



Knowledge grows

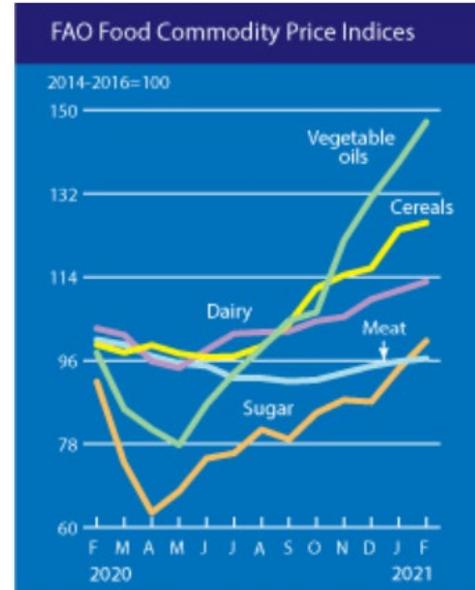
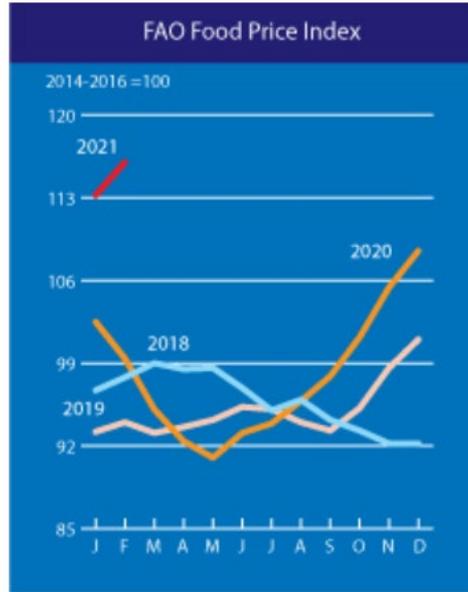
Fertilizer market update

