

14 July 2016

- OCP concludes Q2-Q4 phosphoric acid contracts with its Indian jv partners
- Indian Department of Fertilizers proposes to cut subsidies for P and K fertilizers if MRPs are not lowered
- US DAP barge prices climb to \$302-310/ston fob NOLA
- Another two Moroccan ammoniated phosphates panamaxes booked for the US
- Brazil buys more Russian MAP in the low/mid \$350s cfr
- Quantum drops Australian MAP price to close to \$330 fob to sell another cargo for Latin America
- Reports of production problems resurfacing at Fertinal's Lazaro Cardenas plant in Mexico
- BCIC opens offers under phosphoric acid and phosphate rock tenders in Bangladesh

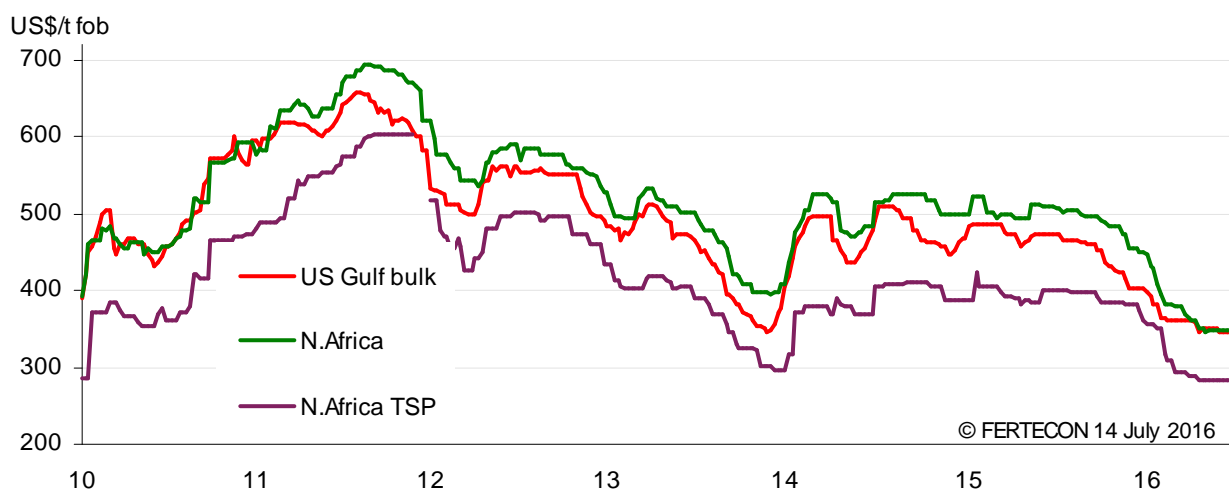
OUTLOOK

Stable to weak

KEY PRICES

	14 Jul	7 Jul	30 Jun
DAP \$/t fob US Gulf	340	340-345	345
DAP \$/t fob North Africa	340-355	341-355	341-355
DAP \$/ston fob NOLA	302-310	299	305-310

DAP/TSP PRICES



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

PHOSPHATE PRICE INDICATIONS ALL PRICES IN US\$

	14 July	7 July	30 June	Notes
DAP				
US Gulf fob bulk	340	340-345	345	
Morocco fob bulk	340-355	341-355	341-355	
Tunisia fob bulk	343-355	343-355	343-355	
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	333-335	335-337	335-337	
China fob cash	328-331	328-331	330-335	
Benelux fca bulk duty paid/free	370-375	370-375	370-375	
India cfr bulk	342-348	342-348	342-350	
US domestic st NOLA	302-310	299	305-310	
Ctrl Florida st for	325	325	325	
GTSP				
Bulgaria fob bulk	290	290	290	
Morocco fob bulk	275-280	275-280	275-280	
Tunisia fob bulk	285-290	285-290	285-290	
Lebanon fob bulk	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	330-335	332-335	
Brazil cfr bulk	350-355	350-352	350-355	
PHOSPHORIC ACID				
US Gulf fob (P ₂ O ₅)	n.m.	n.m.	600	
India cfr (P ₂ O ₅)	600	600	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

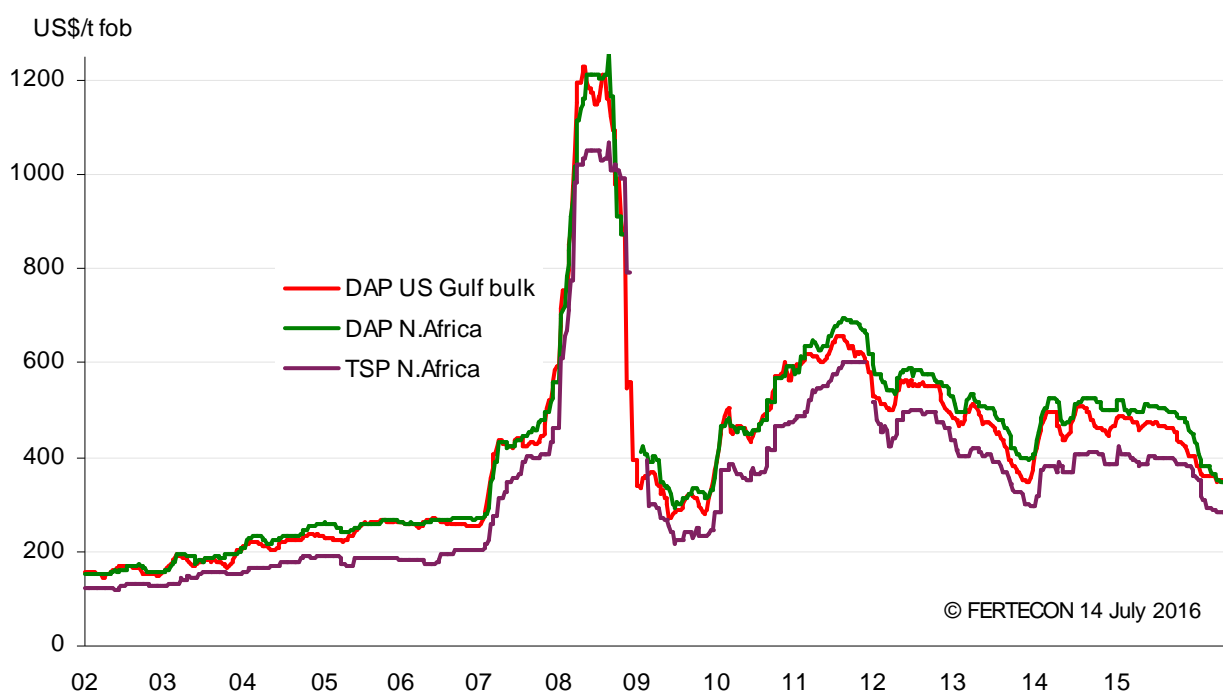
NB: All rates indicated are based on averages. Exact rates will depend on port loading and discharge rates

