows:

Supplier	Origin	'000 t	Producer	Validity	Shipment
Aries	DAP	2 x 20	Kailin	25 August	
Amber	GMAP	2 x 20	Yichang New Yangfeng	APT	
Ameropa	GMAP	2 x 20	Yunnan Hongxiang	31 August	
Drey Moor	GMAP	20	Hubei Sanning	22 August	September
Fert Trade	GMAP	2 x 20	Liuguo	28 August	
Sun International	DAP	2 x 20	Anhui Liuguo	25 August	
Transglobe	GMAP	2 x 20	Hubei Huaxiangda	23 August	
Valency	DAP & GMAP	2 x 20	Yunnan Chenjiang	APT	
Wilson	DAP & GMAP	2 x 20	Hubei Xiangwen and Liuguo	Two weeks	
Yichang Dongsheng	GMAP	20	Hubei Dongsheng	APT	October
YUC	DAP & GMAP	2 x 20	YUC	APT	

FACT is reported to have received two technical offers from Swiss Singapore and Trammo under its 16 August re-tender for 25,000 t 20-20-0+13S for September delivery to Tuticorin.

NFL has extended to 19 August its tender for 45,000 t 10-26-26 for shipment to Gangavaram/Vizag/Kakinada by 12 September at the latest.

IPL is due to receive the *IVS Sparrow Hawk* with 30,009 t Indonesian NPS 20-20-0+13S at Vizag on 18 August.

2016-17 fertilizer year DAP imports are as follows:

India DAP Arrivals, 2016/17				
Buyer	Supplier/Origin	'000 t	Vessel	Arrival
<b>April</b>		<b>181</b>		
<b>May</b>		<b>450</b>		
<b>June</b>		<b>938</b>		
<b>July</b>		<b>721</b>		
TBC	PhosAgro/Russia	60	TBN	Aug
Greenstar	PhosAgro/Russia	44	Aeolian Breeze	Aug
Kribhco	Ma'aden/Saudi Arabia	44	Nan Hai	Aug
TBC	Ma'aden/Saudi Arabia	35-40	TBN	Aug
IPL/Mosaic	Mosaic/US	55	STH Athens	3 Aug
IPL	Fertrade	66	Good Hope	5 Aug
Chambal	Aries/China	34	Pretty Keel	8 Aug
Chambal	YUC/China	40-45	Kamari	1-half Aug
IFFCO	Yihua/China	50	Peace Bright	1-half Aug
IFFCO	Fertrade/China	50	Iolcos Unity	1-half Aug
Kribhco	OCP/Morocco	50	Cas Avanca	Aug
Chambal	Aries/China	30-35	Genco Ocean	Aug
IPL	Fertisul/China	50	Shao Shan 7	Aug
IPL	Rare Earth/China	45-50	TBN	Aug
TBC	Ma'aden/Saudi Arabia	45	TBN	Aug

TBC	Ma'aden/Saudi Arabia	45	TBN	Aug
TBC	Sabic/Saudi Arabia	30	TBN	Aug
NFL	Swiss Singapore	50	TBN	Aug
IFFCO	Fertrade/China	50	Brave Heart	2-half Aug
IFFCO	Fertrade/China	50	Sea Wind	2-half Aug
IPL	Mosaic/US	54	Unity Spirit	2-half Aug
Chambal	YUC/China	36	Pan Bonita	20 Aug
Mosaic	Mosaic/US	52	Kang Sheng	21 Aug
Chambal	Aries/China	35-37	Sea Arrow	End Aug
Mosaic	Mosaic/US	51	K. Coral	End Aug
IPL	Midgulf/China	50	Fu Tong	End Aug
NFL	Midgulf/China	50	Oregon	End Aug
IPL	Ameropa/China	45-50	Rave	End Aug
<b>August</b>		<b>1,296-1,323</b>		
IPL	Dreymoor/China	31	Jun Hao	Sep
NFL	Amber/China	50	TBN	By 5 Sep
Chambal	Aries/China	35	Eleftherotria	Sep
<b>September</b>	<b>To date</b>	<b>116</b>		
<b>Total</b>	<b>Estimate to date</b>	<b>3,702-3,729</b>		

The Government may allow supply of pooled gas to companies producing phosphatic (P) and potassic (K) fertilizers, local press has 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 supply of gas to fertilizer units producing phosphatic and potassic 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 from P and K producers, which is now considered not to be viable.

**INDONESIA:** The Kujang tender for 15,000t 61% nutrient DAP was postponed, and closed today, 18 August.

**PAKISTAN:** Pak Arab is reported to have bought 40,000 t DAP from Yihua at \$343 cfr for end August/1-half September shipment from China.

There are unconfirmed reports that Fauji has awarded Quantum 40,000 t Chinese DAP above \$340 cfr for arrival by 20 September under its 16 August tender, valid to 22 August, for 40,000 t DAP for delivery to Karachi preferably by mid-September. The buyer is understood to have received six offers, the most competitive in the very low \$340s cfr.

