

Market overview

Macro environment

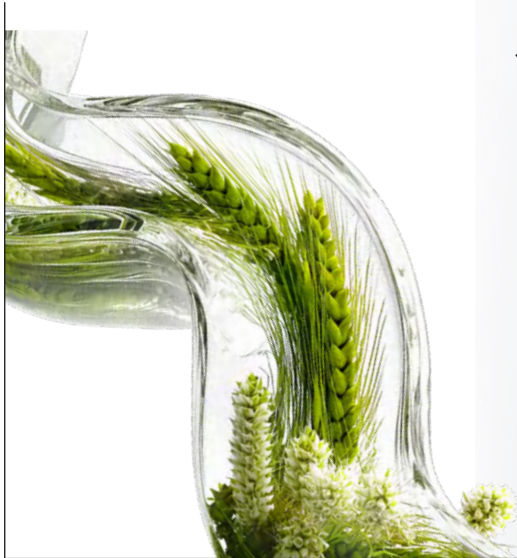
According to the annual report of the International Monetary Fund (IMF), the global economy is adjusting to a landscape reshaped by new policy measures. In 2025, some extremes of higher tariffs were tempered, thanks to subsequent deals and resets. But the overall environment remains volatile. The IMF estimates that global economic growth slowed from 3.3% in 2024 to 3.2%

in 2025, with advanced economies growing by no more than 1.5%, and emerging market and developing economies by just above 4%.

According to the latest IMF forecasts, economic growth will reach 3.3% in 2026. Changes in trade policy are being offset by investments in technology, fiscal and monetary support measures, accommodative financial conditions, and the adaptability of the private sector. The main risks to potential global economic growth are associated with a reassessment of expectations for new technologies and an escalation of geopolitical tensions.

Global fertilizer market

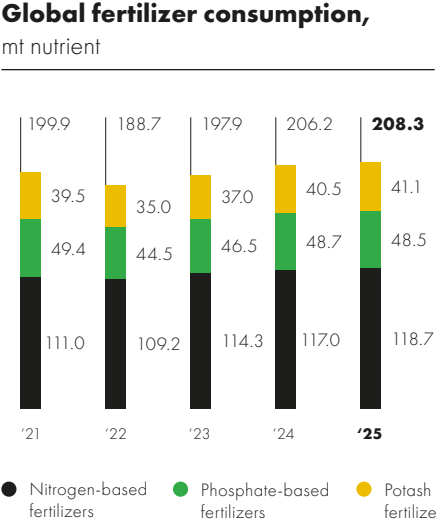
In 2025, the global fertilizer market developed against a backdrop of heightened geopolitical tensions and risks of global economic turbulence. The industry faced an unprecedented level of political uncertainty, marked by significant shifts in geopolitical relations and trade partnerships, along with the introduction of new tariff restrictions.



Key drivers

- ◆ Trade policy became one of the key factors influencing the market. The US imposed reciprocal tariffs on most traditional fertilizer suppliers, which remained in place until the end of 2025. This led to:
 - disruption of established logistics chains;
 - a significant increase in prices;
 - a decline in demand due to reduced affordability.
- ◆ The Middle East region remains an area of heightened instability for global fertilizer trade. Significant shipping disruptions have been observed in key transport corridors of the Persian Gulf and the Red Sea.
- ◆ All market participants are under increased financial pressure:
 - rising capital expenditures for producers;
 - increased financial burden on farms;
 - restricted access to credit resources;
 - changes in subsidy mechanisms.
- ◆ Export restrictions in China, formerly the world's largest fertilizer exporter, became an additional driver of price volatility in both global and regional markets.

Overall, the market experienced a slowdown in consumption growth, driven by the combined impact of geopolitical, economic, and regulatory factors.



◆ According to preliminary estimates from consulting agencies and industry analysts¹, global mineral fertilizer consumption in 2025 amounted to **208.3 mt nutrient**, just 1% (2.1 mt) higher than in 2024.

