GB Fertiliser Price Market Update

January 2020

AHDB

Monthly average prices for December 2019

Price data has been aggregated and anonymised to produce the monthly averages shown below. This series is an average of spot prices and therefore should be used as an indicator of pricing trends.

	Dec-19 (£/tonne)	Nov-19 (£/tonne)	Change from previous month (%)	Dec-18 (£/tonne)	Change from previous year (%)
AN – UK produced (34.5% N)	255	256	0%	292	-12%
AN – Imported* (34.5% N)	243	244	0%	274	-11%
Granular Urea - Standard Specification (46% N)	258	265	-3%	294	-12%
UAN (30% N w/w kg per 100kg)	N/a	224	N/a	252	N/a
Muriate of Potash (MOP)	272	278	-2%	274	-1%
Diammonium Phosphate (DAP)	332	341	-3%	409	-19%
Triple Super Phosphate (TSP)	286	295	-3%	337	-15%

**Imported prices are based upon product delivered via a range of sea ports*

Source: AHDB

Fertiliser prices well down on year-ago levels

December 2019 fertiliser prices were well down on year ago levels, with mild temperatures and low demand, driven by drilling delays, a likely cause. UK produced ammonium nitrate (AN) and imported AN were down 12% and 11% on December 2018 levels, at £255/t and £243/t respectively.

UK natural gas prices (ICE Natural Gas Futures, Mar-20), a key input into the nitrogen production process, continue to move at fresh lows. This is potentially a reflection of the more mild start we've had to the New Year. According to Met Office data, January 2020 was the mildest since 2007 and the sixth warmest on records going back to 1884. With heating a large draw of natural gas, prices are often dictated by temperatures.

Despite the fall in gas values, nitrogen prices reportedly firmed as we moved through January. Improved weather conditions and hard frosts in the middle of the month will have allowed many to get on with drilling crops not yet in the ground. With this in mind, we could see a pick-up in demand for N as we move through February and into March. The late drilling window could well have resulted in some growers delaying purchases of N, this could in turn lead to some logistical squeezes.

Phosphate prices have seen the most downward movement on the year. It is anticipated that we could see a pickup in prices of TSP, DAP and MOP as we move into spring. Replacement rates are reportedly higher and logistical tightness is expected as we move towards what could be a very busy spring.

About the price series

AHDB's monthly GB fertiliser prices was launched in January 2018, with the aim of increasing transparency in the market and helping levy payers understand price trends for a key input. The prices cover the most commonly used products: ammonium nitrate (UK produced and imported), granular urea, liquid nitrogen (UAN), potash and phosphates.

For more information on this price series, including the specification and validation ranges, please click here: Key Information

Any businesses in the farm supply chain interested in contributing should contact AHDB at mi@ahdb.org.uk.

To subscribe to future issues please email mi@ahdb.org.uk with your details, titling your email '*Subscribe – GB Fertiliser*'. The average prices will be updated monthly and published here: Historical Prices