

North America Potash Statistics

Q4 2015/16 Statistics

The Fertilizer Institute (TFI) released monthly North American potash statistics for the fourth quarter of the 2015/16 fertilizer year (April-June). Despite lower production, near record-setting domestic sales and a boost to exports, ending stocks closed out the quarter virtually unchanged versus Q3*. However, we expect that Q1 2016/17 statistics will show a sharp draw down of inventories, with heavy movements during North America's fill season along with a strong export pull (after being subdued in the first half, due in part to delays in settling global benchmark contracts).

- MOP production slowed in Q4 in the face of higher inventories, falling to 4.5 million tonnes, which was down 13% from a year ago. At 18.3 million tonnes, production over the full 2015/16 fertilizer year came in 724,000 tonnes or 4% lower than last year.
- MOP exports rebounded to 2.3 million tonnes in Q4 but were still off by more than a third versus a year ago. Fertilizer year exports of 9.2 million tonnes came in 20% lower than last year, though they were in line with the seven-year Olympic average.
- Domestic sales surged to 2.8 million tonnes in Q4, with the April figure of 1.4mmt the highest monthly figure since 1993. Fertilizer year sales wound up 3% better than a year ago and 12% ahead of the historical average.
- Producer stocks closed the quarter flat versus Q3 at 3.6 million tonnes and remained just a hair below February's record high for month-end inventory.

**Note that the change in inventory may not equal the combined change in production minus the change in exports and domestic sales. This is due to major producer sales programs—e.g. Mosaic's Final Price Deferred (FPD) program.*

In the case of our FPD program, title transfers to the buyer when the transaction is made, but these volumes are not recorded as a sale until such time as the price is agreed and the revenue recognized. Inventory is reduced at the time of the initial FPD transaction. This can result in FPD shipments (and an inventory reduction) taking place in one quarter but the sale being recorded in a subsequent quarter.

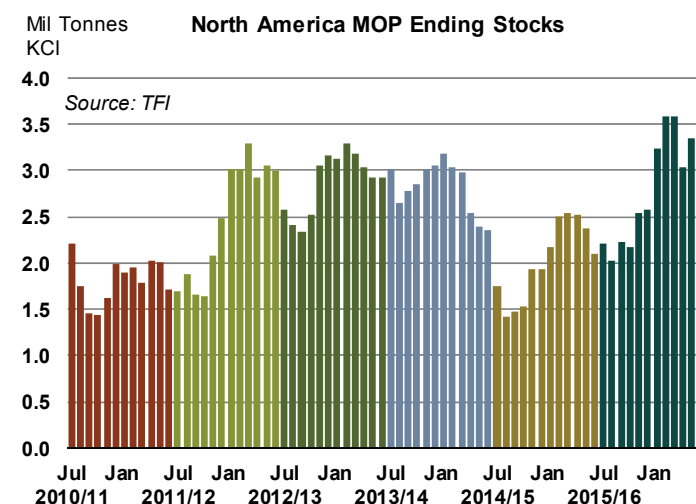
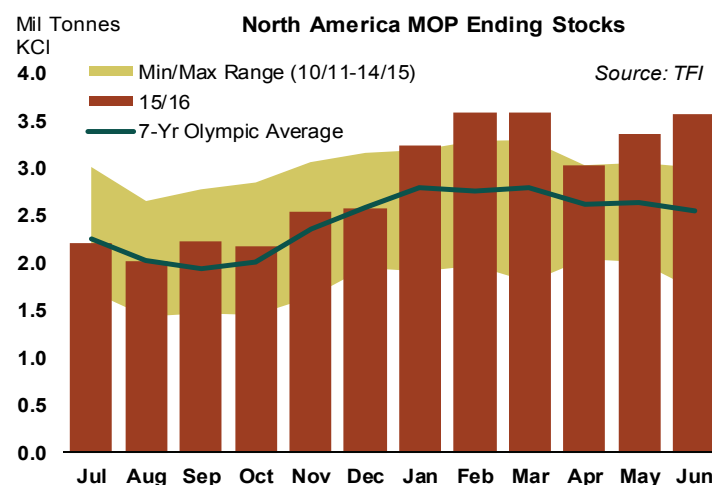
For example, major producer price deferral programs in Q3 2015/16 likely reduced inventory in that quarter but may not have been reported as sales. In Q4, the sales may have been recognized without corresponding inventory declines.

North America MOP Statistics

Current Quarter	1000 MT		% Chg Prior Qtr	1000 MT		% Chg 7-Yr Oly Avg	% Chg 7-Yr Avg
	Q4 15/16	Q3 15/16		Q4 14/15	Q3 14/15		
Production	4,548	4,816	-6%	5,205	5,205	-13%	-9%
Exports	2,290	1,869	23%	3,635	3,635	-37%	-24%
Domestic Sales	2,781	2,136	30%	2,005	2,005	39%	25%
Ending Stocks	3,559	3,578	-1%	2,103	2,103	69%	40%

Year-To-Date	1000 MT		Chg Prior Yr	% Chg Prior Yr	7-Yr Oly Avg	Chg 7-Yr Avg	% Chg 7-Yr Avg
	YTD 15/16	YTD 14/15					
Production	18,255	18,980	-724	-4%	16,685	1,570	9%
Exports	9,163	11,483	-2,320	-20%	9,130	32	0%
Domestic Sales	8,700	8,428	272	3%	7,752	948	12%

Source: TFI



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