

Global potash fertilizers market – background information

Global potash fertilizers market is stabilizing

The fertilizer market has been affected by multiple supply-side issues in 2022 - Russia's invasion in Ukraine, production crunch in Europe, export restrictions by Russia and China. In the second half of 2022 the global potash market experienced a surge of prices and disrupted supply chains, resulting in sharp decrease of demand and consumption.

Since then, global prices of potassium fertilizers have decreased 3,3 times since their peak in 2022 - in June 2023 compared to 2022 prices dropped from 1102 USD/ton to 328 USD/ton. Global potash prices are now back to levels preceding the Russian war of aggression against Ukraine.¹

According to Fitch Ratings, the global price of potash fertilizers should stabilize in the near future. It is estimated that the average price of potash fertilizers should reach 300 USD/ton in 2024 and should drop to 230 USD/ton in 2025.²

The global potash market has sufficient supply and potash producers have structural overcapacities - there is no shortage of potash. Supply of potash fertilizers on the world market exceeds demand. Countries adapt flexibly to the offers on the global market. Brazil, for example, has diversified and increased imports from various providers.³

Looking to the future of potash fertilizers supply, global production capacities are expected to increase in the upcoming years. The world's annual potash production capacity is projected to increase to about 66 million tons in 2025 from 64 million tons in 2022.⁴ New potash mining projects are being implemented (Canada, Russia, Laos, Spain, Morocco, Brazil), which will further increase the availability of potash, diversify the supply, and enhance the reliability of the global potash supply chain.

Diversified supply chains

In the African region, Belarus has always been only one of, but not the main, suppliers of potash fertilizers. In 2021, Belarusian fertilizers accounted 16% of overall African import - total Africa's import of potash fertilizers amounted to 639.42 million USD and Belarus share was only 103.27 million USD⁵. In general, Belarus' export to Africa comprised only a very small share of its global potassium fertilizer exports, which in 2021 was 2,63 billion USD.⁶

According to the data provided by Belarus, the export of potash by the Belarusian fertilizer producer JSC Belaruskali decreased by 20% in 2022, compared to 2021. The main export markets for Belarusian potash in 2021 were Brazil (21%), China (15%) and India (9%).

The largest supplier to Africa of potash fertilizers in 2021 was the EU⁷ - African import from EU amounted to 155.4 million USD and accounted for 24% of total imports. Significant quantities of potash were also imported from Russia⁸ (the volume of import from Russia amounted to 136 million USD and accounted for 21,2%; and

¹ [Information Note - The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the war in Ukraine \(fao.org\)](#)

² [Fitch Ratings Revises Global Fertiliser Price Assumptions](#)

³ [The Russia-Ukraine war after a year: Impacts on fertilizer production, prices, and trade flows | IFPRI : International Food Policy Research Institute](#)

⁴ [U.S. Geological Survey \(USGS\) Mineral Commodity Summaries](#)

⁵ [Trade Map - Bilateral trade between Africa and Belarus](#)

⁶ [Potassic Fertilizers in Belarus | OEC - The Observatory of Economic Complexity](#)

⁷ [Trade Map - Bilateral trade between Africa and European Union \(EU 27\)](#)

⁸ [Trade Map - Bilateral trade between Africa and Russian Federation](#)

Asian countries⁹ (import from the Asian region amounted to 101 million USD and accounted for 15.8%). This corresponds to similar import patterns in previous years.

In 2022 the landscape of potash fertilizer supply in Africa experienced new market dynamics as countries started to seek reliable providers to mitigate risks and build stable, diversified relationships with multiple potash suppliers in line with their agricultural needs.

In 2023, Belarus plans to increase potash exports to South America and African countries and expects to regain its usual volume of potassium fertilizer exports. Belarus has established new routes for its global potash exports, such as rail routes via Russia to China and to various Russian ports. According to Russia's transport minister¹⁰, Belarus plans to export, through Russian ports, 8,3 billion tons of potash fertilizers, in 2023.

Fertilizers supply linking with crop yields is not precisely correct

According to World Bank information on food security¹¹, it is not scarcity of fertilizers, but climate conditions (droughts, rainfall, floodings) and geopolitical risks (continued Russian invasion of Ukraine, threats from Russia to withdraw from the Black Sea Grain initiative, etc.) that are the main causes for African countries to face grain supply shortages this year.

Moreover, according to the FAO's latest data¹², in 2022/23, world cereal production amounted to 2,788.7 million tons, and consumption/utilization to 2779,6 million tons. The surplus amounts to 9,5 million tons. However, in 2018/19, when no sanctions against Belarus were implemented, global cereal shortage was 40.3 million tons.

European sanctions do not target the global trade of agricultural goods and inputs

European sanctions do not target the trade in agricultural products and inputs and are elaborated in order to avoid impact on global food security.

Belarus has been subject to EU sanctions since 2004. EU restrictive measures on the import, purchase or transfer of potash products from Belarus, whether or not originating from Belarus, were introduced in 2021¹³ given the escalation of serious human rights violations in Belarus, and the violent repression of civil society, democratic opposition and journalists as well as of persons belonging to national minorities and in response to Belarus's involvement in Russia's aggression against Ukraine.¹⁴

International organizations report a worsening situation in Belarus - systemic tightening of national legislation, eradication and persecution of independent media and civil society continues to take place. The latest UN report of the Special Rapporteur (report, submitted pursuant to Human Rights Council resolution 50/20) reconfirmed that the human rights situation in Belarus has continued to deteriorate.¹⁵

Spreading false narrative concerning impact of EU sanctions on potash fertilizers on global food security in Africa and Latin America is an attempt to distract the attention of global community from real challenges and secure the economic interests of sanctioned exporters.

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⁹ [Trade Map - Bilateral trade between Africa and Asia](#)

¹⁰ [В 2023 году Беларусь собирается восстановить экспорт калийных удобрений \(select.by\)](#) (information is available only in Russian)

¹¹ [Food-Security-Update-LXXXIX-July-13-2023.pdf \(worldbank.org\)](#)

¹² [FAO Cereal Supply and Demand Brief | World Food Situation | Food and Agriculture Organization of the United Nations](#)

¹³ [Publications Office \(europa.eu\)](#)

¹⁴ [EU imposes sanctions on Belarusian economy - Consilium \(europa.eu\)](#); [Belarus' role in the Russian military aggression of Ukraine: Council imposes sanctions on additional 22 individuals and further restrictions on trade - Consilium \(europa.eu\)](#); [Belarus: EU adopts new round of restrictive measures over internal repression - Consilium \(europa.eu\)](#)

¹⁵ [A/HRC/53/53: Report of the Special Rapporteur on the situation of human rights in Belarus, Anaïs Marin | OHCHR](#)