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	No offers received
Bangladesh/BCIC	MGA	10	11/7		Three offers received
Bangladesh/BCIC	Phos rock	30	11/7		Two offers received
India/FACT	NPK	25	20/7	Jul-Aug	

EXCHANGE RATES (local currency:US\$1)			
	14/07/2016	7/07/2016	14/07/2015
€ Euro	0.90274	0.90349	0.90232
£ Pound Sterling	0.75487	0.77282	0.64439
Turkish Lira	2.89467	2.93670	2.65864
Rupee India	66.4976	67.44	63.2816
Real Brazil	3.28851	3.30855	3.15582
China RMB	6.68673	6.68851	6.08824

DAP/TSP PRICES – 14 YEAR SERIES



ANALYSIS

The major news in the phosphate market this week was the finalisation of Moroccan phosphoric acid contracts for Q2-Q4 shipment to India. However, in the absence of price confirmation and with other suppliers previously agreeing \$600 P₂O₅ cfr including 30 days' credit for Q2-Q3, the Moroccan conclusion was more of a non-event than usual.

The US DAP price softened to \$340 fob this week, reflected in the sale of a small lot to Latin America, while Quantum lowered Australian MAP to close to \$330 fob to sell another cargo to this region and is at a similar price on DAP. While delivered prices are holding, rising freight rates are an obstacle for some producers in their attempt to maintain netbacks. However, recent sales of Russian MAP to South America against a backdrop of peak domestic demand mean suppliers here are under little pressure to chase business at lower levels with EuroChem placing another two cargoes in Brazil in the low/mid \$350s cfr.

DAP values in China and the Middle East also held this week on limited new business into India. DAP continues to move to the country under MOUs but those without contracts appear increasingly hesitant to purchase amid growing signs of government determination to reduce prices in the local market. Indeed, large volume DAP buyers in Asia are generally adopting a wait and see attitude at present, with few in urgent need of product. Most believe there is little risk in delaying their purchasing decisions in the hope that prices east of Suez will fall.

In North Africa, meanwhile, OCP committed more Moroccan MAP/DAP for the US, where NOLA DAP barge prices recovered to \$302-310/ston fob, while there were reports of production problems at some of Tunisia's rock phosphate mines although it is unclear whether this has added to the squeeze on DAP supply. In Mexico, however, there appears to be a greater degree of certainty of downstream phosphate fertilizer output being impacted by phosphate rock production issues although the full extent of the problem is unclear.

MARKETS

EUROPE

BELGIUM: There is no interest today in phosphates. While EuroChem was last week reported to have sold 15-20,000 t Lifosa DAP, netting the low to high \$330s fob, for July loading to various European markets, there is no demand today in Ghent / Antwerp. The last price reported for DAP was \$370-375 fca.

FRANCE: Demand for DAP is low on both the Mediterranean and Atlantic coasts. The last price mentioned on the Atlantic was in the range \$370-375 fca with the Mediterranean higher at €380-385. EuroChem was last week reported to have sold 15-20,000 t DAP, netting the low to high \$330s fob, for July shipment to various western European markets from Lithuania. The *Lucina* arrived in Bordeaux with 5,000 t DAP from Klaipeda on 7 July.

The *Clipper Lis* discharged 6,000 t Israeli GTSP in Rouen on 11 July, while 6,000 t phosphates is due in St Malo from Damietta, on the *Adatrans*, on 18 July.

GERMANY: DAP demand is subdued, with product still on offer from EuroChem at \$365 fca seaport.

The producer is, however, understood to have increased its 15-15-15 price to €255 from a previous €250 cif inland.

HUNGARY: The harvest is ongoing, which is contributing to the lack of fertilizer purchasing activity. Initial reports indicate high yields but it is reported that the quality of the crops is looking a little suspect. The preliminary crop results come on the back of a very rainy spring, however, a clearer picture will not be known for another few weeks. That said, crop prices are already falling as a result, denting buyers' appetite for fertilizers, many of which are still reported to have product on stock from last season.

MAP imports were 65,751 t July 2015-March 2016, 8% below the prior year period. The main supply sources were '(000 t) Russia 37 (up 9%), Serbia 10 (up 136%), Bulgaria 5 (nil July2014-March 2015). Imports from Morocco fell 93% to 1,082 t from 14,908 t.

(Source GTIS)

IRELAND: There is no interest amongst importers in securing DAP today, with almost all blenders happy to wait and see what will happen through Q3 in terms of price movements before stepping back in.

NPK 27-6-6 is trading in line with CAN at €300-310 bagged delivered to merchant. Demand is healthy but not exceptional and much will depend on how the weather fairs over the next eight weeks.

ITALY: GCT is reported to be informing importers this month when it will announce its August DAP price ideas. Expectations are that the new price will fall in the range \$347-350 fob which, based on today's freight of around \$13 for a 3-4,000 t cargo, would equate to €354-362 fca bagged, barely lower than the most recently established price of €366 fca bagged. Importers are not expected to step in and buy DAP until much later with a couple of buyers suggesting that they may look at booking product for September shipment if prices are perceived as being acceptable.

SPAIN: There has been some price checking in the DAP market ahead of expected demand after the summer. Fertiberia is asking \$385 fca, while EuroChem product is reportedly available at the ports at a similar price level.

There is still no price for 15-15-15, with Fertiberia's expecting to announce one in October or November.

