

SEABORNE TRANSPORTATION OF FERTILIZERS, TRENDS & OUTLOOK.

PRESENTED BY:-

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BAINBRIDGE NAVIGATION

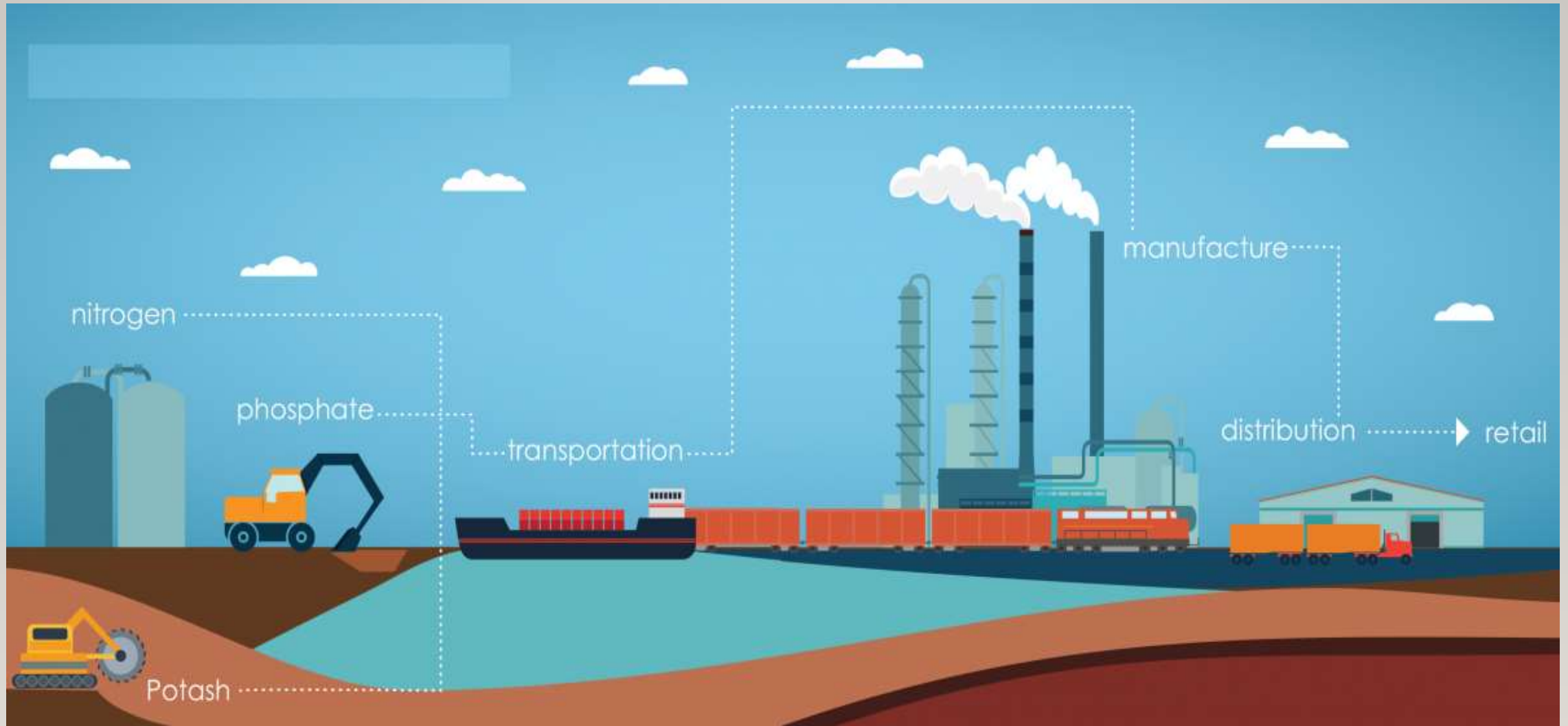
CONTENTS

- OVERVIEW OF FERTILIZER SECTOR.
- FERTILIZER SUPPLY & SUPPLY CHAIN.
- TOP FERTS EXPORTING COUNTRIES.
- FERTS USAGE BY GRAINS SECTOR.
- FERTS MKT IN 2020.
- REASONS FOR PRESSURE ON FERTS PRICES.
- PROJECTION OF 2021 FERTS MKT.
- INDIAN GOVERNMENT'S PLAN FOR FERTILIZER SECTOR.

OVERVIEW OF FERTILIZER SECTOR

- Fertilizers made world self reliant in food grain production.
- Key ingredient.
- Three primary nutrients.
- N.P.K
- Who's involved..?
- Who's the boss..! Russia, India, USA..?

