



Business environment

JANUARY




In January, Russian producers increased fertilizer output by 20% compared to the same period last year

The total volume of fertilizer production in terms of 100% nutrients reached 2.4 mt. Nitrogen-based fertilizer production rose by 3.7%, and ammonia production increased by 5.2%.



USA reduced tariffs on Russian phosphate-based fertilizers

The U.S. Department of Commerce lowered countervailing duties on phosphate-based fertilizers imported from Russia in 2021, establishing a new duty rate of 14.3% for PhosAgro, 23.77% for EuroChem, and 16.3% for other Russian exporters, which apply retroactively. These new rates took effect on 29 January.



FEBRUARY



Vladimir Putin set task to ensure 25% growth of domestic agricultural production by 2030

The head of state announced plans to increase agricultural production in Russia by at least 25% by 2030 compared to 2021, with exports growing 1.5 times. He emphasised that Russia is not only fully self-sufficient in food but also is a global leader in the wheat market, ranking among the top 20 food-exporting nations.




EU significantly increased fertilizer imports from Russia and Belarus

In February, the EU purchased a record 521.3 kt of Russian fertilizers (worth EUR 167 mln), the highest since 2022. As a result, up to 60% of all potash fertilizer imports into the EU now come from Russia and Belarus, while Russian nitrogen-based fertilizers account for 31% of total EU imports.

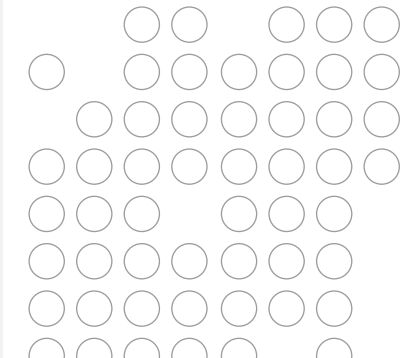



MARCH



Russian fertilizer supplies to USA hit an annual high

In March 2024, the USA purchased USD 174 mln worth of fertilizers from Russia, the highest since February 2023. Key imported fertilizers included potash, phosphate, and nitrogen-based products.





APRIL



Russian government extends fertilizer export quotas

Quotas for mineral fertilizers were extended for a period from 1 June to 30 November 2024. The total export quota volume exceeded 19.7 mt, including over 12.4 mt for nitrogen-based fertilizers and approximately 7.3 mt for complex fertilizers. Subsequently, the quotas were extended further until the end of May 2025.




Russia's Ministry of Agriculture reported that the country had achieved food security in most areas

According to Oksana Lut, First Deputy Agriculture Minister, Russian producers only need to catch up in the production of milk, fruit, and berries to achieve complete food security. She also noted agricultural production in Russia had grown by 87% since 2000.




MAY




Russia extends domestic price caps on mineral fertilizers

Prices for fertilizers remained capped at the 2022 level through the end of 2024. This decision followed the Russian government's decree to extend fertilizer export quotas. At the end of the year, the price freeze was additionally extended into 2025.



Fertilizer producers fully met Russian farmers' demand for mineral fertilizers for spring fieldwork

From January to May 2024, domestic producers supplied 3.3 mt of fertilizers in terms of 100% nutrients, exceeding the required volume of 3.2 mt.



JUNE



Russia and UN reaffirmed the importance of securing grain and fertilizer exports

This was announced following a meeting between Rebeca Grynspan, Secretary-General of the UN Conference on Trade and Development (UNCTAD), and Sergey Vershinin, Russia's Deputy Foreign Minister. Both sides reaffirmed their commitment to ensuring the implementation of the relevant Russia-UN memorandum, considering Russia's main share in the world export of grain and fertilizers.



BRICS Conference on Food Security and Sustainable Agriculture held an industry session under auspices of RAFP¹

Participants discussed key initiatives, including creation of a grain exchange, boosting trade, reducing carbon footprint, and strengthening agricultural cooperation. Plans to increase fertilizer and food supplies, particularly to Global South countries, were also addressed.



¹ Russian Association of Fertilizer Producers.