POLAND: MAP/DAP is reported to be on offer at Szczecin at about \$375 fca bulk or \$380 cfr in big bags for Moroccan with Russian MAP understood to be available a touch cheaper. Nitron is reported to be bringing in OCP tonnes to Szczecin.

UNITED KINGDOM: There is no new demand as yet for DAP. DAP is available in other north western European markets at around \$375 cif, equivalent midweek to £280-282, but there are no reports of any new business in the UK. Local DAP prices have increased to around £330 bagged delivered farm, due to currency changes.

The 2016 harvest has started in the UK with arable farmers in the south and east beginning on the winter barley last week. Inclement weather and showery conditions interrupted operations in many areas at first but conditions have improved somewhat this week. Initial indications are that yields are holding up quite well but there is some concern as regards quality, due in the main part to excessive rainfall during the grain fill period. Yields of 7.5-8.0 t/ha are reported for the first of the crop but bushel weights in the range 57-58 kg/hl are reported against a normal range of 62-64. Grain prices continue to be under pressure in global markets but the weaker pound opposite the dollar, following the Brexit vote, does offer some support to farm prices in the short term.

AFRICA

MALI: A 25,000 t Moroccan DAP/MAP cargo is reported to be on offer at about \$340 fob for August loading.

ASIA

CHINA: The domestic market for DAP typically kicks into action around 10 August, however, many are expecting a delay to the stocking campaign due to damage to infrastructure and some crops following the bad weather of the past couple of weeks. There is also negative sentiment on account of less attractive prices for cash crops. DAP indications are at about Rmb 2,250 bagged ex-factory but this is very much a nominal price with no significant level of domestic deliveries taking place at present.

INDIA: Chambal is reported to have booked a second 35,000 t Kailin DAP cargo from Aries at \$346-347 cfr including 180 days' credit for July shipment to the west coast from China.

Midgulf is reported to have sold 60,000 t DAP in the mid \$340s cfr for end July shipment from China.

Ma'aden is reported to have concluded another 2 x 35-40,000 t DAP at close to \$350 cfr for July loading in Saudi Arabia, bringing the total amount sold for shipment to this market this month to 145-165,000 t on four vessels.

IPL is understood to be in negotiations with Aries for 45,000 t Kailin DAP for first week August loading in China.

Two importers are understood to be negotiating with OCP another DAP panamax for end August-early September shipment from Morocco while the producer is also reported to be in discussions on a cargo of Moroccan NPK for September loading.

NFL has issued a tender, closing on 22 July and valid for 7 days, for 150,000 t DAP for shipment in three lots as follows:

- 50,000 t to Kandla/Mundra by 15 August
- 50,000 t to Kandla/Mundra by 27 August
- 50,000 t to Vizag/Krishnapatnam/Kakinada by 23 August

MMTC has issued a tender, closing on 20 July and valid for 10 days, for 150,000 t DAP. This tender is expected to provide cover for MMTC in the NFL tender of 22 July.

The *Morning Star* is due to deliver 14,000 t Jordanian DAP end July, probably to the east coast, covering IPL's earlier reported purchase from JPMC in the mid \$340s cfr under their long term agreement. The vessel will also deliver 30,000 MOP from Jordan.

The *IYO Wind* has been fixed to load around 50,000 t Chinese DAP for end July delivery to the west coast, covering an earlier purchase by Iffco from Wengfu.

The *Harvest Peace* arrived in Mundra on 3 July having sailed from the US on 25 May carrying 60,226 t DAP for Mosaic's distribution system.

The *Kang Sheng* is expected to arrive at a west coast port 6-7 August having sailed from the US around 23 June carrying 52,000 t DAP for Mosaic's distribution system.

The DAP panamax intended to load in Morocco in July for Kribhco has slipped into August.

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 is reported to have received no offers under its 13 July tender for 30,000 t NPK 10-26-26 for 2-half July shipment to Mundra.

MMTC is reported to have received no offers under its 12 July tender, valid for 20 days, for 30,000 t NPK 10-26-26 for 2-half July shipment to Mundra that was expected to provide cover under RCF's 13 July tender.

MMTC has announced a tender, closing on 18 July, for 25,000 t NPK 20-20-0+13S for August arrival at Tuticorin. This tender is expected to provide cover for MMTC in the FACT tender of 20 July.

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

In the wake of suppliers reportedly rebuffing the Fertilizer Ministry's request last week that they cut DAP and NPK prices in the local market, DAP by a minimum Rs 2,000, the department is this week understood to have issued an ultimatum to Indian companies that they either cut maximum retail prices or the subsidy for the fertilizers will be cut. While NFL and RCF reduced their prices for DAP to Rs 21,200 bagged delivered farm, Iffco's price is currently Rs 22,700.

As the rupee has weakened over the past few weeks, now down to around \$1 : Rs 67.4, the breakeven price for phosphoric acid is around \$625 P₂O₅ cfr with 30 days' credit if producers want to sell DAP at a farmgate price of Rs 22,500 bagged delivered. To achieve a 3% margin, prices need to be nearer \$600 P₂O₅ cfr including 30 days' credit.

The breakeven price for DAP is about Rs 21,400 bagged delivered farm with phosphoric acid at \$600 P₂O₅ cfr with 30 days' credit, ammonia at \$360 cfr and an exchange rate of \$1 : RS 67. To achieve a 3% margin, prices need to be nearer Rs 22,200 bagged delivered farm.

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	<i>Stellar Eagle</i>	2 July
Mosaic	Mosaic/US	60	<i>Harvest Peace</i>	3 July
IFFCO	China	50	<i>LMZ Pluto</i>	9 July
TBC	Sabic/Saudi Arabia	35	<i>TBN</i>	July
IPL	Ma'aden/Saudi Arabia	40	<i>TBN</i>	July
Deepak	Swiss Singapore, Xiangfeng/China	32	<i>V Red Knot</i>	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
Chambal	Sabic/Saudi Arabia	30	TBN	2-half July
TBC	Ma'aden/Saudi Arabia	35-40	TBN	2-half July
TBC	Ma'aden/Saudi Arabia	35-40	TBN	2-half July
IFFCO	Yihua/China	50	Jia Foison	2-half July
IPL	JPMC/Jordan	14	Morning Star	end July
IFFCO	Wengfu/China	50	IYO Wind	2-half July
July	To date	813-828		
Mosaic	Mosaic/US	52	Kang Sheng	6-7 Aug
Kribhco	OCP/Morocco	50	TBN	Aug
Chambal	Aries/China	30-35	TBN	Aug
Chambal	Aries/China	35	TBN	Aug
TBC	Ma'aden/Saudi Arabia	35-40	TBN	Aug
Mosaic	Mosaic/US	63	TBN	Aug
TBC	Midgulf/China	60	TBN	Aug
Aug	To date	325-285		
Total	Estimate to date	2,706-2,731		

PAKISTAN: No new DAP import purchases have been identified this week but there are reports emerging that Engro bought 40,000 t Yihua DAP from Drey Moor in the mid \$340s cfr about a month ago for July shipment from China with the *Minoan Grace* understood to have been fixed to cover the sale. The buyer is reported to be in the market for additional material.