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

Pakistan DAP Arrivals 2016					
Buyer	Supplier/Origin	'000 t	Vessel	Arrival	
<b>Jan-May</b>		<b>160.0</b>			
Engro	Dreymoor/China	45.0	Courageous	May/Jun	
Chawla	Quantum/Australia	27.0	Eastern Cape	Jun	
United Agro	Quantum/China	30.0	Aurora Bulker	Jun	
Pacific Chartering	Ameropa/China	25.0	New Lotus	Jul	
Engro	Ma'aden/Saudi Arabia	25.0	Ananya Naree	Jul	
United Agro	Quantum/Australia	33.0	Four Butterfly	Jul	
Agven	Kailin/China (Dayukou)	33.0	Glarus	Jul	
Engro	Dreymoor/China	40.0	Minoan Grace	Aug	
Chawla	Quantum/Australia	30.0	Baltic Cove	Sep	
Engro	Quantum/Australia	50.0	Amis Wisdom I	Sep	

Engro	Trammo/China	45.0	TBN	Sep
Agven	Kailin/China	30.0	TBN	Sep
Pak Arab	Yihua/China	40.0	TBN	Sep
<b>Total</b>		<b>613.0</b>		

**THAILAND:** The *Da Yang Bai Li* sailed with 6,600 t granular 10-50-0 MAP from China on 14 August, reportedly shipped by Fertilisul.

**VIETNAM:** There are reports of bulk Chinese DAP being offered as low as \$340 cfr HCM, although this is \$5 below recent offers of, for example, Wengfu DAP. Well regarded brands of Chinese DAP in bags are offered at \$355 cfr. Currently demand is slow as it is out of the main season and stocks are probably comfortable. However, importers are still looking at imports to arrive in time for the winter-spring paddy application season, which normally starts in October.

Published trade figures show the import of 86,500 t DAP and nearly 38,000t of NPKs. Unofficial data has 51,000t DAP coming from China, with only 14,000t as cross border trade, 22,000t from Australia, sold by Quantum to Vinacam, 7,250 t from Russia, sold by Phosagro to Tuong Nguyen and 6,000t from Korea. Our unofficial data only shows the import of 31,000t NPKS with 6,400t from Russia, 6,200 t from Philippines-marking the restart of Philphos exports to Vietagro, and 4,900 t from Korea.

## NORTH AMERICA

**UNITED STATES:** DAP barges are reported to have traded higher in the range \$321-326/ston fob NOLA for September loading this week. Bids for Mosaic DAP were reported up to \$324-325/ston fob NOLA for prompt shipment.

A Mosaic MAP barge is reported to have traded at \$330/ston fob NOLA and an open origin MAP barge at \$335. MAP has also changed hands at \$338/ston fob NOLA for August loading this week.

Barge liquidity continues to be focussed on transactions between trading companies with limited dealer buying to confirm real end user demand support for the higher numbers. The scattered but locally heavy rains in north central and east Texas have encouraged some farm level demand there, but everywhere else it is a case of watching the crops grow. While low crop prices continue to concern to wholesaler and dealers, the fact that all fertilizer prices are significantly lower this year than last is having some beneficial effect on demand. On an interesting note, when wheatbelt wholesalers and dealers are showing interest it is for P and K fertilizers, which is unusual.

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

US DAP/MAP/TSP Arrivals 2016/2017						
Supplier/Origin	DAP	MAP	TSP	NP+S+Z	Vessel	Arrival
United Suppliers/PhosAgro, Russia	-	33	-	-	<i>Dolce Vita</i>	7 July
Koch/Morocco	25	25	-	-	<i>TBN</i>	July
Gavilon/Morocco	25	25	-	-	<i>TBN</i>	July
Helm/Morocco	-	-	30	-	<i>IVS Phinda</i>	26 July
CHS/Morocco	30	30	-	-	<i>Oceanus</i>	10 Aug
TBC/Morocco	30	30	-	-	<i>TBN</i>	Aug
ADM/ PhosAgro, Russia	25	10	-	-	<i>Roztocze</i>	31 Aug
TBC/Morocco	30	30	-	-	<i>TBN</i>	Sep
TBC/Morocco	30	30	-	-	<i>TBN</i>	Sep
Helm	-	-	30	-	<i>TBN</i>	Oct
<b>Total July-October 2016</b>	<b>195</b>	<b>213</b>	<b>60</b>	<b>0</b>		

## LATIN AMERICA

**ARGENTINA:** Nitron is reported to have bought 30-35,000 t MAP from Quantum for September shipment from Australia, with at least part said to have been finalised on a cfr basis in the mid \$350s.

A trader is reported to be offering 10-50-0 MAP from China at \$328 cfr.