JULY



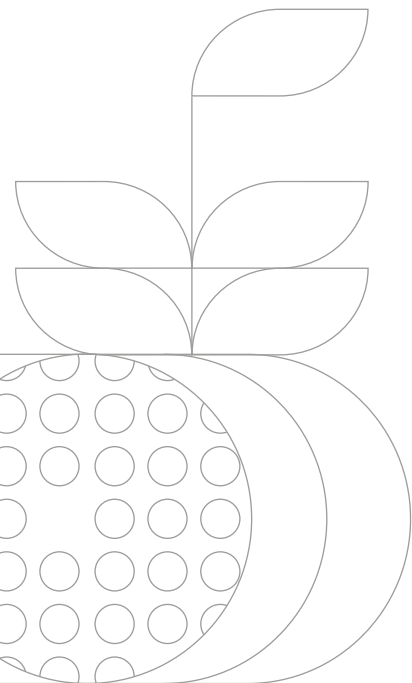
Russia's State Duma passed a law increasing the mineral extraction tax (MET), among other things on feedstock for fertilizer production

The State Duma approved in its third reading a law overhauling the tax system, which raised the MET on diamonds, gold, iron ore, coal, and mineral fertilizer feedstock starting 1 January 2025. The updated amendments eliminated fixed rent coefficients for potash and phosphate ores and introduced a MET formula tied to export benchmarks (potash: FOB Baltic/Black Sea; phosphates: FOB Morocco). The formula also accounts for the ore grade.



Mineral fertilizer trading volume exceeds 100 kt

Trading volume in the Mineral Raw Materials and Chemical Products section of the St Petersburg International Mercantile Exchange (SPIMEX) surpassed 100 kt from January to July 2024 – more than double the same period in 2023. In monetary terms, trading reached RUB 3.1 bln, a 170% increase compared to 2023.



AUGUST



Roundtable on food security for foreign journalists was held in Moscow

Rossotrudnichestvo organised a roundtable at the Russian Chamber of Commerce and Industry for foreign journalists on food security. Representatives of the RAFP informed leading African media outlets about the growth of Russian fertilizer supplies to Africa, highlighting a more than twofold increase over the past five years.



Fertilizer producers already fulfilled nearly 80% of Russian farmers' mineral fertilizer requirements for 2024

Russian fertilizer producers had already supplied nearly 80% of the mineral fertilizers needed by the country's agricultural sector for the entire 2024. Since the start of the year, the sector purchased 4.24 mt of minerals in terms of 100% nutrients, with the total annual requirement standing at 5.45 mt.

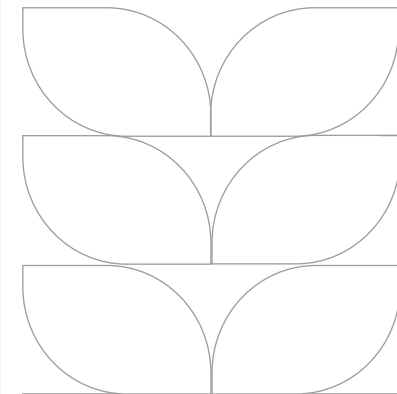


SEPTEMBER



Deputy Prime Minister Dmitry Patrushev issued directives on mineral fertilizer market development

An extended meeting chaired by Dmitry Patrushev discussed addressing growing domestic demand for mineral fertilizers and regulating their distribution. The Ministry of Agriculture and the Ministry of Industry and Trade were instructed to approve a Strategic Plan by the end of October to boost regional procurement of mineral fertilizers until 2030. The Ministry of Transport and Russian Railways were tasked with ensuring uninterrupted supplies to farmers, while the Federal Antimonopoly Service and the Ministry of Industry and Trade were directed to explore permanently prioritising fertilizer shipments.



OCTOBER



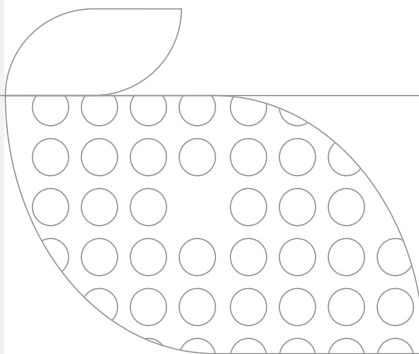
Russian government announced it would not extend fertilizer export duties

Deputy Finance Minister Alexey Sazanov stated that the government would abolish the "exchange-rate" export duty on fertilizers starting 1 January 2025, due to the increase in the mineral extraction tax.



Russian government increased the mineral fertilizer export quota

The quota for the export of complex mineral fertilizers was raised to 7.6 mt. The decision aims to allow producers to export unsold surplus finished products, as domestic market demand has been fully met.



