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Sector Coverage

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Growth Minerals Review War Creates a Fertilizer Squeeze

March 2026

Growth Minerals Sector

War Creates a Fertilizer Squeeze

- + **Canada announced US\$3.6bn billion in critical minerals funding at PDAC 2026 in Toronto**
- + **Saskatchewan's potash basin was emphasized during a meeting between Canada's PM Carney and India's PM Modi**
- + **Karnalyte Resources will benefit the most from India-Canada trade ties**
- + **War in the Middle East supports Brazil Potash and Brazil's National Fertilizer Plan**
- × **Some 16-18% of the world's fertilizer shipments come from the Persian Gulf region**
- × **Phosphate prices will likely stay higher for the rest of the year, even if tensions in the Middle East subside**
- × **Iran is a huge source of the urea fertilizers to global markets**
- × **Russia could seize the advantage by supplying food and fertilizers at a premium to the global market**
- × **More US-based fertilizer producers have been added to the list of DOJ probes**
- × **High fertilizer prices are occurring under a backdrop of US equipment industry consolidation and U.S. tariffs**
- × **The USDA thinks it can wield a big stick at major fertilizer producers**

War in the Middle East has a dramatic effect on food and fertilizers

According to the latest data published by Kpler, dry bulk shipments through the Strait of Hormuz have trapped over 90% of dry bulkers in transit. This includes global seaborne fertilizer shipments, of which 16-18% of the world's fertilizer shipments come from the Persian Gulf region. The commodities at play during this war have strong links to nitrogen fertilizers and ammonia. This comes from the Gulf region's production of LNG, sulphur and urea.

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The issues pertaining to dry bulk shipping is just as important to food as it is to fertilizers. The Middle East region imports a substantial amount of the world’s grains and other agricultural commodities. The table below reveals that the Gulf region’s imports of grains and oilseeds have completely stopped:

Commodity Segment	Mideast Gulf Share of Global Trade	Current Status
Crude oil	16–18 million bbl/day	Severely disrupted
LNG	~20% of seaborne supply	Ras Laffan offline
Fertilisers (sulphur, urea)	16–18% of exports	Plants shutting down
Grains/oilseeds (imports)	25–30 million tonnes/year	Trade stopped

Source: Kpler, <https://www.kpler.com/blog/how-the-strait-of-hormuz-shutdown-is-disrupting-dry-bulk-lng-freight-and-trade-compliance>

Saudi Arabia is also a key supplier of ammonia and phosphate fertilizers, so phosphate prices will likely stay higher for the rest of the year, even if tensions in the Middle East subside. While most of the attention is given to Qatar and UAE, since both countries have important LNG facilities for the fertilizer industry, gas curtailment issues related to Saudi Arabia, Oman and Kuwait exacerbate the problem for nitrogen fertilizers. Data from the Profercy World Nitrogen Index indicates that nitrogen fertilizer prices rose by 29.56 points from 26 February-09 March 2026. The Egyptian prices are currently the highest, with a premium of approximately USD \$170 per ton priced into Egyptian Granular Urea free-on-board (fob) spot prices.

Iran Exports to _World
Commodity: Urea
2026

Partner Country	January-January				Market Share
	2025	2026	Δ Amount	% Δ 2026/25	
World	325,077	456,165	131,088	40.33	100.00
Turkey	80,000	344,870	264,870	331.09	75.60
Oman	26,990	37,916	10,926	40.48	8.31
India	3,579	34,508	30,928	864.08	7.57
Sri Lanka	2,018	20,101	18,082	895.82	4.41
Afghanistan	2,513	9,201	6,688	266.12	2.02
Iraq	22,201	9,027	(13,174)	(59.34)	1.98
United Arab Emirates	31,129	523	(30,606)	(98.32)	0.12
Armenia	22	20	(2)	(8.70)	
Brazil	65,020		(65,020)		
Argentina	60,000		(60,000)		
China	25,030		(25,030)		
Djibouti	3,750		(3,750)		
Sudan	1,600		(1,600)		
Thailand	722		(722)		
Kuwait	500		(500)		

Not to mention Iran, a country that supplies the global market with a huge source of the urea fertilizers needed to produce food.

