



ravensdown



MARKET OUTLOOK

Summer 2026



Supply Update **Outlook**

EU

The EU's Carbon Border Adjustment Mechanism (CBAM) will impose carbon-related charges on imported fertilisers, effectively increasing the cost of supplying into the EU for producers with higher emissions. This is expected to favour lower-carbon production routes, reshape global trade flows, and potentially lift EU-adjacent benchmark prices as higher-emission exporters lose competitiveness.

China's return to the urea export market has added another layer of uncertainty. Their re-entry initially softened prices. Demand for nitrogen remains solid.

In DAP markets, prices are expected to ease due to reduced affordability and buyer resistance. However, overall pricing is likely to remain historically high, particularly as China once again withdraws from the export market.

USA

The US surprised the market by unexpectedly removing tariffs on fertilisers, sending a strong signal and disrupting price expectations.

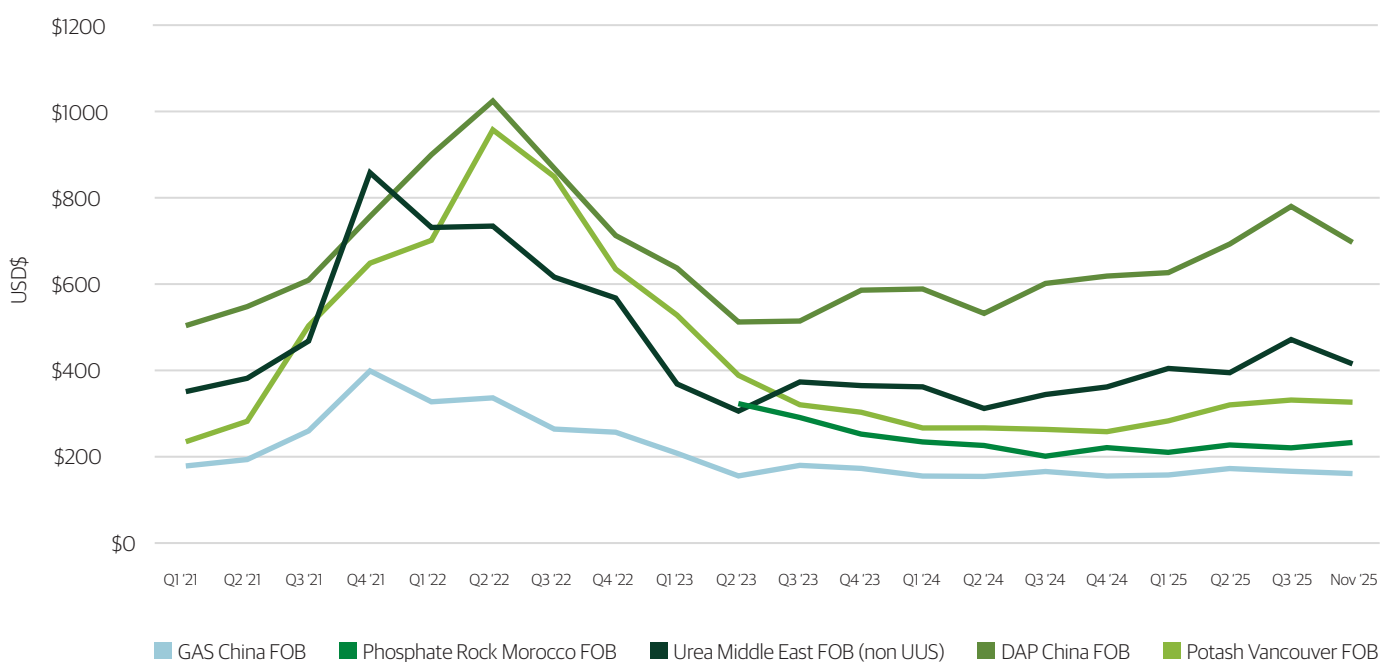
India

Frequent Indian urea tenders continue to drive market volatility. The latest tender, issued in mid-November, is expected to lift short-term prices.



International Commodity Pricing Trends

Key international commodity pricing trends



Note: quarterly mean excludes freight, insurance etc.



Market View: Summer 2026

Geopolitical moves, policy shocks and market reactions have contributed to a dynamic fertiliser commodity market which has a varying impact on prices here in New Zealand.

