Overview of the African fertiliser market

The international fertiliser market had a slow start in 2020 and the upcoming Lunar New Year in February might result in a quieter month. Higher freight rates will also have a possible impact on global producer netbacks.

Image source: Gallo/Getty

Ammonia

Nutrien is seeking 25,000 tonnes for prompt loading in north Africa or Yuzhny. Trammo's deal with Sorfert involves a third-party vessel.

Algeria

Delays in the issuing of export licences appear to have been resolved, with Sorfert selling to Trammo, and AOA Edeola/Bahwan close to a similar deal with the same trader. Sorfert sold a 23,400-tonne, formula-priced free on board (FOB) spot cargo to Trammo for lifting from Arzew in mid-January. The trader has yet to nominate a vessel for the voyage to Turkey, as the volume is too large for the tankers Trammo Paris and Marycam Swan, which both have a capacity of 15,000 tonnes.

No ammonia or urea cargoes have yet departed Algeria in January due to delays in the issuing of export licenses by the government to major manufacturers Sorfert, Fertial and AOA Edeola/Bahwan.

Egypt

The European Biostimulant Industry Council (EBIC) loaded the SCF Tobolsk with 23,400 tonnes for Trammo at Ain Sokhna on 9 January. No spot sales have been heard by the Red Sea manufacturer or Abu Qir in the Mediterranean.

Morocco

No spot business involving The OCP Group has been announced, with ammonia consumption rates 25% lower week-on-week at around 3,000 tonnes per day.

Tunisia

Daily ammonia consumption rates at Groupe Chimique Tunisien (GCT) remains unchanged at around 700 tonnes per day, indicating that its ammonium nitrate unit and phosphates plant are running well. Tank maintenance at Gabes continues to restrict the volume that can be received from Ameropa.

South Africa

Trammo has yet to confirm the conclusion of spot deals for a combined 20,000 tonnes with a group of buyers for February arrival at Richards Bay. The trader has secured contract customers at the port who previously sourced from Muntajat.

Urea

Egypt

Offers for granular urea have moved up to $250/tonne FOB, reflecting replacement costs following the holiday period, but no business was confirmed at this level. Meanwhile, Abu Qir closed a sales tender on 15 January for 25,000 tonnes of granular urea and 25,000 tonnes of prilled urea, for H2 February shipment.

The Egyptian producer last sold at $228/tonne FOB, for a combined 25,000 tonnes of granular urea, under its sales tender of 10 December. The result of the Abu Qir tender will set the tone of the market in terms of fresh price direction.

Algeria

The government has issued some export licences to AOA Edeola/Bahwan for sale of urea in 2020. Sorfert also received some export licences. No other details are available.

Libya

Aries is shipping prilled urea from Lifeco to Sri Lanka in order to cover its recent sales to private buyers. The cargo is due to load in mid-January. Aries sold around 20,500 tonnes of prilled urea to three private buyers for January shipment in the range of $280 to 285/tonnes cost and freight (CFR) with credit. The cargo is yet to load.

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Ethiopia

The next shipment from Fertiglobe is due in February.

Sulphur

Negotiations continue in north-western Europe for Q1 contracts, while North African contracts are still pending completion. The global market continues to observe the impact of recent geopolitical issues and the International Maritime Organization (IMO) 2020 regulations.

Morocco

The OCP Group continues to operate at reduced production rates until February. Jorf Lasfar port is understood to be without disruptions.

Tunisia

GCT's phosphates unit is running well.

North Africa

Q1 contracts have started to settle. The range remains unchanged, pending confirmation of completion.

Dangote, Togo partner to transform phosphate into fertiliser

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Phosphates

Saudi Arabia

Ma'aden sold 30,000 tonnes mono-ammonium phosphate (MAP) to both West Africa and West Coast Australia, priced under formula.

Source: Independent Commodity Intelligence Services (ICIS)

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