**BRAZIL:** Prices for MAP have fallen to \$355 cfr, reflected in the reported sale of to 200,000 t MAP and NPS mainly plus DAP by OCP in the mid \$350s cfr for the MAP and DAP for September shipment from Morocco.



According to the statistics from **ANDA**, **MAP production** was 67,662 t in July, 18% below the 82,642 t manufactured in July 2015. This brought y-t-d 2016 output to 628,539 t, 14% lower than the 728,727 t produced January-July 2015.

**TSP output** in July at 51,913 was 35% lower than July 2015 production of 79,613 t. This brought January-July production to 515,206 t, 6% lower than the first seven months of 2015 figure of 547,759 t.

**SSP production** was 463,614 t in July, 7% above output of 433,526 t in July 2015. This brought y-t-d output to 2.598 million t, up less than 1% on the 2.588 million t manufactured January-July 2015.

Overall production of finished phosphates fertilizers in July was 9% lower than July 2015, at 154,099 t P<sub>2</sub>O<sub>5</sub> (168,687 t P<sub>2</sub>O<sub>5</sub> in July 2015). This brought January-July 2016 output to 1.108 million t P<sub>2</sub>O<sub>5</sub>, 5% lower than the January-July 2015 figure of 1.167 million t P<sub>2</sub>O<sub>5</sub>.

Phosphate **deliveries** to end consumers in July totalled 549,264 t P<sub>2</sub>O<sub>5</sub>, up 3% on July 2015 (533,627 t P<sub>2</sub>O<sub>5</sub>). This brought January-July 2016 deliveries to 2.295 million t P<sub>2</sub>O<sub>5</sub>, up 7% on January-July 2015 (2.141 million t P<sub>2</sub>O<sub>5</sub>).

Vessels arriving into Paranagua in August-early September are as follows:

Brazil Phosphate Fertilizer Arrivals, Aug/early Sep					
Charterer/Receiver	Product	Origin	'000 t	Arrived/ETA	Vessel
<b>Paranagua</b>					
EuroChem	MAP	Russia	14.7	4 Aug	<i>Lyulin</i>
Helm	NP 11-44	China	30.0	8 Aug	<i>Clipper Isabela</i>
Mosaic	DAP/MAP/MES	US	38.8	11 Aug	<i>Discovery Bay</i>
Mosaic	DAP/MAP/MES	US	30.5	13 Aug	<i>Strategic Alliance</i>
Mosaic	MES/DCP	US	38.0	16 Aug	<i>Olga Topic</i>
OCP	MAP/NP/Rock	Morocco	22.0	28 Aug	<i>Nordseine</i>
OCP	TSP/Rock	Morocco	27.0	6 Sep	<i>Ikaria Island</i>

**CENTRAL AMERICA:** Incofe is reported to have awarded CHS ex-China its 16 August tender for 25,000 t fertilizers for 1-10 September shipment to Quetzal, Guatemala and Acajutla, El Salvador, as follows:

- 6,000 t dark brown DAP in the mid \$340s cfr
- 4,000 t 11-44-0 MAP at around \$270 cfr
- 14,000 t standard amsul at around \$120 cfr
- 1,000 t granular amsul in the mid/high \$150s cfr

## SUPPLIERS

### EUROPE

**LITHUANIA:** EuroChem is reported to have placed the remainder of Lifosa's August slated production of about 75,000 t DAP, booking 20,000 t at \$340-345 fob for August loading for Europe.

The producer is understood to be asking \$340-345 fob for the 70-75,000 t September output that Lifosa is due to manufacture next month.

**TURKEY:** Bagfas is offering DAP at \$345-350 fob for 2-half August loading from Bandirma but has concluded no business recently.

### FSU

**RUSSIA:** PhosAgro is reported to be comfortable on MAP/DAP/NPKs through 1-half September, in no small part thanks to commitments to its domestic and regional markets.

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

#### August

- 25,000 t DAP and 10,000 t MAP loading on the *Roztocze* in Murmansk for the US for ADM

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

## September

- 30,000 t MAP to Nitron for Argentina

No new phosphate business has been reported for **EuroChem** this week.

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

## August

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

## September

- 20,000 t MAP ex-Kingisepp for Brazil
- 15-17,000 t MAP for Belarus, Ukraine and the domestic market ex-Kingisepp
- 7-9,000 t MAP for East Europe ex-Kingisepp
- 35-40,000 t MAP for Ukraine and the domestic market ex-Belorechensk

DAP exports were 112,463 t in June including 14,501 t to Uruguay, 13,973 t to Turkey, 12,981 t to Argentina, 10,956 t to Germany, 10,564 t to Brazil.