Sales of DAP in the domestic market have picked-up since the start of this week following the holiday and with the late May clarification on the subsidy.

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	Drey Moor/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
Engro	Drey Moor/China	40.0	Minoan Grace	Aug
TOTAL		415.0		

Kharif DAP balance sheet April-September 2016		'000 t
Opening stock 1 April		253
Forecast local production		422

Imports booked to date	303
Forecast availability	978
Forecast offtake	555
Closing stock 30 September 2016	423

SRI LANKA: CIC is understood to be negotiating 3,000 t bagged TSP from Jordan at about \$270 cfr in containers Colombo, L/C 180 days.

VIETNAM: Small vessel lots of DAP continue to come in with both bulk and bagged Chinese DAP, with some 3-6,000 t lots of bulk Korean DAP. Importers are mostly bearish having seen prices slide over the past two-to-three weeks but domestic prices are little changed this week.

NORTH AMERICA

UNITED STATES: Bidders aiming to repeat last week's \$299/ston fob NOLA for DAP barges failed to find offers at this level earlier this week with non-Chinese material subsequently trading yesterday at \$302-305 for July-August loading and Mosaic selling 4 domestic DAP barges at 310/ston fob NOLA for July-early August shipment

The domestic producer is still quoting a central Florida price of \$325/ston for DAP with a premium of \$15/ston for MAP.

Another two ammoniated phosphates panamaxes are reported to have been booked from OCP for August shipment to NOLA. These are in addition to the two monthly panamaxes already reported for the producer for June and July loading in Morocco, bringing the total so far for 2016-17 arrival to six. It is reported that Koch booked one of the two Moroccan panamaxes loading in July for August arrival at NOLA.

The *IVS Phinda* reportedly carrying about 30,000 t Moroccan TSP shipped by Helm is due to arrive at NOLA on 26 July.

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	-	-	<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
Koch/Morocco	30	30	-	-	<i>TBN</i>	Aug
TBC/Morocco	30	30	-	-	<i>TBN</i>	Aug
TBC/Morocco	30	30	-	-	<i>TBN</i>	Aug
TBC/Morocco	30	30	-	-	<i>TBN</i>	Aug
Total July-August 2016	170	203	30			

LATIN AMERICA

ARGENTINA: There remains healthy demand for MAP/DAP with outstanding potential demand estimated at about 60,000 t for 2-half July-early August shipment. Offers are reported to be in the low/mid \$350s cfr against bids at about \$350.

The buying group comprising Profertil, YPF and ASP is still reported to be in the market for 15-18,000 t MAP/DAP for 2-half July shipment. The buying group comprising Bunge/ACA is still reported to be contemplating a return to the market for 10-12,000 t MAP/DAP for 2-half July / 1-half August loading.

Already for July shipment OCP sold 35,000 t Moroccan MAP/DAP to the buying group comprising Profertil, YPF and ASP plus others and Ameropa the majority of a 40,000 t EuroChem, Russian MAP cargo to various buyers with the trader reported to have a small quantity still to place.

Ameropa is reported to be offering lower-spec than usual Fertinal TSP, heard to contain 44% P₂O₅, in the mid \$290s cfr duty paid for August loading in Mexico.

BRAZIL: Tocantins is reported to have bought 25,000 t MAP from EuroChem in the low \$350s cfr for August shipment from Russia. The producer is also reported to have concluded a further 20,000 t Russian MAP to the buyer, similarly in the low \$350s cfr and for August loading in the Baltic.

Competitive offers for 11-44-0 have been lowered to the mid/high \$270s cfr against bids at \$270 cfr for large volumes.

According to the statistics from **ANDA**, **MAP production** was 64,540 t in June, 35% below the 99,207 t manufactured in June 2015. This brought 1-half 2016 output to 560,877 t, 13% lower than the 646,085 t produced January-June 2015.

TSP output in June at 81,751 was 3% higher than June 2015 production of 79,759 t. This brought y-t-d production to 463,293 t, 1% lower than the January-June figure of 468,145 t.

SSP production was 459,259 t in June, 12% above output of 409,928 t in June 2015. This brought January-June output to 2.134 million t, down 1% on the 2.154 million t manufactured 1-half 2015.

Overall production of finished phosphates fertilizers in June was 5% lower than June 2015, at 165,765 t P₂O₅ (172,492 t P₂O₅ in May 2015). This brought 1-half 2016 output to 953,808 P₂O₅, 5% lower than the January-June 2015 figure of 998,234 t P₂O₅.

Phosphate **deliveries** to end consumers in June totalled 459,112 t P₂O₅, up 8% on June 2015 (424,422 t P₂O₅). This brought 1-half 2016 deliveries to 1.746 million t P₂O₅, up 10% on January-June 2015 (1.607 million t P₂O₅).

According to the statistics from GTIS/SECEX, MAP imports edged higher in 1- half 2016 to 976,000 t compared with 933,000 t in 1-half 2015. The quantity of US material has risen by 83,000 t or 34% year on year at the expense of Russian and Chinese. The quantity imported from Saudi Arabia was also up on last year at almost 140,000 t.

NP imports (including 11-44-0) in 1-half 2016 reached a high of 700,000 t with increased quantities from all major sources, even China, when compared with the same period last year. The market share for imported product this year was split as follows – China 38%, Mosaic 35%, OCP 17% and Russia 9%. Total 1-half imports reached 383,000 t in 2015 and 591,000 t in 2014.

