

Yara, Air Products advance commercial pathway for NEOM Green Ammonia

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The agreement will enable Yara to market and distribute renewable ammonia from the NEOM Green Hydrogen Project, extending the reach of one of the world's largest planned green ammonia projects. Yara International and Air Products have finalized a marketing and distribution agreement for renewable ammonia produced by the NEOM Green Hydrogen Project in Saudi Arabia, establishing an integrated commercial pathway for the project's green ammonia output.

Under the agreement, Yara will commercialize the share of renewable ammonia that Air Products does not convert into hydrogen for European customers. The arrangement brings together Air Products' long-term offtake position with Yara's global ammonia marketing, shipping and distribution capabilities. Air Products holds a 30-year exclusive offtake agreement covering all ammonia produced by the NEOM facility. The project is designed to have annual ammonia production capacity of approximately 1.2 million metric tons.

Air Products plans to use part of the ammonia as a carrier for green hydrogen. The ammonia can be transported and subsequently cracked to produce hydrogen for customers in Europe, including under an existing agreement with TotalEnergies. The partnership with Yara provides a commercial route for the remaining ammonia volumes, allowing them to be sold into a broader range of international markets.

Yara expands role in green ammonia supply chain

Yara brings an established global ammonia logistics and distribution network to the partnership. The company currently handles more than 4 million metric tons of ammonia annually through its global shipping and distribution operations. Under the new arrangement, Yara will manage the marketing and distribution of the relevant NEOM ammonia volumes and receive commission-based compensation for the service.

The agreement could help Air Products reduce its need to develop downstream infrastructure dedicated to converting all NEOM ammonia into hydrogen in Europe. Air Products has proposed several ammonia-cracking projects across northwestern Europe as part of its broader hydrogen strategy. However, the company has not yet approved final investment decisions for those facilities.

By creating an alternative market for ammonia that does not need to be converted into hydrogen, the Yara agreement provides Air Products with greater flexibility in managing the output of the NEOM project.

NEOM project targets 2027 ammonia production

The NEOM Green Hydrogen Project is being developed as an equal joint venture between Air Products, ACWA Power and NEOM. The project is expected to produce its first ammonia in 2027 following a prolonged commissioning process. Once fully operational, the facility is planned to produce approximately 1.2 million metric tons of ammonia annually.

Air Products CEO Eduardo Menezes confirmed the Yara agreement during the company's second-quarter fiscal 2026 earnings call on July 30. The company expects the NEOM project to have no financial gain or loss contribution in 2027 as the facility moves through its initial production ramp-up.

The agreement with Yara adds a new commercial dimension to the project by linking green ammonia production in Saudi Arabia with established international distribution infrastructure.

Building a global market for renewable ammonia

The partnership comes as renewable ammonia emerges as both a potential low-carbon fertilizer input and an energy carrier for the emerging hydrogen economy.

Ammonia can be transported using existing global infrastructure and can either be sold directly into fertilizer and industrial markets or converted back into hydrogen closer to the point of consumption. The Yara-Air Products agreement effectively creates two potential routes to market for NEOM ammonia: Air Products can convert selected volumes into hydrogen for European customers, while Yara can distribute remaining volumes to global ammonia markets.

The model could provide greater flexibility as international demand for renewable ammonia develops across fertilizer, shipping, power and industrial applications. For Yara, the agreement strengthens its position in the emerging renewable ammonia value chain. For Air Products, it provides an established commercial and logistics channel for NEOM ammonia while potentially reducing the infrastructure required to crack the entire output into hydrogen.

With first ammonia production targeted for 2027, the partnership represents an important step in moving the NEOM project from large-scale green hydrogen and ammonia development towards a broader international commercial market.