Consumption by fertilizer type

Nitrogen-based fertilizers

up **1.5%**
to 118.7 mt N

Phosphate-based fertilizers

down **0.3%**
to 48.5 mt P₂O₅

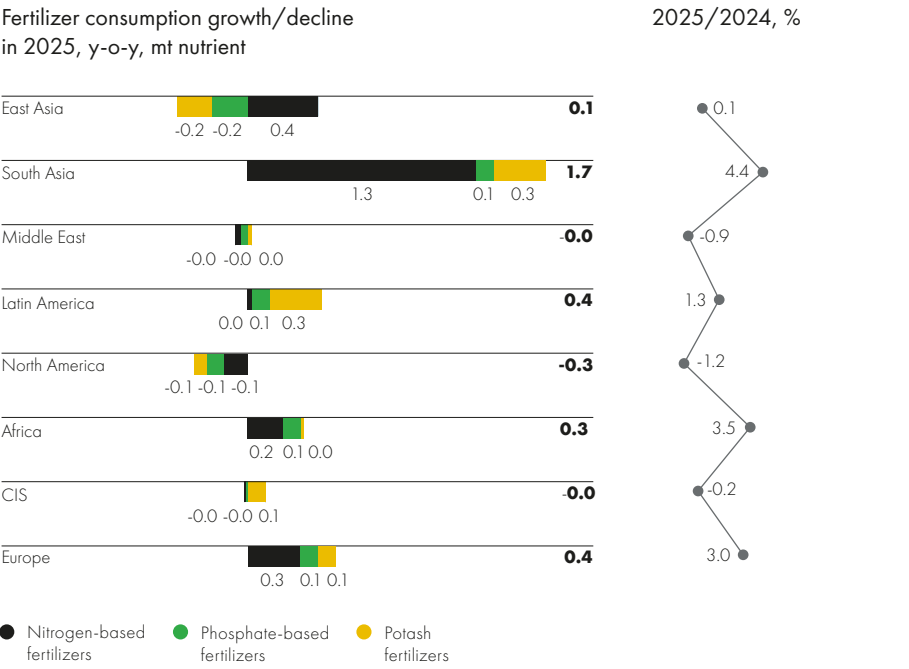
Potash fertilizers

up **1.3%**
to 41.1 mt K₂O

In regional terms, the highest growth rates of fertilizer consumption in 2025 were recorded in South Asia (mainly due to India) and Africa.

The growth in apparent consumption in Europe was largely driven by strategic stockpiling ahead of the introduction of additional tariffs on Russian and Belarusian products in July 2025 and the launch of the CBAM mechanism in 2026. This led to increased imports of nitrogen-based fertilizers in 4Q 2025 (primarily from North African countries).

Estimate of changes in consumption by region in 2025



¹ Hereinafter based on data by the International Fertilizer Association (IFA), CRU, Argusmedia, and Profercy consulting agencies; expert estimates of industry analysts in Russian and international media.

Global fertilizer market outlook

According to forecasts from consulting companies, the situation on the global fertilizer market in 2026, particularly in the phosphate segment, is expected to remain tense. Following a price correction at the end of 2025, a resumption of price growth is forecast for the purchasing season in key sales markets, against the backdrop of a persistent shortage of export supply and high sulphur prices, a key raw material component in phosphate fertilizer production.

The global market remains extremely sensitive to windows for mineral fertilizer exports from China and the reliability of fertilizer supplies from North African and Middle Eastern countries.

The key risks for 2026 are associated with changes in China's export policy for phosphate- and nitrogen-based fertilizers, the tightening of trade and sanctions regimes on Russian fertilizer exports to EU countries, and the implementation of CBAM and tariff measures in the European Union. These factors could exacerbate regional market fragmentation and price volatility, especially for nitrogen-based fertilizers.