Vessels arriving into the main ports in 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	<i>Andromeda</i>
OCP	TSP	Morocco	25.0	6 July	<i>Miltiades</i>
Ameropa	MAP	China	20.0	8 July	<i>Seto Gloria</i>
Ameropa	MAP	Australia	25.5	9 July	<i>Nordrubicon</i>
TBC	TSP/SSP/Phos Rock/MOP	Israel	39.2	9 July	<i>Nikiforos</i>
Mosaic	MAP/MES	US	37.3	10 July	<i>Cielo Di Tocopilla</i>
Mosaic	MAP/MES	US	35.4	15 July	<i>Adfines North</i>
Mosaic	MAP/MES	US	35.6	16 July	<i>Nord Mumbai</i>
Mosaic	DAP/MAP/MES	US	34.4	17 July	<i>Discovery Bay</i>
7Seas	MAP	China	30.0	20 July	<i>Western Santos</i>
TBC	NP	China	30.0	25 July	<i>Slavyanka</i>
Rio Grande					
Yara	MAP	Saudi Arabia	33.0	1 July	<i>Ocean Glory</i>
Yara	MAP	Morocco	12.0	1 July	<i>Indigo Silva</i>
Unifertil	MAP	Morocco	6.0	1 July	<i>Indigo Silva</i>
CHS	MAP	Morocco	1.0	1 July	<i>Indigo Silva</i>
Yara	TSP	Morocco	1.5	1 July	<i>Indigo Silva</i>
Mosaic	MES 15	US	6.0	5 July	<i>Federal Tiber</i>
Piratini	MAP	US	8.0	9 July	<i>Orient Tribune</i>
Mosaic	MAP	US	6.7	9 July	<i>Orient Tribune</i>
Timac	MAP	US	6.2	9 July	<i>Orient Tribune</i>
Unifertil	MAP	US	3.5	9 July	<i>Orient Tribune</i>
Piratini	NP 9-46	China	8.5	18 July	<i>Andromeda</i>
Piratini	TSP	China	2.9	18 July	<i>Andromeda</i>

Ourofertil	NP 11-44	China	3.3	18 July	<i>Andromeda</i>
Ourofertil	TSP	China	1.1	18 July	<i>Andromeda</i>
Itaqui					
Risa	MAP	Nitron, PhosAgro	36.2	3 July	<i>Capetan Vassilis</i>
Recife					
Fertine	Ferts	US	4.0	22 July	<i>Chise Bulker</i>
Maceio					
Mosaic	Ferts	US	3.5	19 July	<i>Chise Bulker</i>
Aratu					
Mosaic	Ferts	US	TBC	13 July	<i>Chise Bulker</i>
Santos					
Mosaic	MAP/MES	US	25.2	3 July	<i>Cielo Di Venezia</i>
Yara	NPK	Norway	30.5	31 July	<i>Tenshou Maru</i>
Imbituba					
Mosaic	Ferts	US	5.6	15 July	<i>Discovery Bay</i>

LATIN AMERICA: Quantum has sold a further 30,000 t IPL MAP at close to \$330 fob for July shipment from Australia.

Mosaic has sold 6,000 t US DAP at \$340 fob for August shipment.

SUPPLIERS

EUROPE

TURKEY: Bagfas is offering DAP at \$348 fob for 2-half July loading from Bandirma but has concluded no business recently.

FSU

RUSSIA: EuroChem is reported to have sold 25,000 t Kingisepp MAP to Tocantins in the low/mid \$330s fob for August shipment to Brazil.

The producer is also reported to have concluded a further 20,000 t MAP ex-Kingisepp, similarly in the low/mid \$330s fob for August loading in the Baltic.

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

July

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

August

- 25,000 t MAP ex-Kingisepp to Tocantins for Brazil
- 20,000 t MAP ex-Kingisepp to Tocantins for Brazil

UralChem has completed work at Voskresensk to increase production of phosphoric acid from 160,000 t/y P₂O₅ to 180,000 t/y. This in turn will enable an increase in the annual processing of apatite by an additional 55,000 t/y.

No new phosphate sales have been reported for **PhosAgro** this week with the producer comfortable for August.

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

- 5,500 t MAP to Gavilon for South Africa
- 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

AFRICA

MOROCCO: OCP has rolled over its asking prices for August DAP/MAP shipments to European markets, ranging from a low of \$342 fob for the east of the region up to \$355 for the west. It has allocated 130-140,000 t DAP, part of which has been booked, although this quantity is also understood to include tonnage slated for Turkey.

Compared to this month, a lower 110-120,000 t DAP/MAP/NP/NPK are expected to be sold to Africa, mainly for the west of the continent. This includes 25,000 t DAP/MAP on offer at \$340 fob for Mali and NP/NPK for Nigeria, part of which has been placed.

OCP is reported to have booked another two ammoniated phosphates panamaxes for August shipment to the US. These are in addition to the two monthly panamaxes already reported for June and July loading for this market. It is reported that Koch booked one of the two panamaxes for July shipment.

The DAP panamax due to load in July for India, covering part of OCP's earlier reported sale of 100,000 t to Kribhco, has slipped into August. The producer is understood to be discussing another DAP panamax for end August-early September shipment to India and a cargo of NPK for September loading for this market.

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

OCP/Morocco	July	August
Est. Production	630-650	630-650
E. and W. Europe	115	130-140*
Turkey	25	-
Africa	180	110-120*
Bangladesh	-	-
India	-	55
US	120	120
Argentina	35	-
Brazil	165	-
Total	640	415-435

*including allocations

TUNISIA: 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: Midgulf is understood to be negotiating with CIC 3,000 t bagged TSP from JAFFCO for shipment to Sri Lanka in containers.

SAUDI ARABIA: Ma'aden is reported to have concluded another 2 x 35-40,000 t DAP netting the low/mid \$330s fob for July loading for India, bringing the total amount sold for shipment to this market this month to 145-165,000 t on four vessels.