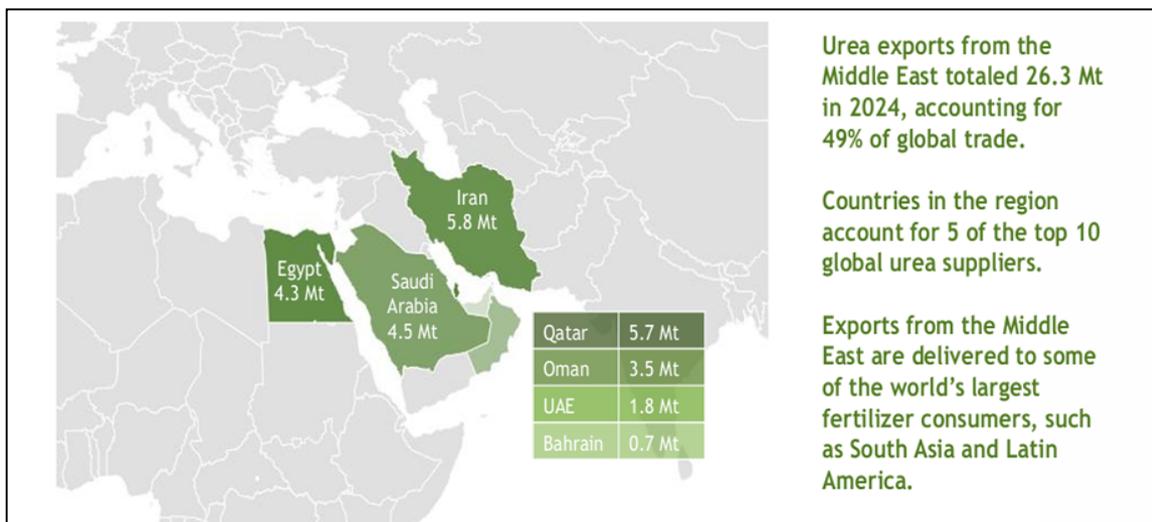
Data compiled by fertilizer trading platform Aquifert reveals that Iran is a significant fertilizer trading partner with Turkey, having supplied approximately 344,000 metric tons of urea fertilizers in January 2026.

The table above, from Aquifert, shows all of Iran’s urea exports to the global market in January 2025 and January 2026, respectively.

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Due to Turkey's reliance on urea imports, the government eliminated customs duties on urea fertilizer imports. It also was reported by the Turkish Statistical Institute that Turkey imported 2.5 million tons of urea for the full year of 2025. Those figures are reinforced by the mother of all data points about the Middle East region's influence on fertilizer exports, which were provided by the International Fertilizer Association (IFA):

- 3.7 million tons of ammonia exports by origin in 2024
- 18.5 million tons of urea exports by origin in 2024
- 5.3 million tons of MAP and DAP exports



Source: International Fertilizer Association (IFA), "Disruption of trade through the Strait of Hormuz restricts large volumes of fertilizer supply"

All the data points about food and fertilizers shouldn't be overlooked during a time of extreme oil and gas price volatility. Higher gas prices certainly hit fertilizer producer margins, but so do high oil prices. While some countries have their own oil reserves, others have their own strategic stockpiles, but no country in the world can stockpile enough food in time for this war to end. China still has fertilizer export restrictions firmly in place. Other countries have sanctioned Russia which is the world's largest producer of wheat. Meanwhile, Brazil and India are immediately faced with all the worst-case scenarios revolving around this war in Iran and Strait of Hormuz closure threats. Brazil exports grains to Gulf countries, and India relies on fertilizer imports from Iran, but also Saudi Arabia and UAE.

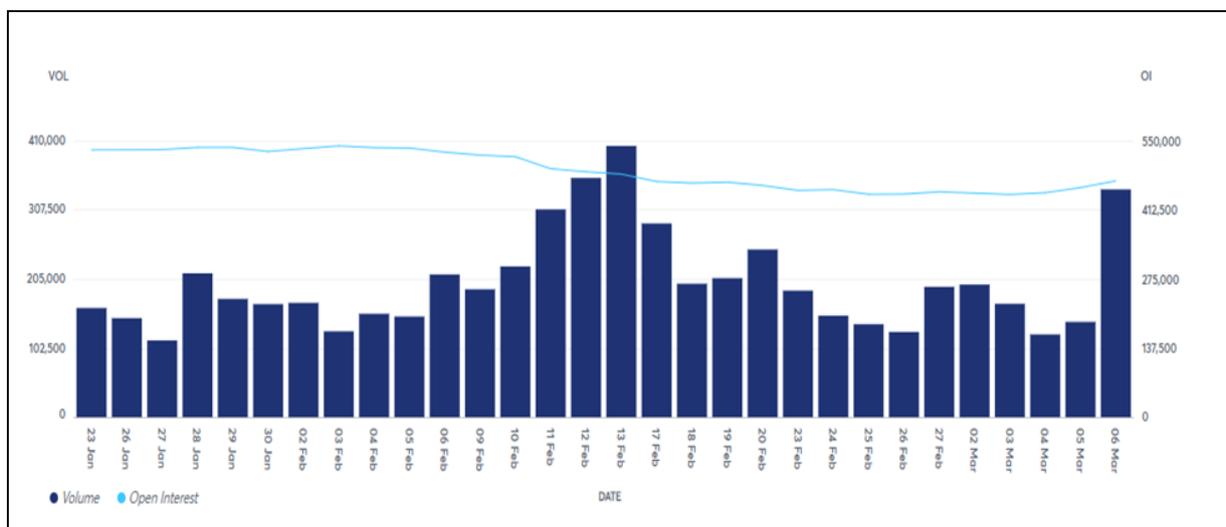
Russia could seize the advantage by supplying food and fertilizers at a premium to the global market. China will rush into the arms of Moscow in hopes to secure and stockpile more grains, unless there's new trade deal in the works between U.S. and China. President Trump is to meet with his counterparts in Beijing later this month, and who knows what will transpire from that meeting. In a word, this could all be a disaster for food security, or we could see some major changes in the geopolitical risk spectrum