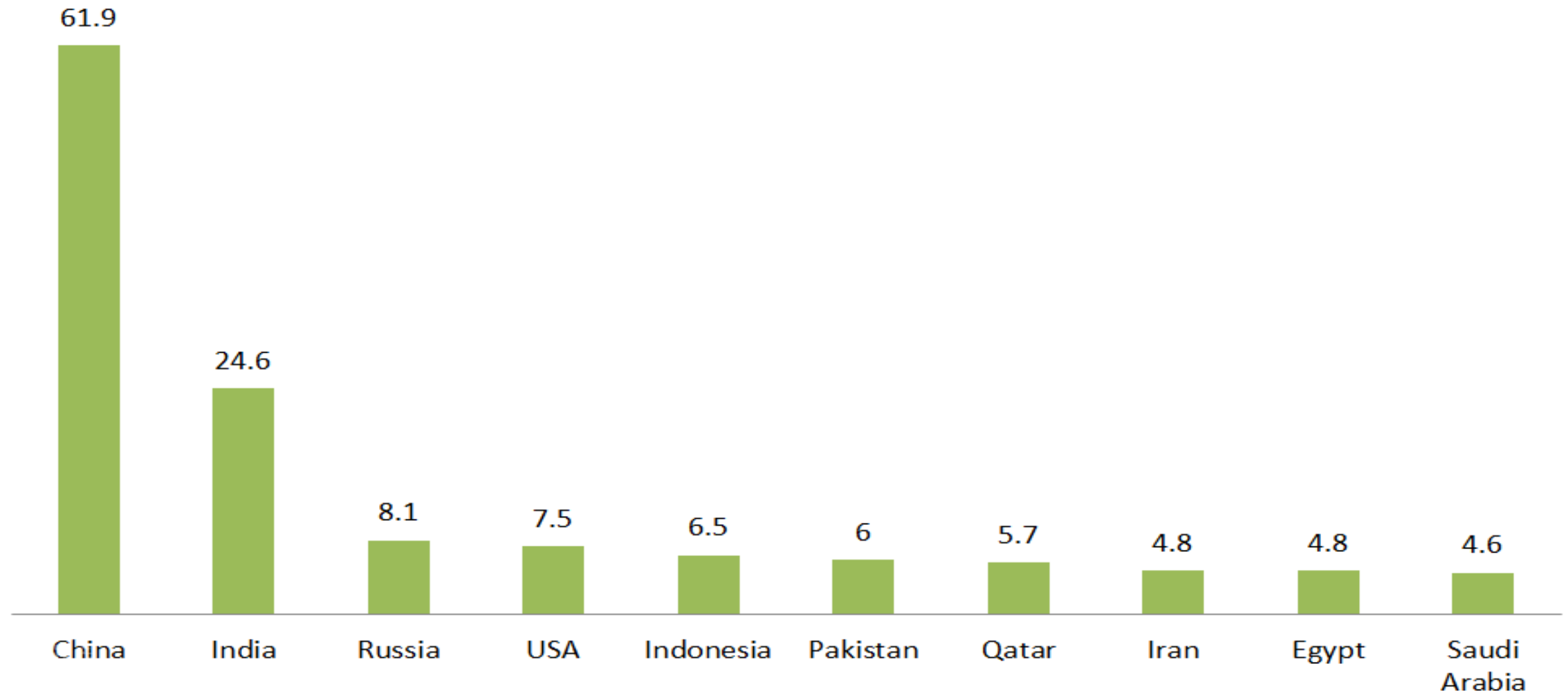
FERTILIZER SUPPLY CHAIN



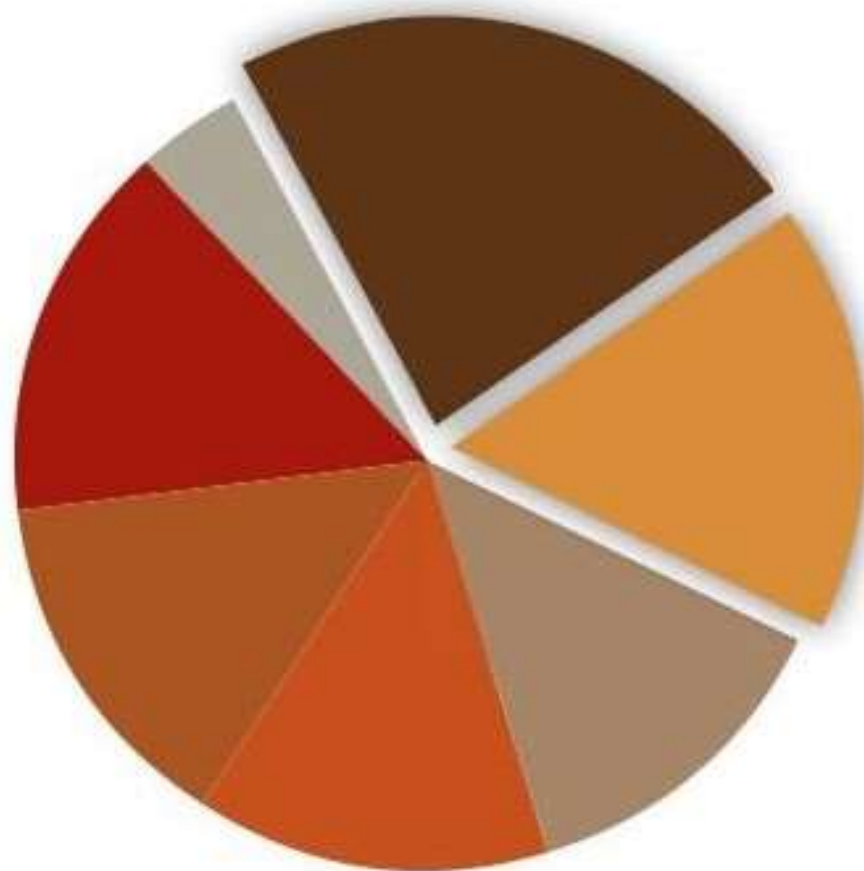
FERTILIZER SUPPLY

- Negative 2019 & 2020.
- Lower Gas Prices in Europe & US adds positivity.
- The global total nutrient capacity was 285.15 million tonnes in 2015, out of which the total supply was 245.77 million tonnes.
- In year 2021 global capacity and production of fertilizers are expected to increase further.

TOP FERTS EXPORTING COUNTRIES



FERTILIZER USAGE BY GRAINS SECTOR



 Corn	17%
 Oilseeds	13%
 Wheat	14%
 Rice	14%
 Fruits and Vegetables	15%
 Sugar	4%
 Others	23%

FERTILIZERS MARKET IN 2020

- Reasonable high in 2018 & 2019, came under pressure in 2020.
- Fertilizer prices lowest in a decade in 2020.
- Buyers waited a “bottoming out” and pulled back orders.
- Demand deferral results in downward momentum of pricing.
- Anhydrous ammonia prices, for example, are currently around \$500 per ton, but were closer to \$600 per ton last year.
- DAP prices have fallen the most, down 22%. All forms of nitrogen fertilizers were at least 10% lower.
- DAP and potash was highest in 2013 for \$650-700/tn, and now its close to \$500/ton.

REASONS FOR PRESSURE ON FERTS PRICES

- 1- UNITED STATES, A MAIN CULPRIT.
- 2- TRUNCATED SEASON
- 3- UKRAINE HIT RUSSIA WITH TRADE SANCTIONS.
- 4- SAUDI NPK EXPORTS DISAPPOINTED.
- 5- CHINESE NPK HAS LOW PRODUCT QUALITY AS COMPARED TO RUSSIA & UKRAINE.
- 6- NIGERIA BANNED N.P.K IMPORTS IN 2019.
- 7- REMOVAL OF CHINESE NPK EXPORT INCENTIVES.
- 8- ANTICIPATORY FALL IN 2019, AND COVID HELPED IT SUSTAINED.

PROJECTION OF 2021

- Significant pent-up demand for fertilizers globally and the U.S.
- Present fertilizer prices are very affordable which will attract demand.
