



RLA Market Insights – Friday, 08 May 2026

Fertilizer Prices Surge as Middle East Supply Shock Tightens Urea, Ammonia, Sulphur and Phosphates

The Middle East conflict has created a major shock across global fertilizer markets, disrupting supply, lifting prices and increasing freight and insurance risk. By April 2026, average global fertilizer prices across ammonia, phosphates, sulphur and urea were almost 50% higher than before the conflict began in February. Although the Iran ceasefire has provided brief relief, markets remain tight because delayed cargoes must first be cleared and buyers are unsure whether the reopening of the Strait of Hormuz will be stable.

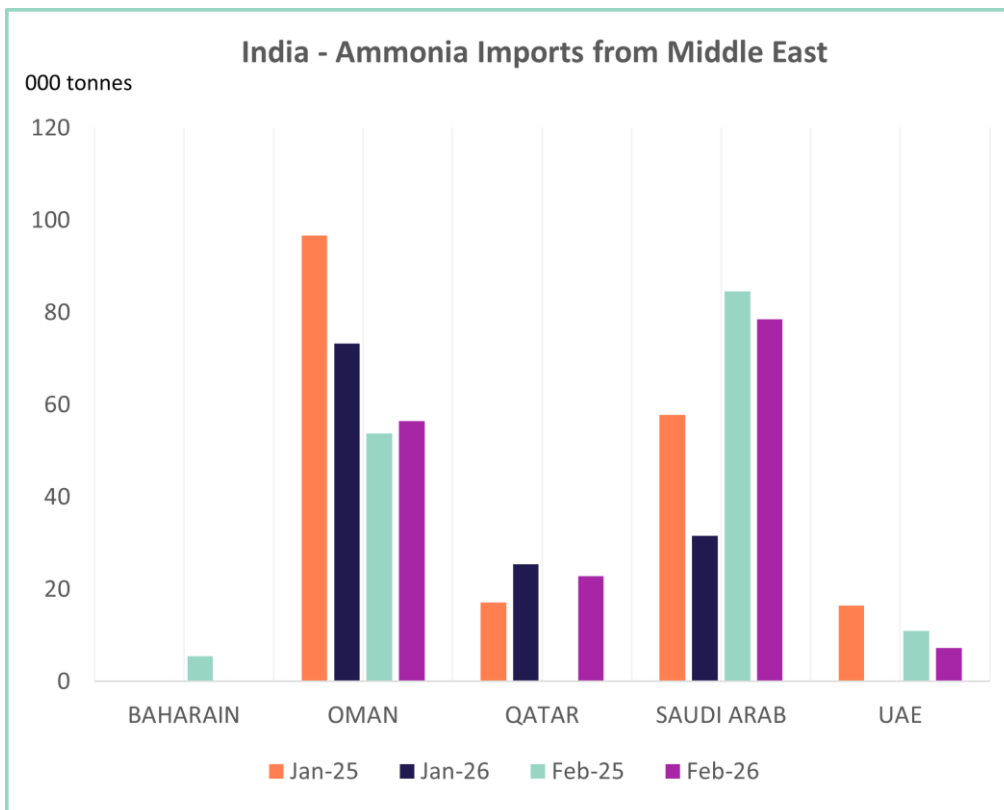
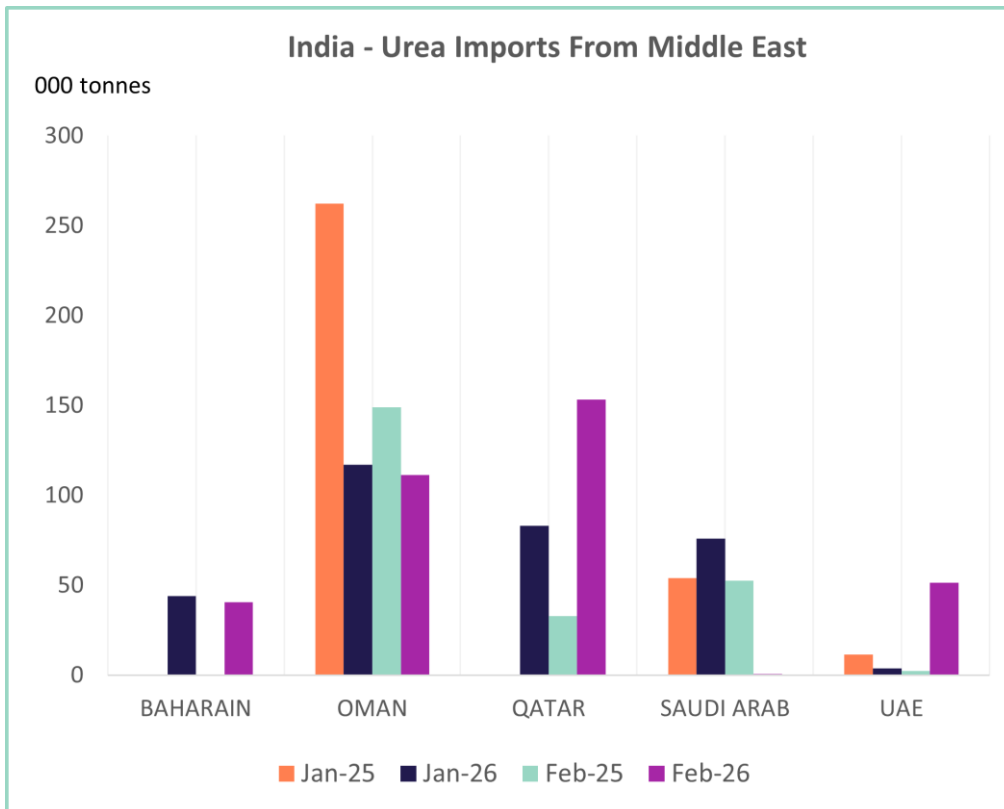
Urea has seen one of the sharpest impacts. The halt in Arab Gulf and Iranian exports has removed around 1.5 million tonnes/month of seaborne supply, pushing prices more than 70% higher since the conflict began. The disruption has coincided with key application periods in the US, India and Australia, intensifying competition for replacement cargoes. Urea markets were already tight due to limited Chinese exports, Russian disruptions and Iranian gas shortages, making the shock more severe.

Ammonia supply has also tightened sharply as shipments through Hormuz fell and some Middle East plants shut or declared force majeure. Higher gas and LNG prices have further increased production costs, particularly in Europe. This has supported firmer nitrate prices, with AN and CAN markets in Europe strengthening due to high ammonia costs, tight supply and spring demand.

Sulphur has become a critical bottleneck. The Middle East produces around 30-40% of global sulphur and nearly half of global seaborne sulphur trade passes through Hormuz. Disruptions at facilities in Iran, Qatar, Kuwait, Bahrain, Saudi Arabia and the UAE have restricted availability, while freight and insurance costs have surged. Sulphur shortages are directly affecting phosphate and sulphuric acid production, with producers in India, Morocco, China and Africa cutting rates or advancing maintenance.

Phosphate markets have paused amid uncertainty, with India awaiting subsidy clarity and Brazil facing affordability concerns. China has effectively removed phosphate exports, further tightening availability. Sulphuric acid markets have also spiked after China banned exports from May to December, forcing buyers to seek limited alternative supply.

UAN and ammonium sulphate markets are also rising as nitrogen and sulphur feedstock disruptions ripple downstream. Potash remains comparatively stable, with steady demand and only moderate price support. Overall, fertilizer markets remain highly vulnerable to logistics, insurance and geopolitical risks even after the ceasefire.





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