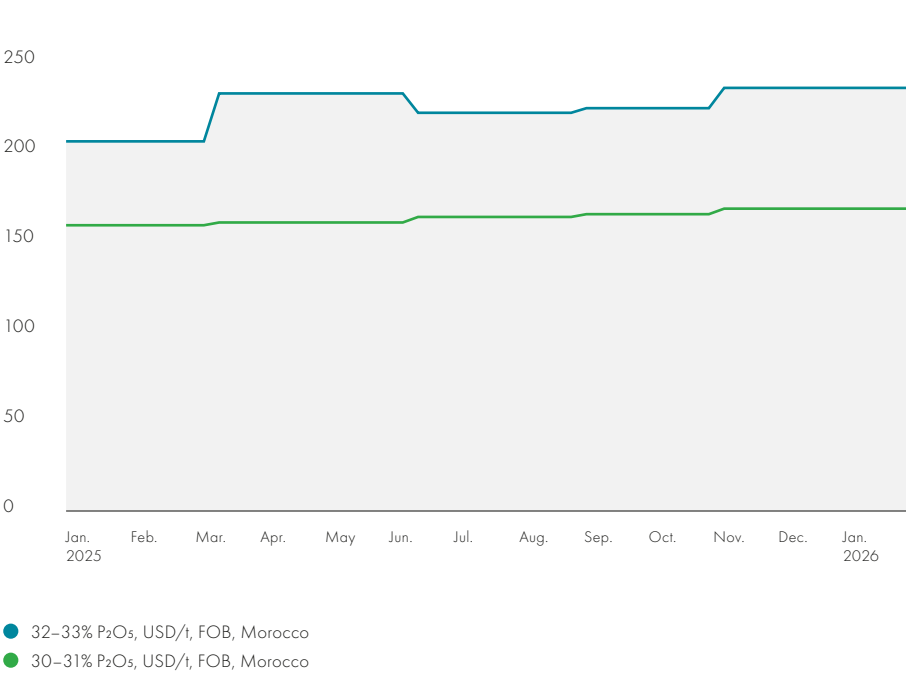
In the medium to long term, the market will be driven largely by the timing of new capacity additions, although trade barriers and the expansion of CBAM¹ will keep global volatility elevated. By 2027–2030, capacity is projected to expand to surplus levels for nitrogen-based and potash fertilizers, while the phosphate market balance will hinge on the timing of new project launches in Saudi Arabia and Morocco. These additions could be partially offset by reduced phosphate fertilizer exports from China in favour of domestic supply.

Phosphate rock and phosphate-based fertilizer market

Preliminary estimates put global phosphate rock production in 2025 at 225.0 mt, 5.0 mt (2.0%) below the 2024 level. The decline reflects reduced output in key regions, primarily the US, Middle East (Syria), and several Asian countries, most notably China, where export restrictions and domestic regulatory measures remained in place.

Global trade in phosphate rock held steady at 33.2 mt in 2025, unchanged from the previous year. The main suppliers were North African countries – Morocco and Egypt – along with Jordan from the Middle East, traditionally providing stable export flows.

Phosphate rock prices, FOB Morocco, USD/t



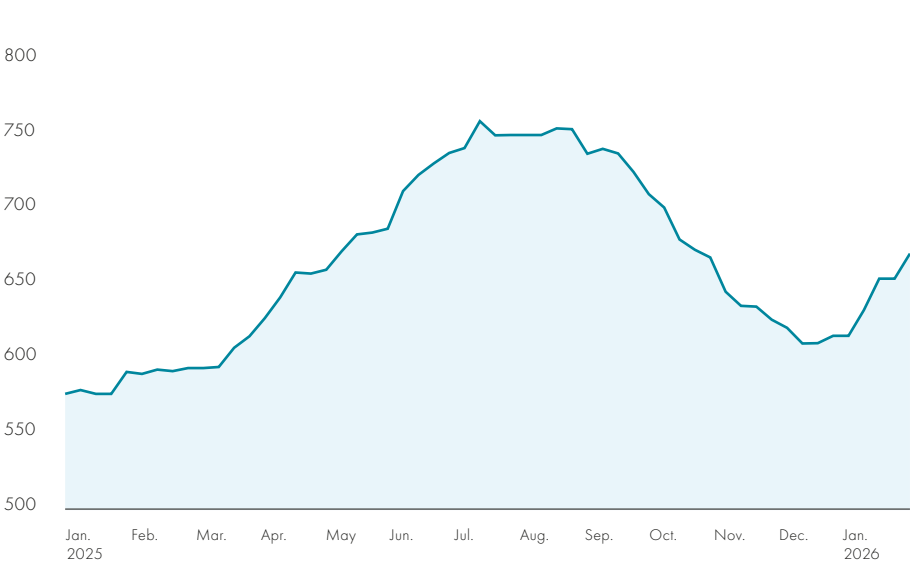
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Key importers remained:

◆ South Asia, primarily India, which imports about 11.0 mt annually;

◆ European countries, showing a recovery in import volumes to 6.0–6.5 mtpa after a sharp decline in 2022–2023;

◆ North America, where the US imports about 3.5 mtpa to meet domestic demand.

Global DAP/MAP prices, FOB Baltic, USD/t



Prices in the global phosphate rock market continue to trend upward, driven by rising prices for the end product – phosphate-based fertilizers.

A wide price gap persists for grades with high and low nutrient content (P₂O₅). This spread reflects a structural shift in demand toward higher-quality feedstock, driven by increasing pressure for greater fertilizer efficiency and more rational resource use in agriculture.

Preliminary estimates put global production of complex phosphate-based fertilizers (DAP and MAP) in 2025 at 65.0 mt, 0.5 mt (1%) below the 2024 level. A combined output increase of 0.7 mt in North Africa (Morocco, Tunisia), Russia, and Saudi Arabia was fully offset by production cuts in China (due to ongoing export restrictions), North America, and India.

Global trade in DAP/MAP fell to 27.3 mt in 2025, down 1.2 mt (4%) from the previous year. The sharpest decline in imports came

from North and South America (together nearly 2.0 mt), reflecting both new US tariff restrictions and the growing affordability gap between complex phosphate fertilizers and cheaper alternatives – single superphosphates. In contrast, India saw a sharp increase in imports – up more than 1.5 mt – driven by a recovering agricultural sector and government support for fertilizer purchases.

Prices in the DAP/MAP market in 2025 were highly volatile. The first half of the year brought a steady upward trend, propelled by China's tight export restrictions and strong seasonal demand in key markets – India, Brazil, and Europe. The second half, however, saw a reversal as weaker demand in Western markets take hold, driven by declining profitability of fertilizer use. With phosphate-based fertilizers less affordable against a backdrop of relatively low global prices for grains and oilseeds, farmers scaled back purchases.

In summary, 2025 was a year of reconfiguration of production and trade flows in the complex phosphate-based fertilizer market, shaped by geopolitical measures, macroeconomic conditions, and structural shifts in agricultural demand.

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¹ The European Commission plans to expand the scope of the Carbon Border Adjustment Mechanism (CBAM) from 1 January 2028.

Nitrogen-based fertilizer (urea) market

In 2025, the global urea market was shaped by a mix of structural and conjunctural factors that influenced both production and trade flows.

Key demand drivers included increased imports by India, which implemented large-scale state support programmes for the agricultural sector. Urea imports into the country rose by 4.0 mt, becoming a key factor in global demand growth. Meanwhile, Brazil saw a partial substitution of urea with alternative nitrogen-based fertilizers (mainly ammonium sulphate) due to declining urea affordability. Similar trends emerged in Europe and the US, where newly introduced tariffs and trade defence measures dampened import volumes.