Dag Tore Mo, Director
Market Intelligence

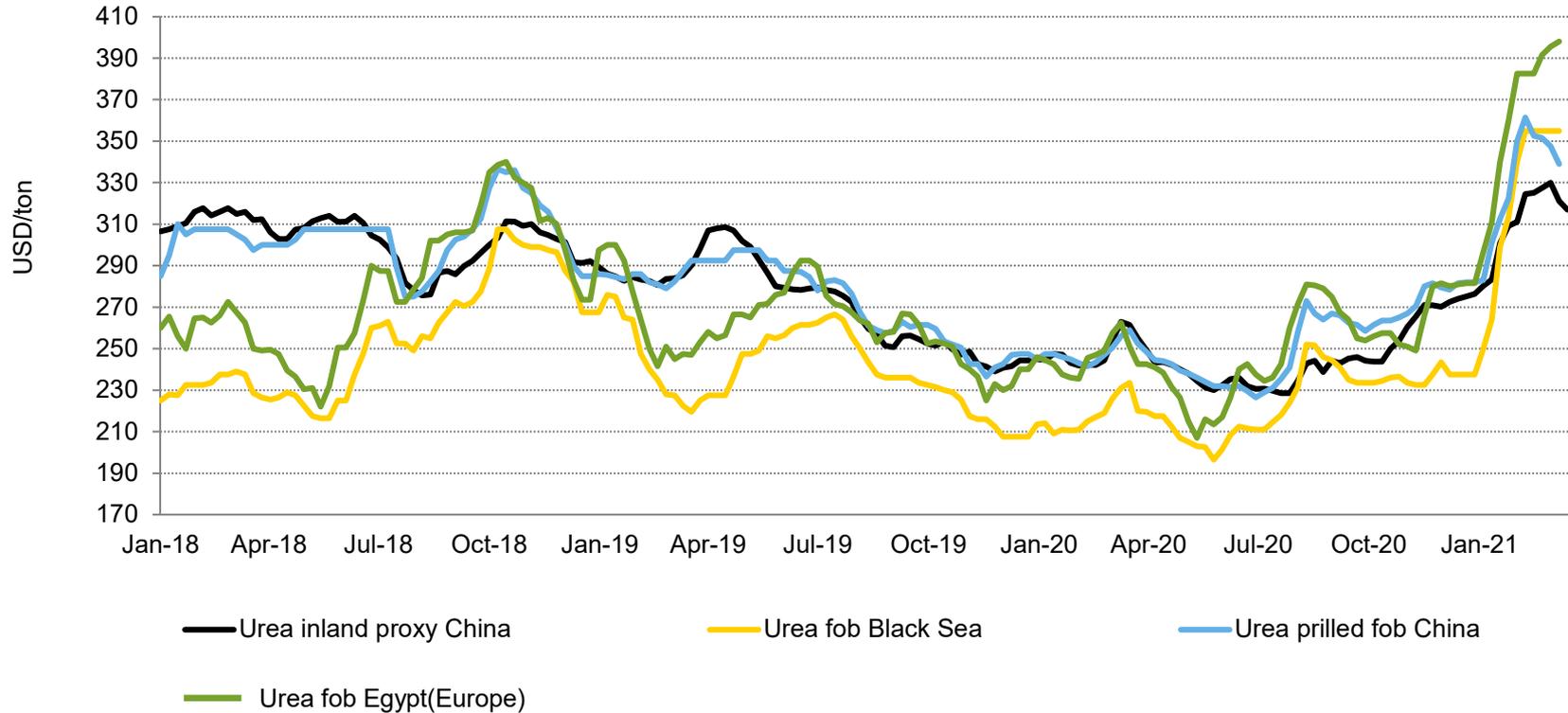
19 March 2021



Food prices on the rise since May, another increase in February, highest since July 2014



Urea prices strong, bullish sentiment in agriculture in general, demand rationing needed



Both wheat and corn stable recently at the elevated level

Corn May 21 USA, US\$/bu



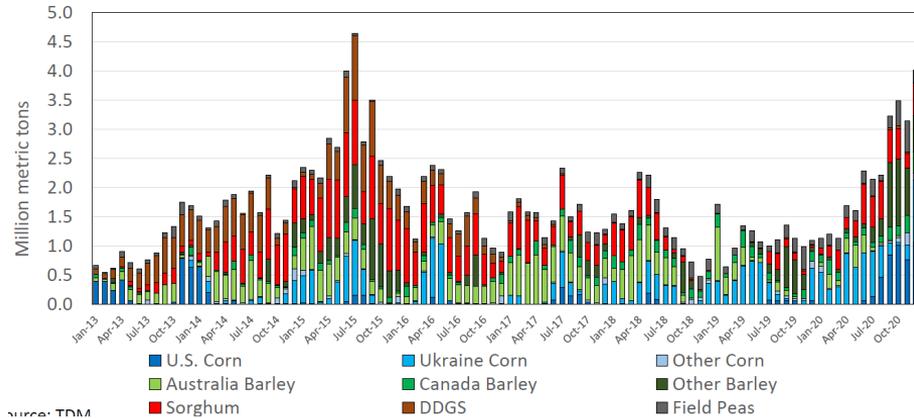
Wheat May 21 USA, US\$/bu



- **Fundamental factors behind development** include generally strong global demand, China adding corn to its list of agricultural imports, downward revision to US 2020 corn production, discussion of Russian wheat export taxes, some concerns about the Latin American crops, concerns about the winter wheat in parts of USA and Eastern Europe.
- Financial investors have built very **long positions, potentially adding to short term volatility, not recently though.**

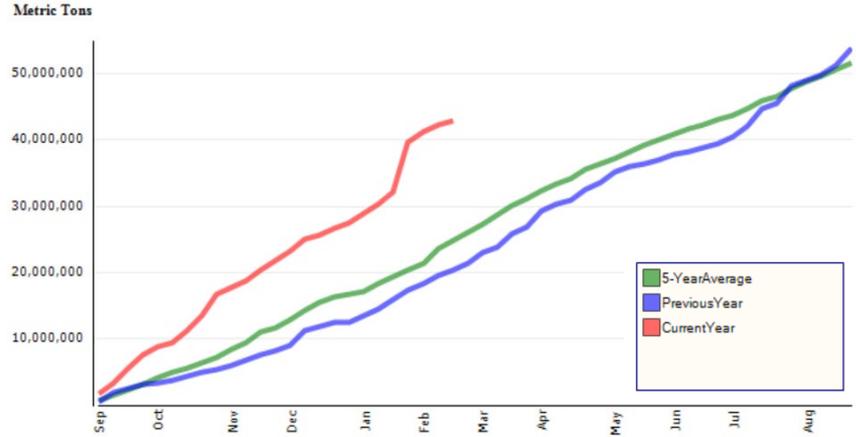
What is China up to on feed grains?