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that are helpful to food and fertilizers. Let's hope for a positive outcome from U.S.-China trade talks, and even better: an end to the war between Russia and Ukraine. A peace deal would have a major effect on food and fertilizer prices.

Global wheat futures move higher

We should watch wheat and corn more closely for any signals on potash price movements in the short term, as markets continue to react to Strait of Hormuz shipping disruptions and other war-related concerns in both the Black Sea and Persian Gulf. At the time of this writing, wheat futures on Chicago Mercantile Exchange (CME) are showing tremendous strength to the upside:



Source: CME Group, Chicago SRW Wheat Futures - Volume & Open Interest

We previously noted the volatility in wheat futures at the beginning of the year. Markets had priced in some of the important dynamics at play for wheat futures, such as a U.S.-China trade deal and weather concerns related to Russian and Ukrainian wheat crops. The latter issues haven't subsided from price movements. Moreover, the shipping issues pertaining to Strait of Hormuz have upped the ante in terms of risk exposure to wheat futures. As many analysts have rightly pointed out, the Persian Gulf countries, including Iran, are all significant importers of agricultural commodities.

A double whammy for fertilizer and equipment consolidation in the U.S. market

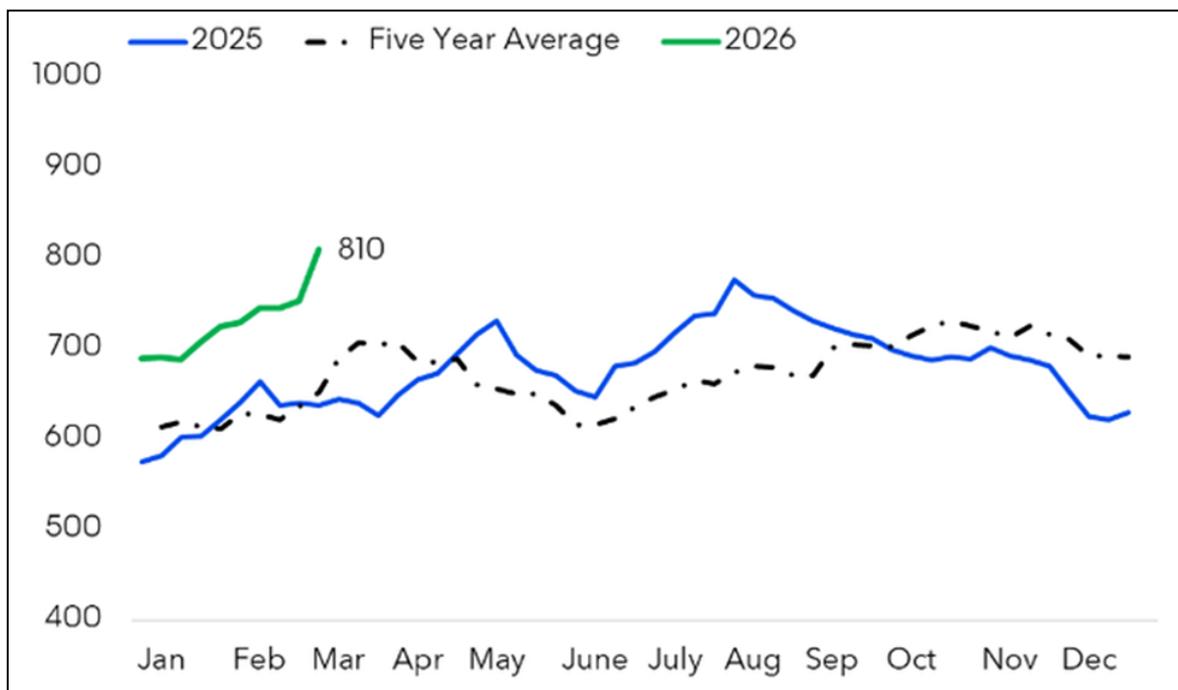
While war in Iran continues to unfold, it's difficult to ignore that farming groups in the U.S. are still pushing the government to hold fertilizer producers accountable for rising fertilizer prices. At first, it was all about Mosaic and Nutrien, which we covered in the previous [Growth Minerals Review for February—“Majors in the Political Firing Line”](#).