On the supply side, China resumed substantial urea exports after a period of restrictions, contributing significantly to global production growth. Capacity expansion in the country boosted global output by 3.0 mt (1.5%), to 196 mt. However, production declined in regions dependent on natural gas supplies – the Middle East, North Africa, and partly India. The reasons were energy supply disruptions and unscheduled production shutdowns for technical reasons. These factors became a significant source of imbalance, especially during seasonal demand peaks, and contributed to increased price volatility.

Global urea prices, FOB Baltic, USD/t



Throughout 2025, the spread between minimum and maximum global urea quotations remained at USD 100–120/t, reflecting the market’s high sensitivity to demand fluctuations and logistical disruptions.

Global urea trade increased by 2.9 mt (5.5%) to 56.7 mt, driven largely by Indian import dynamics, which partially offset lower purchases in Brazil, Europe, and the US.

Overall, the urea market demonstrated resilience to external shocks in 2025 while retaining high sensitivity to geopolitical, energy, and seasonal factors.

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Potash fertilizer market

In 2025, the global potash fertilizer market showed a steady upward trend in both demand and pricing, driven by key import markets.

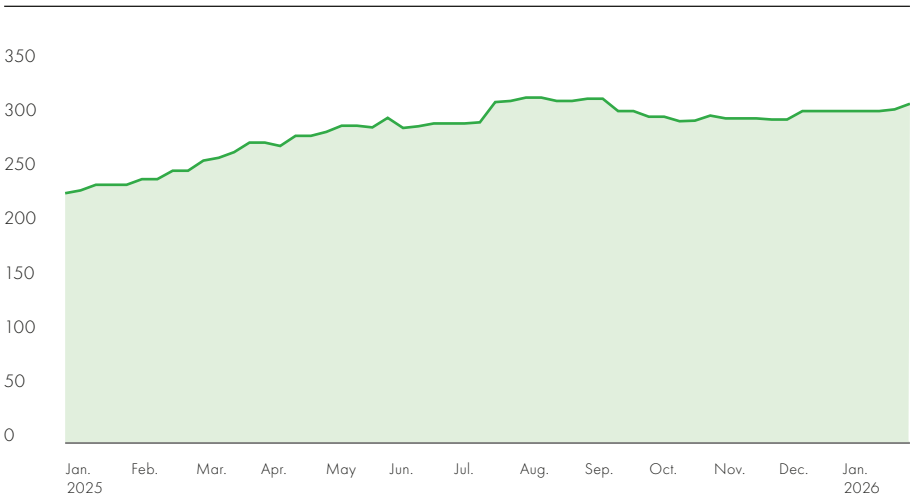
Potassium chloride (KCl) prices remained relatively affordable compared to nitrogen- and phosphate-based fertilizers.

This was made possible by a steady increase in production and exports by leading global suppliers, including Russia, Belarus, and Canada. These countries maintained a dominant position in the market, accounting for almost three-quarters of total potassium chloride exports.

Preliminary estimates put total global potassium chloride production in 2025 at 76.1 mt, with international trade reaching 61.7 mt. This indicates a high degree of market integration and the dependence of several agricultural regions on imported potash feedstock.

The key drivers of demand growth were Asian countries (primarily China and India), as well as countries in Latin America and Southeast Asia, which are actively expanding areas under crops with high potassium consumption rates.

Global potassium chloride prices, standard, FOB Baltic, USD/t



Competitive analysis

Global phosphate-based fertilizer production capacities¹, mt

1	OCP	2	MOSAIC	3	PHOSAGRO	4	MAADEN/SABIC	5	YARA
	Morocco		USA/Brazil		Russia		Saudi Arabia		Norway
	17.9		9.5		9.1		7.8		6.9

Phosphate rock production¹, mt

1	OCP	2	MOSAIC	3	PHOSAGRO	4	JPMC	5	MAADEN
	Morocco		USA/Brazil		Russia		Jordan		Saudi Arabia
	33.7		13.7		11.6		11.5		11.0

For more information on PhosAgro Group’s position among mineral fertilizer producers in Russia and globally, see the [Investment Case section](#)

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¹ CRU Group, publicly available company data.