Looking towards Europe, new tariffs on Russian fertiliser imports have kicked off a re-routing of product into major markets such as Brazil, China and India. That alone is fairly disruptive, but the bigger shock arrives on 1 January, when Europe introduces its carbon border adjustment mechanism.

By taxing the carbon footprint of all imported goods, Europe has effectively incentivised the rest of the world to push high-emission products into the EU before the levy bites. Urea from North Africa, for example, has surged into Europe, pushing prices up by around 15% in just a week at one point. It's a reminder of how quickly government policy can reshape global commodity flows.

Across the Atlantic, the United States has been dealing with its own upheaval. While import tariffs were lifted on most major fertiliser products in mid-November, the impact of this is yet to be determined.

The general breakdown in US-China agricultural trade, particularly around soybeans, had led to hesitancy among US farmers to make decisions. Layer on a domestic budget stalemate in

Washington that threatens farm support payments, and the result is a sector that has been unwilling to commit, unable to plan, and increasingly exposed to global volatility. The USD \$12 billion aid package just announced may bring more certainty.

India, the world's largest urea importer, continues to influence prices. Since June, Indian tenders have sent the urea market on a rollercoaster (from USD \$400 a tonne to USD \$500 a tonne, then back again). The previous tender for two million tonnes secured barely a quarter of the volume required, which meant another tender was needed, pushing prices upward again. At the same time, China unexpectedly re-entered the export market, softening prices just as quickly.

In short, the world's biggest urea players are pushing and pulling the market in opposite directions, leaving the short-term direction highly uncertain. What is clear is that as India will remain active with another two-million-tonne tender expected this month and another in January, demand will remain firm.

For New Zealand, the impacts are already filtering through. DAP prices are easing in global terms, which is helpful. Urea remains firm and potash is essentially flatlining. Sulphur is continuing to increase significantly closing in at US \$500/mt up from US \$150/mt only months ago. But the real story for local buyers is currency.



Mike Whitty
Chief Operating Officer

The New Zealand dollar has fallen sharply in recent weeks, driven by lower interest rates and weaker economic indicators. As we know, this is good news for kiwi agricultural producers, as a softer dollar tends to lift farm gate prices. But for fertiliser buyers, the same currency drop pushes import costs higher. If the dollar stays where it is, the impact could be material.

Looking ahead to autumn, it's too early to call. Global markets are unsettled, and New Zealand's currency remains the biggest wildcard. But one thing is clear — we will be keeping a close eye on events in Europe, the US, India and China.

For now at least, demand at home is strong. After patchy weather across the country, November brought a lift in on-farm activity and fertiliser applications.

It was a busy spring across the Ravensdown supply chain and I'd like to thank all our partners for their contribution to ensuring we're delivering quality fertiliser to customers at the right time, the right place and at the right rate.

Supply chain surety: the co-operative advantage

In an increasingly volatile world, resilient supply chains are fundamental to protecting long-term value for Ravensdown's shareholders.

Geopolitical instability, extreme weather events, and global pandemics have all underscored the vulnerability of global supply networks. At Ravensdown, we are not waiting to react. We have

deliberately invested in resilience and built security into our supply chains over many years.

As a farmer-owned co-operative, our mandate is clear: protect shareholders from unnecessary volatility and help safeguard the productivity of New Zealand's primary sector.

Enduring supplier relationships form the backbone of our supply chain

resilience. Decades of partnership and our reputation as a reliable customer mean that in times of global disruption Ravensdown's orders are often prioritised and our exposure to inflationary pricing is reduced.

From the Middle East to Europe and from Asia to Africa, our team has worked hard to ensure we are a preferred customer for many global fertiliser suppliers.

Supplier spotlight on K+S

German-owned K+S is one of the top potash suppliers globally, extracting and refining minerals and raw materials on four continents for customers all over the world. In fact, K+S has 51 production sites in Europe and North America, as well as further distribution sites in Africa and Asia.

For the past five years, most granular potash sold in New Zealand by Ravensdown is sourced from K+S's Bethune Mine in the Canadian province of Saskatchewan. The mine opened for business in 2017.

K+S's sales manager, Ezio Nalin said Ravensdown is the company's singular most important customer in the Asia Pacific Region.

