

Beijing reasserts control over Nitrogen trade with managed reopening of Urea exports

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China has officially reopened urea exports, but not without conditions. In a move that underscores Beijing's continued influence over global fertilizer markets, authorities have introduced a minimum export price floor of \$660 per tonne, ensuring that Chinese supply re-enters international trade under tightly managed terms rather than as a source of aggressive price competition.

According to market intelligence reported by Profercy, the decision marks a significant shift in global nitrogen market dynamics at a time when Northern Hemisphere fertilizer demand is approaching seasonal highs. While importers had anticipated that renewed Chinese participation could exert downward pressure on international urea prices, the introduction of a price floor is expected to moderate that impact by preventing exporters from offering deeply discounted cargoes.

The policy effectively places a lower limit on how competitively Chinese tonnes can be marketed, preserving price stability while allowing Beijing to gradually re-establish its presence in international fertilizer trade. Market participants note that the mechanism reflects a broader strategy of balancing domestic supply security with export opportunities, rather than pursuing market share through low-cost shipments.

One of the most closely watched aspects of the reopening concerns India, the world's largest importer of prilled urea and historically one of China's most significant overseas buyers. Recent reports suggest that direct exports to India may once again be permitted. However, Chinese authorities appear to be applying stricter pricing conditions, with minimum export prices reportedly set approximately \$20 per tonne higher for Indian shipments than for other destinations.

The development comes after a dramatic rebound in Chinese urea exports. Shipments reached 4.89 million tonnes in 2025, representing the highest export volume since 2021. The recovery follows an extraordinary contraction in 2024, when exports

fell to near-zero levels after official restrictions effectively halted sales to key international markets, particularly India.

China's renewed participation in urea trade is taking place against the backdrop of a broader tightening of fertilizer export management. Since late 2025, Beijing has maintained rigorous oversight across multiple nutrient categories. Export controls have been extended to nitrogen-potash (NK) compound fertilizers, phosphate exports continue to face strict supervision, and ammonium sulphate shipments are now subject to enhanced inspection requirements. Collectively, these measures highlight China's determination to retain strategic control over agricultural input exports amid ongoing concerns surrounding domestic food security and industrial supply chains.

For global fertilizer markets, the reopening introduces both opportunity and uncertainty. Traders and buyers are now closely monitoring the actual volume of exports that Chinese authorities ultimately approve. While the price floor provides a degree of predictability, the extent to which additional Chinese supply reaches international markets will determine whether importers experience meaningful relief from elevated fertilizer costs.

The timing is particularly significant as the market simultaneously confronts two major variables. The first is the anticipated launch of India's next urea import tender, an event that often shapes global pricing sentiment and trade flows. The second is the geopolitical situation surrounding the Strait of Hormuz, one of the world's most critical energy and fertilizer shipping corridors. Any disruption—or conversely, easing—of logistical constraints in the region could significantly influence nitrogen supply availability and freight economics.

Industry analysts suggest that China's latest move represents more than a simple resumption of exports. Rather, it signals a new phase of managed participation in global fertilizer markets, where export volumes and pricing are increasingly aligned with broader strategic objectives. By allowing exports while maintaining pricing discipline, Beijing retains considerable influence over international nitrogen trade without exposing domestic markets to supply risks.

As global buyers navigate tightening supply balances, geopolitical uncertainties, and fluctuating demand patterns, China's controlled return to the urea market is likely to remain one of the most consequential developments shaping fertilizer pricing and trade flows in 2026.