

## China tightens utilisation monitoring under 2027 Fertiliser Import Quota rules

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**The framework establishes China's 2027 quota ceiling, but actual import volumes and domestic price effects will depend on demand, international prices and quota uptake**



China has set its fertiliser import tariff quota at 13.65 million tonnes for 2027, establishing the volume of nitrogen, phosphate and compound fertilisers that can enter the country under the quota system. The Ministry of Commerce announced the allocation framework on October 14, 2026, retaining separate provisions for state-trading and non-state-trading imports.

The quota comprises 3.3 million tonnes of urea, 6.9 million tonnes of diammonium phosphate (DAP) and 3.45 million tonnes of compound fertiliser. DAP accounts for just over half of the total allocation, underscoring the importance of phosphate fertilisers within the import framework.

The policy sets the parameters for import access in the coming year, with the amount available to individual applicants influenced by their previous utilisation of allocated volumes. The government will distribute quotas on a first-come, first-served basis, with applications closing once the relevant allocation is exhausted.

### State and non-state import channels

China has divided the 2027 quota between state-trading and non-state-trading channels. State-trading allocations comprise 2.97 million tonnes of urea, 3.52 million tonnes of DAP and 1.76 million tonnes of compound fertiliser. Applications for these volumes are to be made by Sinochem Group and China National Agricultural Means of Production Group within the overall quota limits.

The non-state-trading channel receives 330,000 tonnes of urea, 3.38 million tonnes of DAP and 1.69 million tonnes of compound fertiliser. These allocations establish the volumes available through the respective import channels, although the eventual quantity imported will depend on utilisation and market demand.

The framework allows enterprises registered with market supervision authorities to apply, provided their business scope includes fertiliser imports. This eligibility requirement is paired with an allocation system intended to differentiate between established importers based on their previous use of assigned quotas.

### **Import history determines initial allocation**

The initial quota granted to an enterprise will be adjusted according to its actual utilisation rate in 2026. Importers that used at least 80 per cent of their previous allocation will receive a 40 per cent increase in their initial quota. Those with utilisation between 50 and 79 per cent will receive a 20 per cent increase.

Enterprises that used 25–49 per cent of their allocation will retain the same initial quota, while those below 25 per cent will see their initial allocation reduced by half.

New applicants will receive an initial allocation of 2,000 tonnes. For individual enterprises, initial applications must be at least 2,000 tonnes and cannot exceed 500,000 tonnes. The tiered system makes past performance a central factor in access to future import volumes. It also creates an incentive for importers to use allocated quotas more fully, rather than secure volumes that remain unused.

### **Monitoring and certificate validity**

Importers receiving allocations must obtain a Fertiliser Import Tariff Quota Certificate. Each certificate will remain valid for three months, with validity in all cases ending no later than December 31, 2027. The Ministry of Commerce will review quota utilisation quarterly. Enterprises with persistently low utilisation may receive warnings, and the issuance of further certificates can be suspended under the monitoring framework.

The government will also increase the frequency of information on remaining national quota volumes once the unused balance falls below 20 per cent of the annual total. At that point, the remaining volume will be disclosed every half-month, providing importers with more frequent visibility into the availability of quota.

### **Implications for fertiliser supply and prices**

The quota framework is a key variable in China's fertiliser import planning, particularly for nitrogen and phosphate products. By defining the volumes available through different trading channels and tying initial allocations to past utilisation, the policy shapes how importers prepare for the coming year.

However, the announced quota should not be confused with a forecast of actual imports. Realised volumes will depend on demand, international prices, import economics and the extent to which allocated quotas are used. For the wider fertiliser market, the rules provide greater clarity on the formal import ceiling for 2027. Their eventual effect on domestic availability and prices will depend on how the allocation is taken up and how import flows interact with domestic production and seasonal demand.