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

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

MPC/Saudi Arabia	July	August
Est. Production	240	240
India – Ma'aden	145-165	-
India – Sabic	60	-
Pakistan – Ma'aden	25	-
Brazil – Ma'aden	-	35
Total sales	230-250	35

ASIA

CHINA: There has been no change to DAP prices this week, which continue to hover a dollar or two either side of \$330 fob.

Aries is reported to have booked a second 35,000 t Kailin DAP with Chambal netting the very low \$330s fob for 2-half July loading for India under their MOU and is said to be negotiating a further cargo with IPL for first week August shipment to this market.

Midgulf is reported to have sold 60,000 t DAP end July shipment to India.

The *Iyo Wind* arrived in Beihai on 7 July to start loading around 50,000 t DAP for end July delivery to west coast India, covering an earlier sale by Wengfu to Iffco.

There are reports emerging that Drey Moor sold 40,000 t Yihua DAP to Engro about a month ago for July shipment to Pakistan, which the producer is said to have sold to the trader at \$332 fob. The *Minoan Grace* is understood to have been fixed to cover the sale.

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

YUC is reported to be running its Furui plant only, with a capacity of 2 x 600,000 t/y DAP, operating at 50-55% capacity, while phosphate producers in Guizhou are understood to be running at about 65% capacity and in Hubei at 70% capacity or slightly higher.

OCEANIA

AUSTRALIA: Quantum has sold a further 30,000 t IPL MAP at close to \$330 fob for July shipment to Latin America, down on the high \$330s last concluded with Ameropa for June loading for Brazil.

Competitive offers for DAP have been reduced to the low \$330s fob.

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

IPL/Australia	July
Latin America	30
Total sales	30

NORTH AMERICA

UNITED STATES: The US DAP price has dipped to \$340 fob this week, reflected in the sale by Mosaic of 6,000 t for August shipment to Latin America. The producer also placed 2,000 t MES.

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

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

Figures from the TFI Phosphate Materials Export Report for June (100% participation) show DAP/MAP exports were 221,096 ston P₂O₅, bringing the calendar y-t-d figure to 988,060 ston P₂O₅, 15% lower than 1-half 2015.

US DAP & MAP Exports ('000 stons P ₂ O ₅)				
	January-June		June	
Destination	2015	2016	2015	2016
Canada	99.4	102.8	3.3	22.7
Mexico	78.7	96.1	11.6	10.4
Argentina	18.9	24.5	18.9	-
Australia	71.2	90.1	-	-
Brazil	348.2	343.9	99.6	76.4
Chile	5.8	-	-	-
Colombia	83.4	68.3	10.7	16.7
Ecuador	4.8	2.2	-	-
Guyana	-	1.3	-	1.3
C.America	79.7	32.5	12.2	12.1
India	175.6	128.8	71.8	53.1
Japan	69.1	65.2	23.8	14.6
Peru	35.7	32.4	16.4	13.9
Venezuela	21.4	-	8.0	-
South Africa	8.9	-	-	-
New Zealand	23.6	-	15.6	-
Other	36.9	-	-	-
Total Exports	1161.3	988.1	292.0	221.1

Source: The Fertilizer Institute

MEXICO: Fertinal is reported to have encountered quite severe production problems due to issues with the rock phosphate from its San Juan de la Costa mine located at Baja California Sur although the extent of the glitch is unclear.

However, it is understood that the 25,000 t MAP/DAP that the producer was reported to have committed to a trader for 2-half July shipment and 30,000 t TSP to another trader for 2-half August loading will likely slip into the following months.

The *Adfines South* is still at Lazaro Cardenas having arrived on 9 July, 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 opened price offers under its 11 July tender for 10,000 t +/- 5% phosphoric acid solution for delivery to the TSP jetty at Chittagong and for shipment within 30 days of receipt of L/C, as follows:

Supplier	Origin	'000 t solution	\$/t fob	Freight \$/t	Commission \$/t	\$/t cfrlo	\$/t P ₂ O ₅ cfrlo equivalent
Commodities First	OCP, Morocco	10	309.37	24.00	1.00	334.37	619.20
Aries Fertilizer	Foskor, South Africa	10	322.41	30.00	1.00	353.41	654.46
	Vedanta, India						
	IJC, Jordan						
Wilson International	Lao Cai, Vietnam	10	331.78	30.00	1.00	362.78	671.82
	Greenstar, India						
	Jifco, Jordan						

Offers were to be submitted with liner terms and remain valid for 90 days from closing date.

INDIA: OCP has finalised with its JV partners only – Chambal, Tata, Zuari and PPL – phosphoric acid contracts for April-December shipment from Morocco. A total of about 70,000 t/m P₂O₅ has been agreed although the price has not been disclosed.

The Moroccan producer remains in negotiations with other buyers in this market but has limited volumes available on existing commitments to Europe (45-50,000 t/m P₂O₅) Pakistan, Indonesia and Saudi Arabia, and higher granulation rates of finished ammoniated phosphate fertilizers.

JPMC on 10 July issued a statement confirming that it had not agreed any "settlement with any customer regarding [the] phosphoric acid price to Indian market and JPMC may decide to stop phosphoric acid to the Indian market to follow the OCP decision." It is not known if a settlement has been reached yet.

It should be noted, however, that JPMC is not currently a regular supplier of phosphoric acid to India. Any Jordanian acid that is shipped primarily originates from JIFCO and very occasionally IJC. JPMC prefers to supply DAP and phosphate rock to India. JIFCO is supplying cargoes at \$600/t P₂O₅ cfr including 30 days' credit, primarily to Iffco, its joint venture partner, but also to other buyers. A vessel is reported to have just loaded from JIFCO with 20,000 t solution for PPL and for CIL, believed to be the *Stolt Vestland* that loaded in Aqaba 2-7 July and is currently on the water and due to arrive 20 July. A further 7,500 t has reportedly been sold to MCFL.

The statement by JPMC followed Iffco's statement on 8 July that all suppliers of phosphoric acid to India, with the exception of one, have now agreed a price of \$600/t P₂O₅ cfr with 30 days' credit for shipment between April-September 2016.

MMTC has issued a tender, closing on 14 July, for 20,000 t merchant grade phosphoric acid solution (52-54% P₂O₅) for 2-half July and 1-half September shipment in two lots to Chennai. This tender is expected to provide cover for MMTC in the MFL tender of 15 July.