China energy feedstuff imports forecast record high, exceeding 2014/15



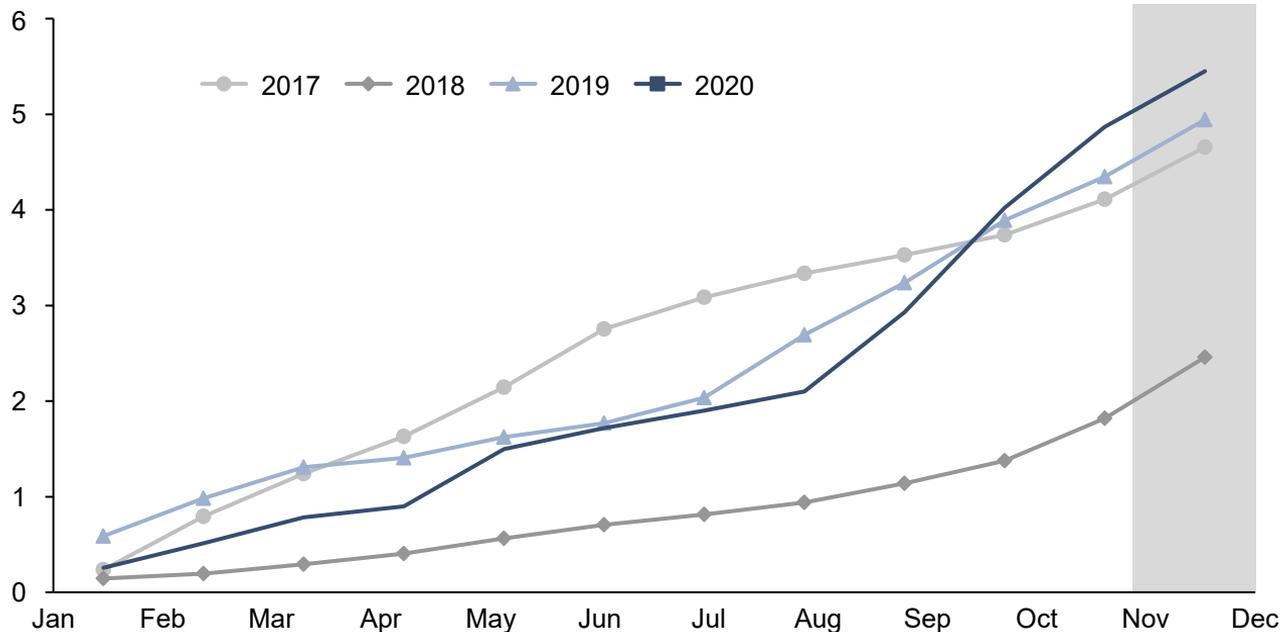
Source: TDM

Accumulated net sales – wold total (Corn)