This brought 1-half 2016 exports to 771,745 t, 7% lower than January-June last year. The main destinations, excluding Estonia, were ('000 t) France 84 (down 15%), US 82 (down 10%), Germany 56 (up 109%), Turkey 54 (up 154%), Belgium 45 (down 10%), Argentina 40 (up 209%), UK 32 (up 28%), Uruguay 32 (up 809%), Poland 30 (628%), Poland 30 (up 628%), India 27 (down 90%), Belarus 24 (up 72%). January-June exports to Estonia, mostly for export through Muuga, were 114,101 t (down 6%), with the majority reported to have been shipped to India.

Exports of MAP were 226,728 t in June, including 44,032 t to US, 35,271 t to Brazil, 24,887 t to Argentina, 19,741 t to Ukraine, 13,158 t to Uruguay, 11,262 t to Spain, 11,050 t to Poland.

This brought January-June exports to 959,073 t, down 5% on the same period 2015. The main destinations, excluding Estonia, were ('000 t) Brazil 322 t (up 20%), US 143 (down 38%), Ukraine 56 (up 204%), Romania 29 (up 1,230%), Argentina 25 (nil 1-half 2015), Belaru 25 (down 54%), Poland 23 (up 729%), Hungary 18 (up 68%), Spain 13 (up 110%), Uruguay 13 (nil 1-half 2015.) Exports to Estonia, mostly for export through Muuga, were 187,972 t (down 24%).

Source GTIS/Federal Customs Service of Russia

## AFRICA

**MOROCCO:** OCP is reported to have sold 30-35,000 t DAP to GubreTas at a price estimated to net back to the low/mid \$340s fob for September shipment from Morocco.

The producer is reported to have concluded up to a total of 200,000 t MAP and NPS mainly plus DAP in the mid \$340s fob for the MAP and DAP for September shipment to Brazil.

Compared to this month, a higher volume of 130,000 t DAP/MAP/NP/NPK are expected to be sold to Africa. This includes DAP/MAP for Mali and MAP to South Africa, with part of the DAP reportedly sold at \$340 fob.

JPH-2 is currently producing phosphoric acid at 100% capacity having started quite recently in Q3 with granulation not expected to start before Q4.

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

OCP/Morocco	August	September
<b>Est. Production</b>	<b>630-650</b>	<b>630-650</b>
E. and W. Europe	130-140*	-
Turkey	-	30-35
Africa	110-120*	130*
Bangladesh	25	-
India	50	-
US	120	-
Brazil	150	200
<b>Total</b>	<b>585-605</b>	<b>360-365</b>

\*including allocations

**TUNISIA:** GCT is still reported to be running DAP production on one line only, consuming around 400 t/d ammonia, equivalent to about 52,000 t/m DAP.

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

GCT/Tunisia	August
<b>Est. Production</b>	<b>60</b>
Italy	10-15
Romania	-
Turkey	50
<b>Total</b>	<b>60-65</b>

## MIDDLE EAST

**JORDAN:** No new DAP business has been reported this week, leaving prices to mark time in the mid \$330s fob. JPMC is in a comfortable position on DAP with the Aqaba line-up showing more than 90,000 t loading this month for Turkey.

In addition to the previously reported *Nuri Sonay* that sailed with 9,900 t JPMC DAP and 2,200 t Nippon DAP from Aqaba for Turkey on 7 August, shipped by Helm:

- The *Comet* sailed with 3,900 t JPMC DAP and 5,700 t Nippon DAP from Aqaba for Turkey on 14 August, reportedly shipped by Ameropa
- The *Uni-Brothers* is loading 18,000 t DAP and 5,000 t Nippon DAP in Aqaba for Turkey, covering an early August sale to Ost Olgun at a reported price estimated to net back to the high \$330s fob
- The *Ince Inebolu* is scheduled to arrive in Aqaba tomorrow, 19 August, reportedly to load 40,000 t JPMC DAP for Samsung and Yarimca, Turkey
- The *Hanaro Melody* has been fixed to load 20,000 t JPMC DAP in Aqaba 25-30 August, covering JPMC's earlier reported sale to Helm in the mid \$330s fob for Turkey
- The *Al Hani* is due to arrive in Aqaba shortly, reportedly to load 5,500 t Nippon for Turkey

With JPMC's Aqaba DAP plant understood to be manufacturing just 30,000 t this month, the above business has provided the producer the opportunity to rebuild stock levels and lessened the pressure to find a home for product.

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

JPMC/Jordan	August
<b>Est. Production</b>	<b>30</b>
Turkey	92
Iraq	12-13
<b>Total sales</b>	<b>104-105</b>

**SAUDI ARABIA:** Ma'aden has agreed to load about 25,000 t DAP for Bangladesh in September under its government-to-government agreement with BADC for 150,000 t DAP plus option for 2016, priced according to a formula. This will be the second cargo to load under the contract, following on from the 26,250 t DAP loaded on the *Sea Lion* in April.

No new DAP/MAP business has been reported for **Sabic** this week.