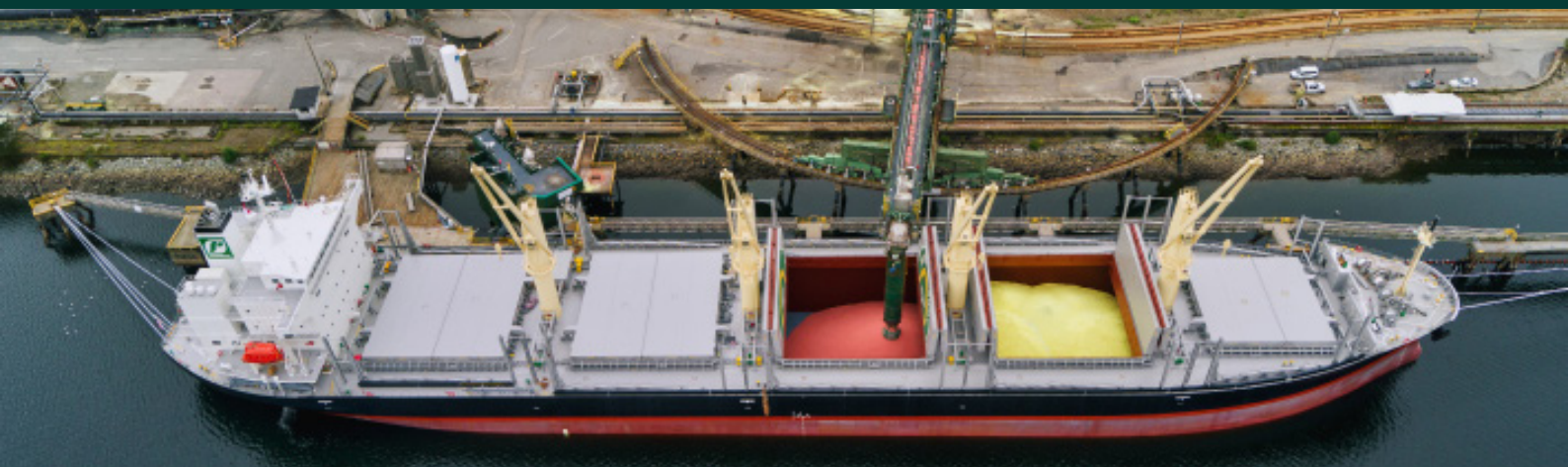
"In 2025, Ravensdown became the largest customer for K+S in the Asia Pacific region. We feel proud and honoured to support Ravensdown in their mission to help farmers in New Zealand to be more productive and sustainable."

Ravensdown's procurement due diligence process has seen K+S score top marks for sustainability.

Because they are a German company, K+S is impacted by European regulations on carbon emissions and have a laser sharp focus on reducing the size of their carbon footprint. In the last few months K+S has shared the certified carbon footprints for potash and kieserite products.

For Korn-Kali and ESTA Kieserite, K+S employ a dry manufacturing process that is more environmentally friendly than the traditional wet manufacturing processes which use a great deal of water.

They're also well known for supplying naturally occurring ESTA Kieserite and sulphate of potash which is top shelf in comparison to synthetically produced alternatives available elsewhere.



RSS charter vessel, the Deneb Harmony, being loaded with potash and sulphur in Vancouver's Port Moody.



Commodity Prices

Dairy, Beef and Lamb



Softer global prices and subdued Chinese demand has seen New Zealand dairy farm gate returns adjusted to \$9.50/kg MS. While supply is lifting globally, on farm conditions remain favorable and a solid season is well within reach.



Beef prices remain at record highs, supported by strong global demand, tight US supply, and a softer NZD that's boosting export returns even as US tariffs slowly filter through.



Lamb prices are climbing faster than the usual spring seasonal lift, driven by tight supply across New Zealand, Australia, and parts of Europe. With production down and global sheep meat demand staying firm, upward price pressure is likely to persist well into the new year.



Lower interest rates and a softer NZD is supporting stronger export returns across sectors.



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For tailored fertiliser advice, technical support, or assistance with your specific farming situation, please contact the Ravensdown Customer Centre on 0800 100 123 or speak directly with your local Agri Manager.

