90,000-Tonne DAP tender signals strong Indonesian fertilizer demand

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Indonesiaâ??s state-owned fertilizer group is seeking 90,000 tonnes of DAP for September-November shipment as Chinaâ??s export restrictions, higher sulfur costs and disruptions to regional supply chains continue to support phosphate prices

Pupuk Indonesia has launched a tender to purchase 90,000 metric tonnes of diammonium phosphate (DAP), adding fresh demand to an international phosphate market already facing tight supply and elevated input costs. The state-owned Indonesian fertilizer group closed the initial submission round for the tender on August 10, according to market participants cited by Argus Media. The tender was issued on August 7 on behalf of four of Pupuk Indonesia’s subsidiaries, with deliveries scheduled between September and November.

The procurement covers light or yellow granular DAP in 16-45 and 18-46 grades. Offers are required on a cost-and-freight basis, with 18-46 DAP serving as the reference grade. The four participating buyers have specified separate delivery requirements. Pupuk Sriwidjaja Palembang is seeking 30,000 tonnes for delivery to Boom Baru port, while Petrokimia Gresik is seeking 20,000 tonnes for Gresik port.

Pupuk Kalimantan Timur is seeking another 20,000 tonnes for delivery to Bontang port, while Pupuk Kujang is seeking 20,000 tonnes for delivery to either Tanjung Priok or Cigading port.

The date for the e-auction pricing round has not yet been announced.

Fresh demand enters tight phosphate market

The tender comes as international phosphate markets remain under pressure from supply constraints and higher raw-material costs. China’s restrictions on fertilizer exports have tightened the availability of DAP in international markets, while elevated sulfur costs have added to production expenses for phosphate fertilizers.

Pupuk Indonesia’s latest procurement also follows its previous DAP tender award on July 16, when the company reportedly purchased DAP at $877 per metric tonne on a cost-and-freight basis, according to Argus.

The new tender could provide another important price indication for the Southeast Asian phosphate market, particularly as buyers assess supply availability for the coming months.

Geopolitical disruptions support phosphate prices

Global phosphate markets are also being influenced by disruptions affecting key fertilizer raw materials and transportation routes.

Ongoing disruption to ammonia and sulfur flows through the Strait of Hormuz has added uncertainty to fertilizer supply chains. At the same time, Russia’s sulfur export ban, which is scheduled to remain in place through December 2026, is contributing to concerns over sulfur availability.

Sulfur is a critical input for the production of phosphoric acid and phosphate fertilizers, making developments in the sulfur market an important factor for DAP pricing and availability.

The combination of restricted Chinese exports, elevated sulfur costs and geopolitical disruptions is therefore creating a challenging procurement environment for fertilizer buyers across Asia.

For Indonesia, the latest Pupuk Indonesia tender underscores the country's continuing need to secure imported phosphate fertilizers amid changing global supply conditions. The September-November delivery window also places the procurement at a strategically important point for fertilizer supply planning.

The outcome of the tender and the eventual e-auction pricing will be closely watched by suppliers and buyers as another benchmark for DAP prices in the Asian market.