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

MPC/Saudi Arabia	August	September
<b>Est. Production</b>	<b>240</b>	<b>240</b>
East Africa – Sabic	20	-
Bangladesh – Ma'aden	-	25
India – Ma'aden	90	-
India – Sabic	30	-
Pakistan – Ma'aden	-	-
Brazil – Ma'aden	60	-
<b>Total sales</b>	<b>200</b>	<b>25</b>

## ASIA

**CHINA:** Prices for DAP have edged down slightly to \$325-329 fob this week.

Aries is reported to have booked 35,000 t Kailin DAP from Aries netting the mid to the high \$320s fob for August shipment to China with the 56,147 t *Eleftherotria* fixed to supply the tonnes.

Pak Arab is reported to have bought 40,000 t Chinese DAP from Yihua netting \$326-327 fob for end August/1-half September shipment to Pakistan.

There are unconfirmed reports that Quantum has been awarded 40,000 t DAP at a reported price estimated to net back to the mid \$320s fob before margin for shipment to Pakistan by early September under Fauji's 16 August tender.

The domestic winter wheat season starts in September and runs through October, which should reduce export availability from DAP producers in the coming months.

Prices for 10-50-0 MAP remain around \$300 fob.

The *Da Yang Bai Li* sailed with 6,600 t granular 10-50-0 MAP from Fangcheng to Thailand on 14 August, reportedly shipped by Fertilul.

Prices for 11-44-0 MAP are unchanged in the low/mid \$250s fob.

**SOUTH KOREA:** July saw the export of 27,200 t NPs to Thailand, assumed to be 16-20-0, and 7,700 t NPKs, including 5,000 t to Vietnam, probably 16-16-8.

**VIETNAM:** The Lao Cai DAP plant is working on an upgrade, which it is hoped will permit the facility to produce close to 64% nutrient DAP in September.

Unofficial trade figures show the export of 8,400 t DAP in July, including 4,000 t to Cambodia and 3,000 t to Myanmar.

July NPK exports were 41,000 t, including 16,700 t to Cambodia, nearly 8,000 t to Mozambique and 6,200 t to the Philippines.

## OCEANIA

**AUSTRALIA:** Quantum is reported to have sold 30-35,000 t MAP to Nitron for September shipment to Latin America, with at least part said to have been finalised in the mid \$350s cfr Argentina basis 1-1.

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

IPL/Australia	August	September
Pakistan	75-80	-
Latin America	-	35
<b>Total sales</b>	<b>75-80</b>	<b>35</b>

## NORTH AMERICA

**UNITED STATES:** The US Gulf DAP export price is still assessed at \$335-337 fob.

Phosphoric acid production in June fell to its lowest monthly level since Q1 2009 – see details below, according to the latest data released by The Fertilizer Institute. June production of DAP/MAP was therefore unsurprisingly low at just 362,000 ston P<sub>2</sub>O<sub>5</sub>, similar to the low levels produced in January and February this year. Production between March-May averaged 423,000 ston P<sub>2</sub>O<sub>5</sub>. Given the exceptionally low volume of phosphoric acid output in June reported by the TFI, one might also assume a sharp decline in the production of all phosphate based fertilizers, i.e. micro essentials and other NPs.

Based on the available data, domestic sales of DAP and MAP dropped to just 103,000 ston P<sub>2</sub>O<sub>5</sub> in June.

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

### August

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

## PHOSPHORIC ACID

**BANGLADESH:** BCIC is reported to have awarded 10,000 t +/- 5% phosphoric acid solution to Commodities First at \$334.37 cfrlo based on supply from Morocco under its 11 July tender. The product is for delivery to the TSP jetty at Chittagong and for shipment within 30 days of receipt of L/C.

**UNITED STATES:** Phosphoric acid production in June fell to its lowest monthly level since Q1 2009, at just 556,000 ston P<sub>2</sub>O<sub>5</sub> according to the latest data released by the TFI. In the eleven months prior to June, phosphoric acid output had averaged 673,000 t ston/m and even this calendar year the monthly average had been almost 650,000 ston/m, almost 100,000 ston/m P<sub>2</sub>O<sub>5</sub> more than June.