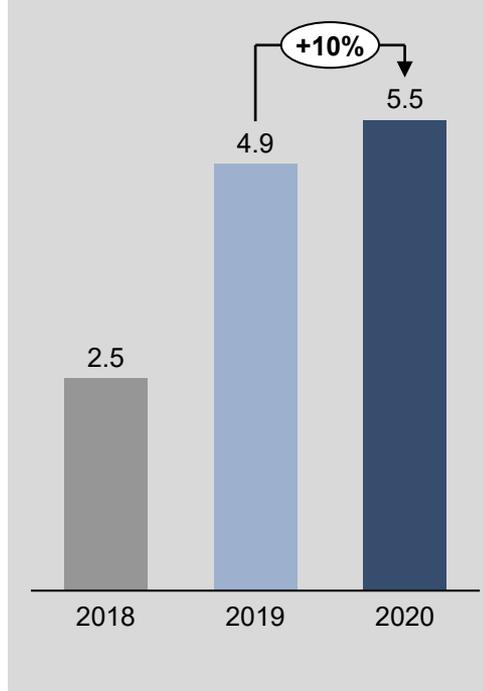


Urea: Export from China strong recently, 2020 up on 2019

Urea export from China, mt urea, accumulative

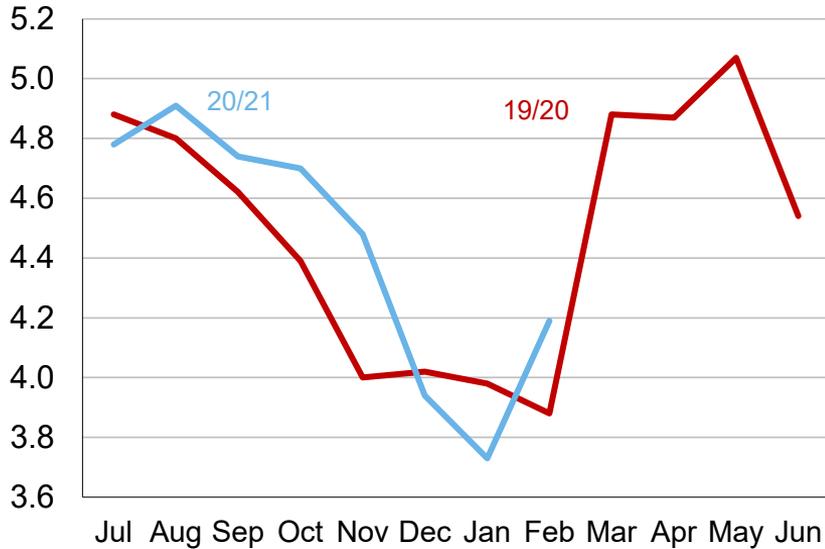


Comparison YTD December, mt urea

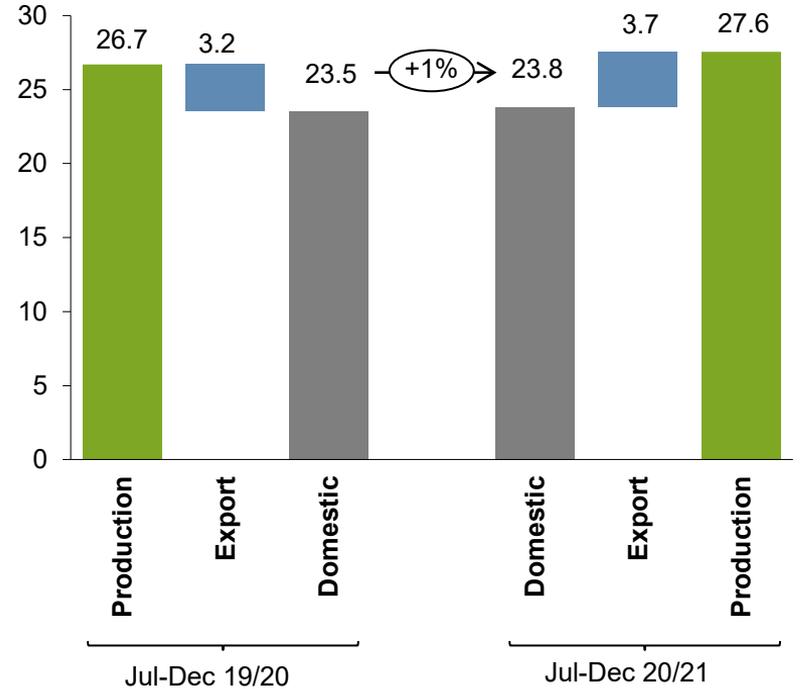


Chinese production rebounding in February, as natural gas is again available for nitrogen production, and margins are strong