- Increased Chinese NPK Exports.
- Ma'aden's acquisition of Meridian.

PROJECTION OF 2021 – CONTI....

- OCP's expansion.
- Increased Ethiopian Consumption.
- Decoupling of Russia-Ukraine Trade Sanctions.
- Russians focus on new markets.
- Positive projection of world urea production.
- More plantation planned across.

PROJECTION OF 2021 – CONTI....

- China shall bounce back.
- Rebounding US ferts applications.
- India's increasing use of urea fertilizers.
- Mixed opinion on U.S.A
- South America pulling the demand.
- Low gas prices may benefit ferts industry.

INDIAN GOVT'S PLANS FOR FERTS

- Close monitoring the production and distribution of fertilizers.
- New team & a road map.
- DoF has advised all the fertilizer companies to ensure smooth movement of soil nutrients from plants and ports.
- Additional storage of fertilizers in nearby plants.
- Priority berthing of fertilizers vessels.

INDIAN FERTILIZER MARKET

The market is projected to witness moderate growth during next **five years**

■ *Dominance in the market*



MARKET DYNAMICS & SEGMENTS

BY APPLICATION

- Oilseeds
- Fruits and Vegetables
- Others
- **Farming**
- Gardening



BY REGION

- **North India**
- West India
- East India
- South India

BY PRODUCT TYPE

- **Chemical Fertilizers**
- Biofertilizers

BY SEGMENT

- Complex Fertilizers
- DAP
- MOP
- **Urea**
- SSP
- Others



UNANSWERED QUESTIONS

- Decreasing world's productive land size.
- Will Ma'aden & other producers accelerate NPK production and where will it export?
- How will Chinese NPK demand evolve?
- Will India import more NPK in the future?
- Scope of betterment of US-China trade relations..?

CONCLUSION



• THANK YOU