**INDIA:** Phosphoric acid vessels identified for August arrival are as follows:

India – Phosphoric Acid Arrivals August				
Buyer/Port	Supplier/Origin	'000 t solution	Vessel	Arrival
IFFCO/Kandla	JIFCO/Jordan	22.0	<i>Pacific Lady</i>	2 Aug
IFFCO/Kandla	Senchim/Senegal	30.1	<i>Bow Tone</i>	4 Aug
CIL/Kakinada	GCT/Tunisia	10.6	<i>Delice</i>	4 Aug
SPIC/Tuticorin	Vietnam	7.1	<i>Eastern Liberty</i>	8 Aug
DFCL/JNPT	OCP/Morocco	10.0	<i>Forest Park</i>	10 Aug
CIL/Kakinada	Tunisia	20.9	<i>Ginga Panther</i>	10 Aug
FACT/Cochin	OCP/Morocco	12.0	<i>Chemroad Quest</i>	11 Aug
IFFCO/Kandla	PotashCorp/US	29.8	<i>Bow Harmony</i>	11 Aug
PPL/Paradeep	OCP/Morocco	10.5	<i>Octaden</i>	13 Aug
IFFCO/Kandla	Sinchem/Senegal	31.4	<i>Bow Heron</i>	13 Aug
IFFCO/Kandla	JIFCO/Jordan	9.0	<i>Stolt Spray</i>	14 Aug
IFFCO/Kandla	Senchim/Senegal	30.0	<i>Stolt Vinland</i>	14 Aug
TCL/Haldia	OCP/Morocco	8.6	<i>Octaden</i>	14 Aug
IFFCO/Kandla	Senchim/Senegal	34.3	<i>Stolt Focus</i>	15 Aug
FACT/Cochin	OCP/Morocco	9.6	<i>MTM North Sound</i>	15 Aug
ZIL/Goa	OCP/Morocco	9.7	<i>Forest Park</i>	16 Aug
GSFC/Sikka	IJC/Jordan	22.0	<i>Stolt Vinland</i>	17 Aug
IFFCO/Kandla	Potashcorp/US	30.0	<i>Bow Sagami</i>	19 Aug
<b>Total Aug to date</b>		<b>337.6</b>		

## PHOSPHATE ROCK

**TUNISIA:** CPG produced a total of 2.1 million t phosphate rock between January and July, down by 44% against a target output of 3.8 million t for the first seven months of the year. At the beginning of this year the Ministry put forward a monthly target production of around 550,000 t but to date it has averaged just 300,000 t.

Although better than 2015, this year's total remains substantially below the volume produced in 2010, pre-Arab Spring, of 4.5 million t due essentially to persistent local unrest in the Gafsa region. This year again production at a number of major mines has been disrupted by sit-ins, protests and blockades both of road and rail systems.

Overall fertilizer production has increased compared with 2015, but insufficient supply of phosphate rock continues to constrain the downstream industry. DAP production at Gabes remains capped at 50% capacity, unchanged since 2010.

**SENEGAL:** The Baobab phosphate rock project in Senegal is expecting to produce its first commercial quantity of rock possibly by the end of this quarter.

Avenira announced on 4 August that it had started the commissioning process at the Baobab mine and according to a statement by the Managing director, "If progress continues to the current plant we anticipate producing the first saleable product in the next few weeks". Avenira is aiming for production of around 500,000 t/y in the initial stage.

Offtake agreements for between 360-480,000 t/y have already been secured. Avenira announced this week a three year offtake agreement with Polyserve Import Export and Trade/Egypt for a total of 120,000 t/y initially with the option to increase. The price will be based on the global market price and agreed on a six month basis. The rock will be used for downstream fertilizer production.

This followed the announcement in July of offtake agreements, again for a three year period, with Actatrade/Switzerland and Getax Agrifert/UAE agreeing to take between them a total of 240-360,000 t/y, again with the option to extend. Pricing will be similar to terms agreed with Polyserve.

**JORDAN:** JPMC is reported to have settled a 66-68% BPL grade rock phosphate contract with IFFCO in the mid \$80s fob for 2-half 2016 shipment to India, reflecting a \$10 decrease on 1-half 2016. Handymax freight Jordan-India is put at \$8-9.

**INDIA:** IFFCO is understood to have finalised with Vale a 66.5% BPL grade phosphate rock contract in the low \$90s cfr for 2-half 2016 shipment from Peru. IFFCO buys around 600,000 t from Vale on annual basis.

CIL is receiving 71-72% BPL Moroccan rock phosphate shipments from OCP under their long term contract basis a provisional price of around \$120 cfr. Panamax freight Morocco-east coast India is put at about \$20.

RCF has issued a tender, closing on 26 August and valid for 30 days, for 2 x 30,000 t rock phosphate with a minimum 29% P<sub>2</sub>O<sub>5</sub> content, for September and November shipment to MBPT.