MFL has extended to 15 July the closing date of its tender for 20,000 t merchant grade phosphoric acid solution (52-54% P₂O₅) for 2-half July and 1-half September shipment to Chennai in two lots.

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	<i>Argent iris</i>	1 July
IFFCO/Kandla	JIFCO/Jordan	10.3	<i>Stolt Sea</i>	2 July
IFFCO/Kandla	ICS/Senegal	29.5	<i>Bochem Oslo</i>	6 July
FACT/Cochin	OCP/Morocco	10.0	<i>Chemroad Dita</i>	8 July
GSFC/Sikka	OCP/Morocco	20.0	<i>Azalea Galaxy</i>	10 July
IFFCO/Kandla	-	19.0	<i>MTM Princes</i>	10 July
PPL/Paradeep	OCP/Morocco	10.4	<i>Jipro Neftis</i>	13 July
IFFCO/Kandla	Sinchem/Senegal	30.1	<i>Stolt Strength</i>	15 July
GSFC/Sikka	OCP/Morocco	7.5	<i>Shun Sheng</i>	16 July
FACT/Cochin	OCP/Morocco	10.0	<i>Jipro Neftis</i>	17 July
Paradeep	JIFCO/Jordan	20.0	<i>Stolt Vestland</i>	20 July
Total July to date		185.8		

MOROCCO: OCP is reported to have finalised price rollovers for Q3 phosphoric acid shipments to North West Europe with material for fertilizer production settled at \$820-840 P₂O₅ cfr and product for technical use as high as \$880.

SOUTH AFRICA: Foskor is still ramping up production after its major shutdown that lasted for several weeks.

PHOSPHATE ROCK

BANGLADESH: BCIC opened price offers under its 11 July tender 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, as follows:

Supplier	Origin	'000 t	\$/t fob	Freight \$/t	Commission \$/t	\$/t cfrlo
Commodities First	OCP, Morocco	30	105.00	18.30	0.10	123.40
Wilson International	JPMC, Jordan	30	110.22	14.00	0.50	124.72

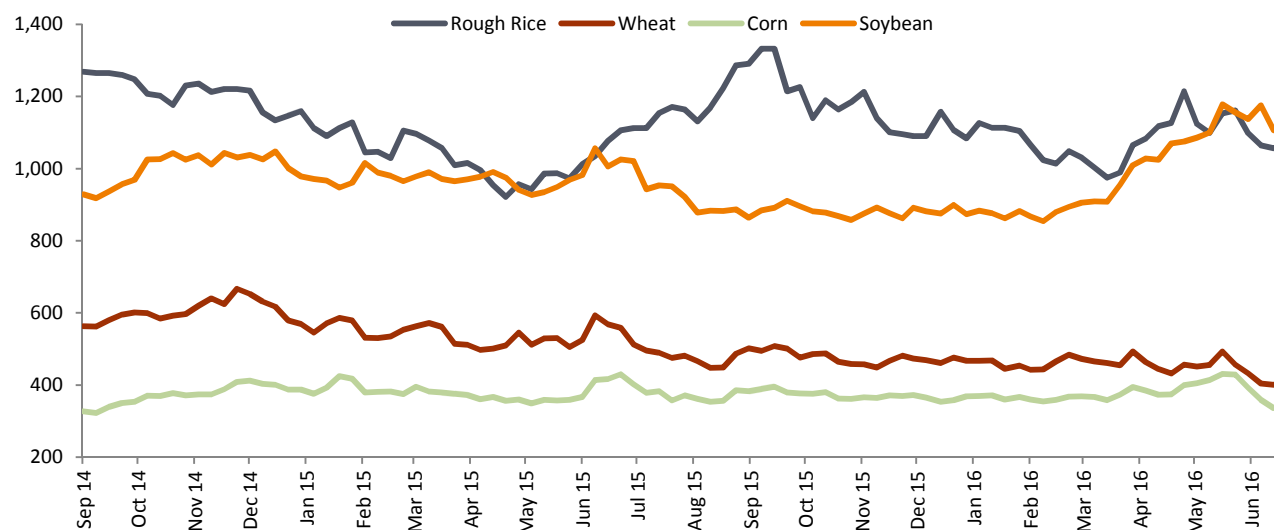
Offers were to be submitted with liner terms and remain valid for 90 days from closing date.

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	<i>Pan Pride</i>	1 July
IFFCO/Paradeep	Jordan	57,200	<i>Kapta Mathios</i>	2 July
CIL/Vizag	Togo	50,957	<i>Sun Vil II</i>	4 July
PPL/Paradeep	-	60,500	<i>Summer Lady</i>	9 July
Total July to date		219,107		

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	365.6	+24.2	362.0	369.6	429.4
Wheat	407.6	-7.0	422.4	448.2	559.0
Soybean	1,128.0	+26.6	1,112.6	1,104.0	1,016.2

Rough Rice	1,048.5	-10.5	1,068.0	1,120.5	1,106.0
Prices are Wednesday's closing rates for the forward months indicated. The 2015 price is the forward price reported one year ago.					

CORN:	WHEAT:
Corn futures continued to climb on fears that looming hot weather in the US – expected when corn is at the filling stage, especially bad for yields – will damage the crop.	Wheat continued on its downward trend however rallied over the last few days due to increased purchasing interest from the US livestock sector looking for cheap feed supplies.
SOYBEAN:	RICE:
Soybean futures finished higher on similar weather threats to corn. The market also drew strength from the USDA pegging US stockpiles at a smaller amount than expected.	Rice futures continued to reverse many of its recent gains and are now more than \$0.50 cheaper than a year ago, owing to ongoing burgeoning supplies in Asia.

WASDE

Projected feed use is set to rise globally, owed to mounting wheat supplies, increased wheat price competitiveness with corn as well as heavy late-season rain in several key production regions, indicated the USDA in the latest World Agricultural Supply and Demand Estimates (WASDE) report.

WHEAT: World wheat use for 2016/2017 was raised by 13.3 million t to 729.3 million, primarily on increased feed use, particularly in China and the EU, both up by 5.5 million t and 1.5 million t, respectively. In the US feed and residual wheat use for 2016/17 was also raised by 100 million bushels to 300 million according to the monthly supply and demand report.