RAFP reported 90% fulfilment of domestic farmers' 2024 fertilizer demand

As of the first half of October, Russian producers met over 90% of the agricultural sector's annual fertilizer demand, according to Andrey Guryev, head of the Russian Association of Fertilizer Producers. He highlighted that large-scale investments exceeding RUB 1.8 trln over the past decade had driven the dynamic growth of Russia's fertilizer market.



BRICS countries supported the initiative to set up a grain exchange

This was outlined in the final declaration of the 16th BRICS Summit in Kazan. Member states also committed to promoting trade in agricultural products and fertilizers under WTO rules and minimising disruptions to the supplies of food and inputs for agricultural production.

NOVEMBER



USA reduced import duties for PhosAgro Group

The U.S. Department of Commerce finalised its decision following an administrative review to retroactively lower the countervailing duty on phosphate fertilizer imports from PhosAgro Group in 2022 – from an initially proposed 28.5% to 18.2%.



Russia achieved full grain self-sufficiency in 2024 due to strong harvest

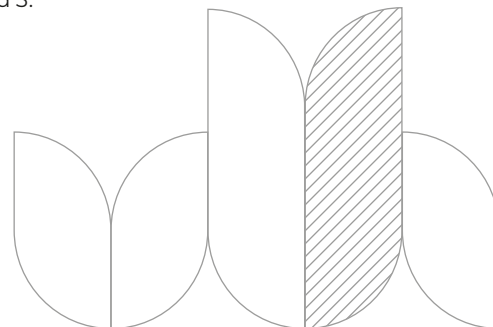
Russian Agriculture Minister Oksana Lut announced this at a government meeting. She noted that the grain quality of the new harvest exceeded last year's, with approximately one-third of wheat classified as grades 1 and 3.



COP29¹ panel session on food security was held

Andrey Guryev, President of the Russian Association of Fertilizer Producers, and Andrey Razin, Deputy Minister of Agriculture, participated in the event. Attendees emphasised the importance of international cooperation, agricultural innovation, and sustainable agribusiness practices to ensure global food security amid climate change. Russia's role as a major producer and exporter of agricultural products and fertilizers was also highlighted.

¹ The 29th Conference of the Parties to the UN Framework Convention on Climate Change.



DECEMBER



Russia set a new record for fertilizer production

Fertilizer production in Russia surpassed 63 mt in 2024, a 7% increase y-o-y. Exports hit a record 40 mt, while domestic supplies reached 5.5 mt (in terms of 100% nutrients).



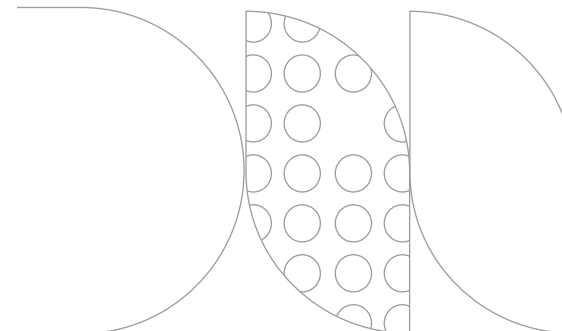
Russian fertilizer producers fully met annual domestic demand ahead of schedule

By early December 2024, Russian producers fully met the agricultural sector's mineral fertilizer demand for the year and began deliveries for spring fieldwork. According to the Ministry of Agriculture, Russian farmers purchased 5.5 mt of mineral fertilizers.



Russian government reduced export duties on mineral fertilizers through the end of 2024

The decision applied to nitrogen, phosphate, potash, and complex fertilizers. Export duties were capped at 7%, depending on the rouble exchange rate, to alleviate financial pressure on the industry and support producers.



JANUARY 2025



Brazil, India, and China became the top buyers of Russian fertilizers in 2024

Total imports of Russian fertilizers by these countries reached USD 6.2 bln, with Brazil leading at USD 3.4 bln, followed by India (USD 1.5 bln) and China (USD 1.3 bln).



EU imposed tariffs on agricultural imports from Russia

The European Commission approved tariffs on select agricultural products and nitrogen-based fertilizers from Russia and Belarus. Once enacted, all Russian agricultural imports would be subject to EU tariffs.



Regulatory authority over mineral fertilizers transferred from the Ministry of Industry and Trade to the Ministry of Agriculture

This move aims to meet the targets set for the agricultural sector in the coming years, including a significant boost in agricultural output and improved fertilizer accessibility for farmers. With domestic demand fully met, the focus will now shift to expanding exports.