Phosphate rock vessels identified for August arrival are as follows:

India – Phosphate Rock Arrivals, August				
Discharge Port	Origin	Quantity	Vessel	ETA
Khaitan/Kandla	Egypt	29,550	<i>Lady Celine</i>	5 Aug
IFFCO/Paradeep	Peru	66,000	<i>Peney</i>	8 Aug
CIL/Chennai	ICL/ Israel	25,000	<i>Sakarya</i>	9 Aug
IFFCO/Paradeep	JPMC/Jordan	51,000	<i>Lady Mary</i>	10 Aug
IFFCO/Paradeep	OCP/Morocco	54,932	<i>Hanjin Seto</i>	11 Aug
IFFCO/Paradeep	JPMC/Jordan	50,780	<i>Interpid</i>	12 Aug
IFFCO/Paradeep	Egypt	44,000	<i>Soho trader</i>	16 Aug
Hindalco/Dahej	Togo	50,000	<i>Mayalake</i>	19 Aug
CIL/Vizag	OCP/Morocco	49,500	<i>Elsabeth C</i>	25 Aug
IFFCO/Paradeep	-	51,870	<i>Serendipity</i>	27 Aug
<b>Total Aug to date</b>		<b>472,632</b>		

## COMPANY NEWS

**RUSSIA: PhosAgro** yesterday, 18 August, 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 billion). 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. 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 (\$ 591 million) in 1-half 2016, nearly unchanged from the previous year's result of RUB 41.5 billion (\$ 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 1-half 2016 and 1-half 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 billion (\$161 million) in 1-half 2016; in 1-half 2015 the foreign exchange gain was RUB 11 million (\$ 0.19 million).

The price for phosphoric acid touched \$ 600-605/t cfr India for shipments in Q3 and Q4 2016 compared to \$715 cfr India in Q1 2016.

Phosphate-based products segment revenue grew by 11% year-on-year and totalled RUB 90.529 billion (\$1.289 billion) in 1-half 2016. PhosAgro increased production and sales volumes of phosphate-based fertilizers and MCP by 8% and 7%, respectively, year-on-year in 1-half 2016. Sales volumes for phosphate rock and nepheline concentrate in 1-half 2016 increased by 19% year-on-year.

The growth in fertilizer sales volumes was primarily due to the Company's flexible production and sales models, which enabled it to increase substantially sales of MAP and NPK to the domestic market, NPS to the export market and phosphate rock to both markets.

Revenue from DAP/MAP sales was down by 8% year-on-year, from RUB 37.595 billion (\$ 655 million) in 1-half 2015 to RUB 34.706 billion (\$ 494 million) in 1-half 2016, reflecting the overall 1% year-on-year growth in sales volumes and a 9% year-on-year decrease in DAP/MAP average revenue per tonne denominated in RUB.

Revenue from NPK sales was up by 5% year-on-year, from RUB 18.683 billion (\$326 million) in 1-half 2015 to RUB 19.613 billion (\$ 279 million) in 1-half 2016, reflecting the overall 5% year-on-year increase in NPK average revenue per tonne denominated in RUB with almost unchanged sales volumes.

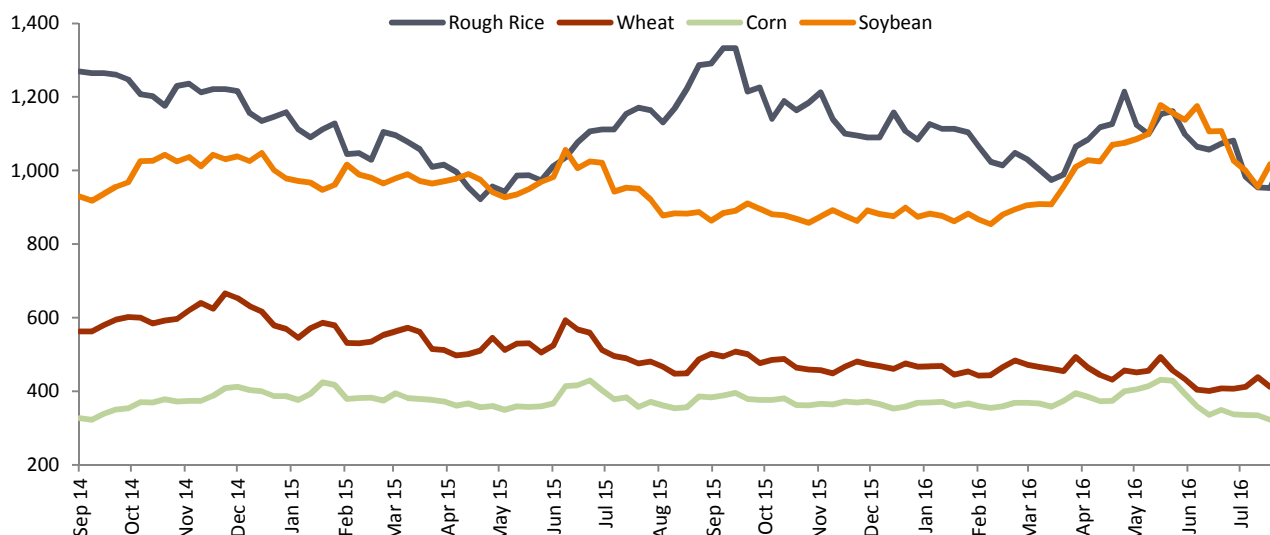
Revenue from phosphate rock sales rose by 56% year-on-year to RUB 14.146 million (\$201 million) in 1-half 2016. Revenue per tonne in RUB terms increased by 25% year-on-year. Sales volumes increased by 24% year-on-year as a result of increased supplies to both export and domestic markets.