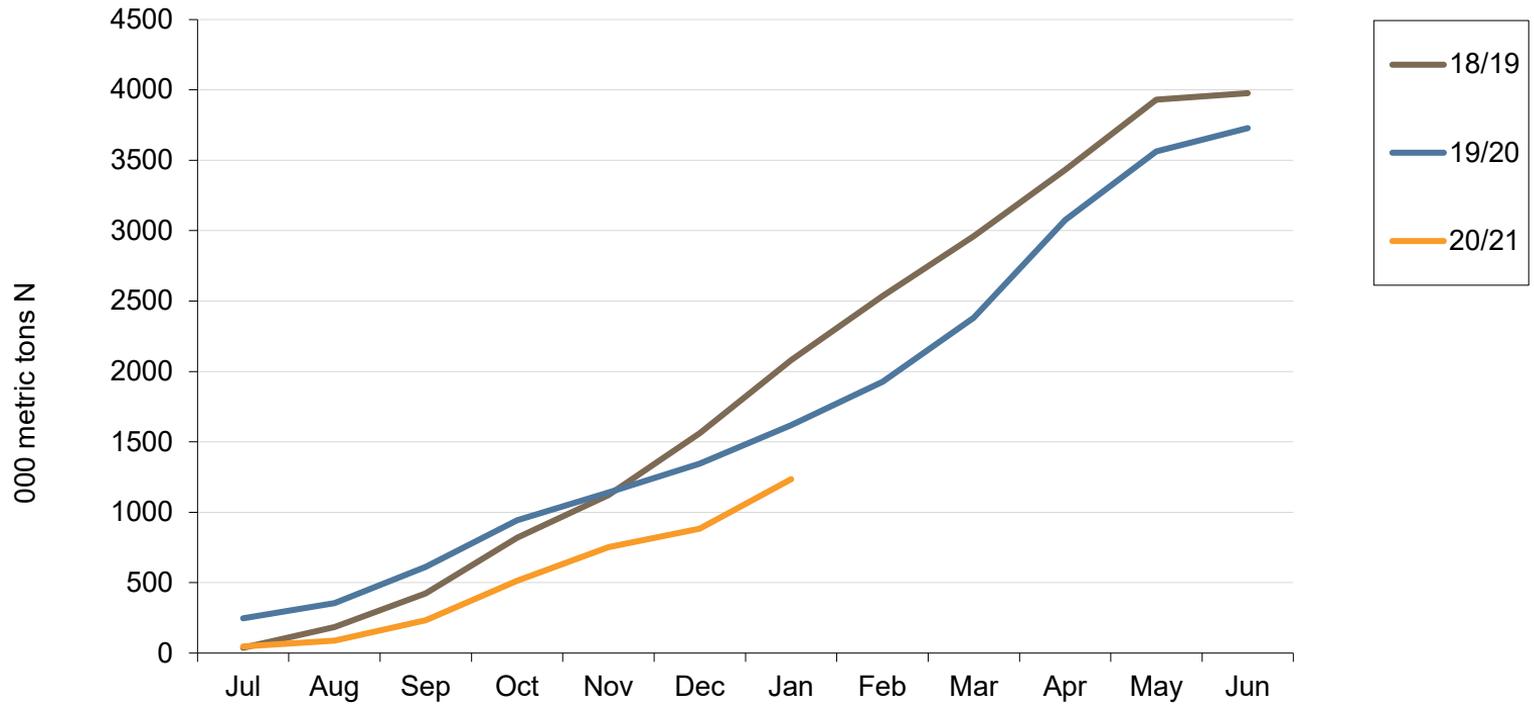
Chinese urea production, mt urea



Chinese domestic urea balance, mt urea

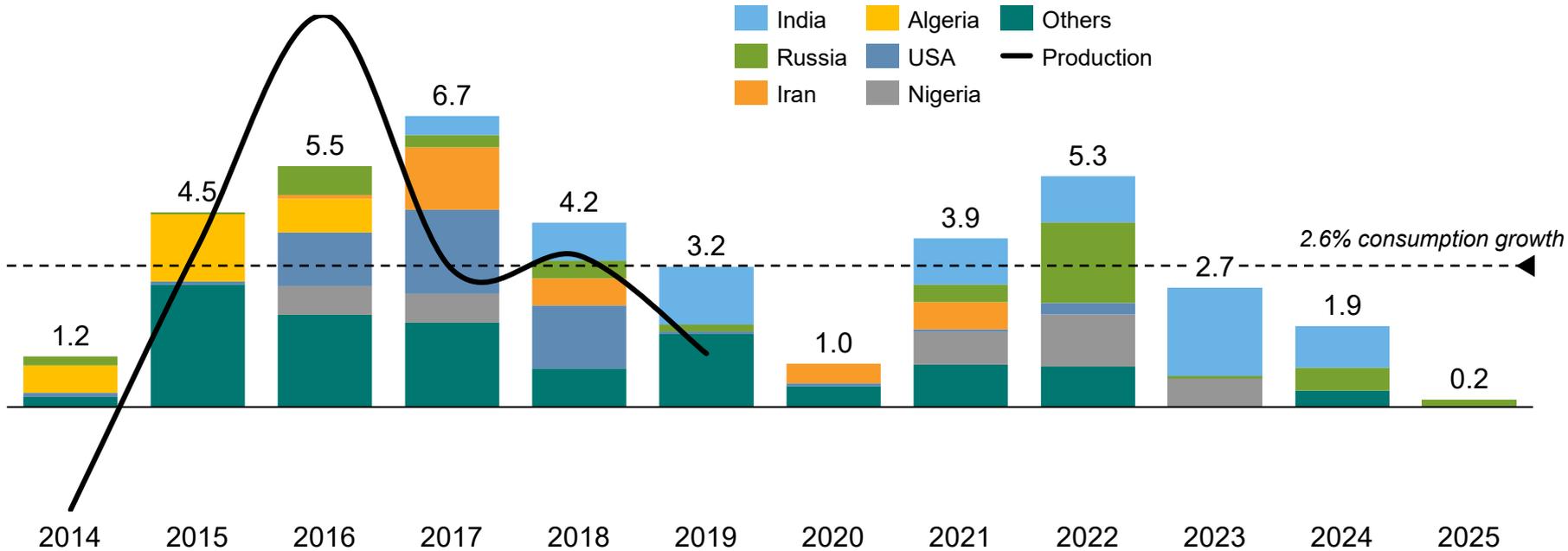


US net nitrogen imports

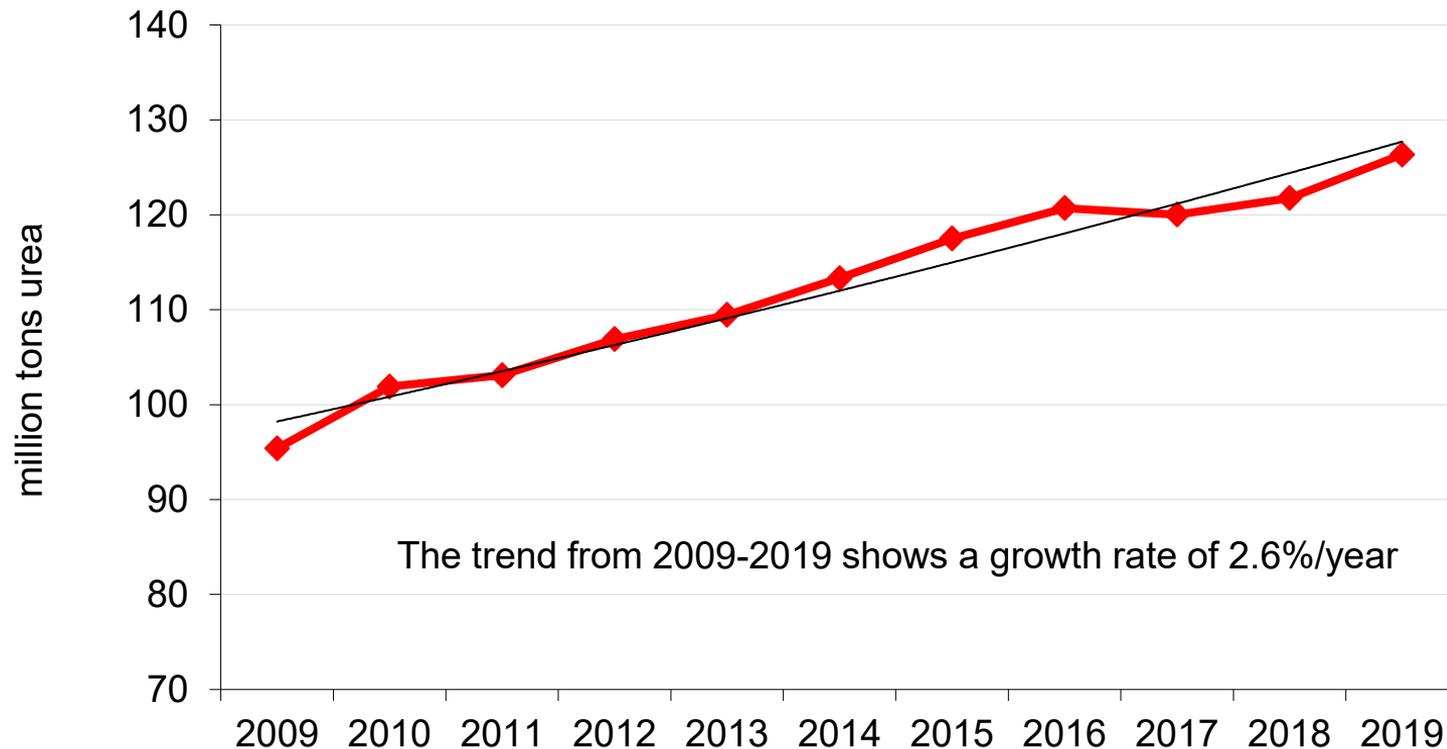


Higher nitrogen supply growth forecast in 2021, however higher than normal risk of project delays

Global urea capacity additions ex. China (mill. tonnes)



Apparent urea consumption ex. China – up 3.8% (4.6 million tons) in 2019, to 126.3 million tons



US and European natural gas (Henry Hub and TTF)