Elevated wheat stocks are the main catalyst for this with US supplies for 2016/17 projected to rise by 180 million bushels in this month's report with ending stocks of 253.70 million t being at their the highest since 1988/1989. Globally, wheat stocks are also seen increasing by 9.2 million t to 983.0 million t while total production is now projected at a record 738.5 million t; a 2.7 million t increase led by 1 million t increases for both Russia and Ukraine on favourable weather, said the report.

Production for Argentina, Australia, and Canada were also each raised by 500,000 t. However, these increases were partially offset by a 1 million t decrease for the EU on heavy rain in France and a 700,000 decrease for Algeria on a worse-than-expected impact from drought.

Meanwhile, global 2016/17 exports were increased by 2.8 million t on larger supplies and strong demand led by a 1 million t increase for Ukraine and 500,000 t each for Argentina, Australia, Canada, Russia, and Turkey. US exports were also raised to 25.17 million t; a 3 year high. The increases were partly offset by a 1.5 million t reduction for EU exports, NASS explained, on a smaller crop and as well as increased domestic feed use.

CORN: Larger global supplies of feed-quality wheat are expected to undercut corn in price sensitive markets in the EU and Asia, outlined the report. Global 2016/17 corn ending stocks are projected 3.3 million t higher mostly on a 2.1 million t increase for China. Outside of China, corn stocks are 1.2 million t higher with larger stocks for the US and Indonesia more than offsetting reductions for Brazil, Japan, and Canada. US production for 2016/17 is projected higher at 369.33 million t, reflecting the increased planted and harvested areas from its June 30 acreage report.

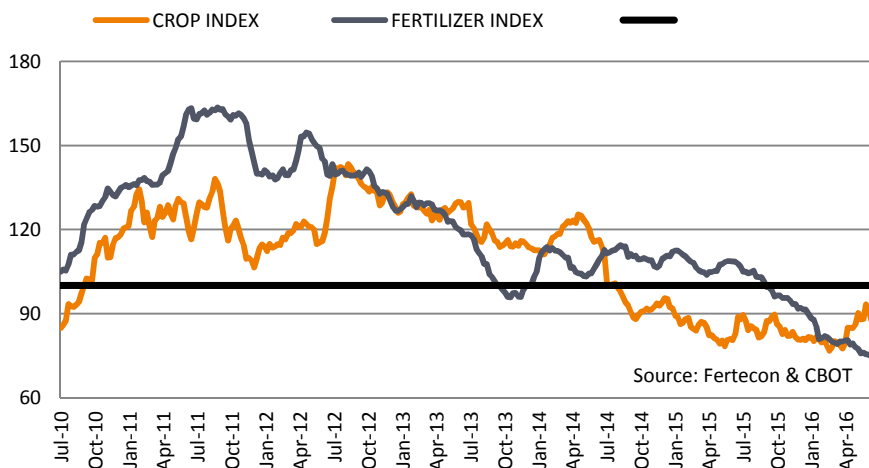
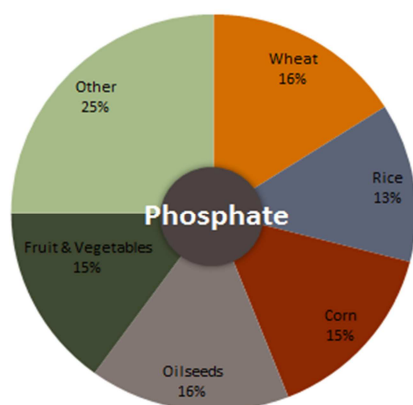
The report also outlined that Brazilian production for 2016/17 had been reduced by 2 million t based on lowered yield expectations. Its corn output for 2015/16 was also lowered by 7.5 million t reflecting the latest government statistics which confirm the adverse impact of this year's early end to the rainy season in much of central Brazil.

Meanwhile, Canadian corn production for 2016/17 was also decreased by 1.3 million t based on lower yield prospects following one of the driest Junes in over 30 years experienced in Ontario.

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.

REGIONAL MARKETS

EUROPE: Concerns are growing over the condition of the wheat and barley crops in leading EU producers France and Germany.

Following weeks of wet weather, particularly in northern parts of the country, FranceAgriMer reported that the winter barley harvest is just 16% complete as of 4 July, compared with 73% at the same point last year, and the proportion of the crop rated 'good/excellent' is at 53% compared with 86% in 2015. For soft wheat, the good/excellent figure fell by 6 points week on week to 59%, compared with a figure of 75% a year before.

The potential damage to the French soft wheat crop caused by the spread of fusarium, a fungus that can reduced yields, was also flagged in a report by the ODA Groupe in a report this week. Repeated rains in Germany are also threatening to lower yields for wheat there. The Association of German farmers this week predicted output would fall by 4.4% compared with last year to 25 million t.

SOUTHEAST ASIA: Malaysia's palm oil inventories rose for the first time in seven months in June, as overseas sales fell more than expected and production climbed, in what is a bearish sign for prices of the vegetable oil that are already mired near nine-month lows. Palm oil stocks in the world's number two producer after Indonesia stood at 1.78 million t at end-June, industry regulator Malaysian Palm Oil Board (MPOB) said on Tuesday, up 7.7% from May when inventories hit a more than five-year low as buyers stocked up ahead of Ramadan.

While dryness across Southeast Asia related to an El Nino weather event that recently ended is expected to curb global palm output this year, an emergence of La Nina and resultant rains in the region could help improve fresh fruit yields. Weather forecasters globally are predicting a 50-75% chance of La Nina developing in the second half of 2016.

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

FREIGHT

DATE	Baltic Capesize	Baltic Panamax	Baltic Supramax	Baltic Handysize	Baltic Dry Index
8 July	1002	792	647	354	703
11 July	991	799	651	356	704
12 July	987	809	666	358	711
13 July	1010	819	679	360	726
14 July	1020	842	686	361	738

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	303	301
Aug	339	352	346	Aug	302	307	305
Sep	336	347	342	Sep	302	305	304

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

PHOSPHATE REPORT is prepared by Neil Griffiths Phone: +44 20 7551 9793 Contact email: 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

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

© 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