The phosphate-based products segment's gross profit for 1-half 2016 increased by 8% year-on-year to RUB 50.546 million (\$ 719 million), resulting in a gross profit margin of 56%, compared to a 57% margin in 1-half 2015.

## 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.

<b>CORN:</b>	<b>WHEAT:</b>
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.
<b>SOYBEAN:</b>	<b>RICE:</b>
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.

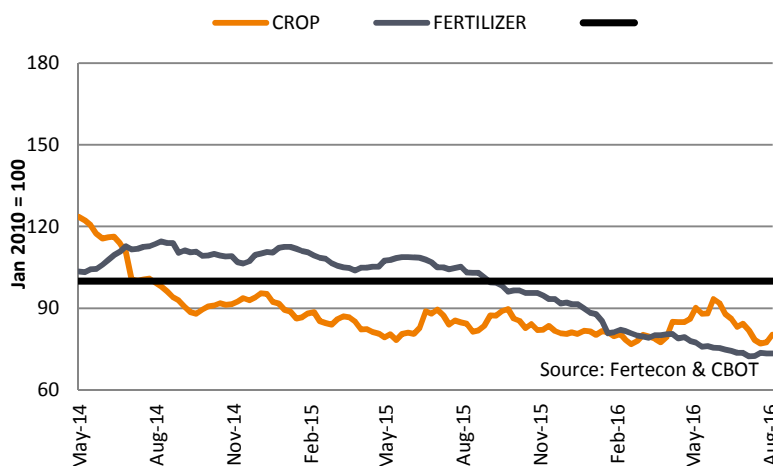
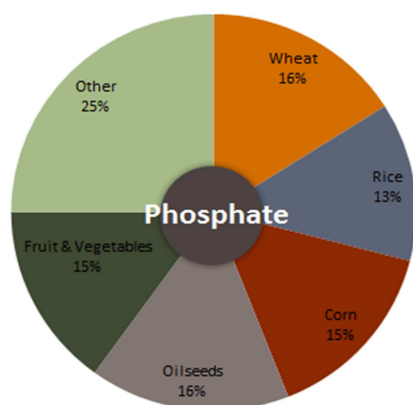


For soy, 95% of the crop is blooming nationally, slightly ahead of the 5-year average of 93% and ahead of last year at this time when 92% of the crop was blooming. Meanwhile, 80% of the soybean crop is also setting pods nationally, ahead of the 5-year average of 75% and slightly ahead of last year at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

## PHOSPHATE 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/>

## FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
12 Aug	891	703	643	396	671
15 Aug	920	713	646	399	681
16 Aug	926	721	652	403	687
17 Aug	885	726	666	405	685
18 Aug	852	727	677	407	682

Source: Baltic Exchange

## FERTILIZER DERIVATIVES

DAP fob Tampa (metric tonne)				DAP fob NOLA (short ton)			
Month	Bid	Offer	Mid	Month	Bid	Offer	Mid
Aug	335	345	340	Aug	316	327	322
Sep	336	347	342	Sep	324	330	
Oct	334	350	337	Oct	316	320	318

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](mailto:ferts@freightinvestor.com) [www.freightinvestor.com](http://www.freightinvestor.com)

PHOSPHATE REPORT is prepared by Neil Griffiths Phone: +44 20 7551 9793 Contact email: [neil.griffiths@fertecon.com](mailto:neil.griffiths@fertecon.com)

FERTECON PHOSPHATE REPORT is published weekly by:

FERTECON, Agribusiness Intelligence, Informa UK Ltd., Christchurch Court, 10-15 Newgate Street, London, EC1A 7AZ, UK.

Subscriptions Enquiries: Phone: +44 20 7551 9664 Email: [subscriptions@informa.com](mailto:subscriptions@informa.com)

Client Services:

EMEA Phone: +44 20 701 76242 (open from 9AM to 5PM GMT)

APAC Phone: +61 287 056 966 (open from 9AM to 5PM AEST)

NORTH AMERICA & LATAM Phone: +1 212 652 5322 (open 9AM to 5PM EDT)

Email: [clientservices@fertecon.com](mailto:clientservices@fertecon.com)

© 2016 FERTECON Ltd. Conditions of sale: 1. All rights reserved, no part of this publication (including, but not limited to, single prices or any other individual items of data) may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without prior written permission of the Publisher. FERTECON Ltd. does not participate in a copying agreement with any Copyright Licensing Agency. Photocopying without permission is illegal. 2. All abstracting of the content for republication and sale must have prior permission from the Publisher. 3. The publication must not be circulated outside the staff who work at the address to which it is sent without prior agreement with the Publisher.

informa