Now, other U.S.-based fertilizer producers have been added to the list, such as CF Industries, in addition to Norwegian fertilizer giant, Yara International. This is currently the worst time to be holding any U.S.-

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based fertilizer producer accountable for anything. U.S. farmers should feel grateful that they even have local sources of production for nitrogen fertilizers. While Yara is an exporter, the company has plants in Europe and Latin America that avoid shipping issues related to the Strait of Hormuz.

It's not entirely clear what these farming groups in the states of Iowa and Texas are hoping to achieve with the DOJ probes into the world's largest fertilizer producers. If anything, accountability will come with even higher operating and production costs, and there's nowhere else U.S. farmers can look to replace their fertilizers with other country imports. The E.U. already has a proximity advantage to import urea fertilizer products from Algeria, Nigeria and any other potential nitrogen fertilizer producer in the future.



Source: Bloomberg Green Markets North America Fertilizer Index

High fertilizer prices are occurring under a backdrop of U.S. equipment industry consolidation and U.S. tariffs on countries that produce the machinery and agriculture equipment for farmers. A potential merger of the two leading equipment auctions in the U.S. market was announced in March. RB Global Inc, a Canadian company listed in Toronto and New York, will acquire Big Iron Auctions. Details about the deal are scarce currently, only a press release that mentions a definitive agreement for RB Global to acquire Big Iron by the second half of 2026. RB Global is well known in the U.S. equipment market under Ritchie Bros Auctioneers. The auction company generated over US\$265mn at the landmark Ritchie Bros equipment auction in Orlando, Florida, in mid-February 2026.

This means that U.S. farmers will have to face off with two global giants in the U.S. equipment market: the pending merger of RB Global-Big Iron Auctions on the one hand; and Mr. John Deere on the other

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hand. John Deere even released some new planter enhancements for fertilizer applications on the company's hi-tech agriculture equipment. The Model 2027 John Deere Tractor will have a dual-product fertilizer system to enhance precision fertilizer application during planting seasons. It's no wonder that this trend continues while U.S. farms are going bankrupt by the day.

A "Civilizational" War and Mineral in focus for Potash

We are all concerned about the disruptive events in the Strait of Hormuz. The ongoing war between the U.S. and Iran overshadowed what could have been a very positive string of events for potash as a critical mineral, specifically.

Canada's Prime Minister Mark Carney met with India's Prime Minister Narendra Modi in New Delhi on 2 March 2026 to discuss bilateral ties. The company's trade relationship was high on the agenda. The two leaders set a goal for USD \$70 billion in annual trade by 2030. Although the uranium deal between the two governments took the spotlight of this meeting, Saskatchewan is also the world's largest potash basin. This was emphasized during a meeting between Canada's Minister of Energy and Natural Resources, Tim Hodgson, and India's Minister of Chemicals and Fertilizers, Jagat Prakash Nadda. India's Minister Nadda pointed out that that nearly 25% of India's muriate of potash (MOP) is sourced from potash producers in the Saskatchewan basin.

The meeting of world leaders took place before Canada announced its \$3.6 billion in critical minerals funding at PDAC 2026 in Toronto. At PDAC 2026, potash got the credit it deserves for being a "civilizational mineral". It's conceivable that PDAC organizers had no intention of making a link to what eventually became an all-out war between two civilizations in the Middle East, but, nevertheless, potash demand is growing and it is our growth mineral for both now and in the future.

Potash demand hasn't necessarily been affected by the Strait of Hormuz shipping disruptions, and it is not likely to be a significant price mover in the near term. Given that both Russia and Ukraine are two of the world's largest agriculture producers, particularly in grains and oilseeds, the potash prices had skyrocketed to above US\$1,000/mt when Russia invaded Ukraine in February 2022. On the back of other events, such as U.S. and E.U. sanctions on Belarus in 2021.

We were also delighted to see **Karnalyte Resources** (TSX-V: KRN) on the Saskatchewan Day Agenda at PDAC 2026. Karnalyte stands to benefit the most from this renewed trade relationship between India and Canada. CEO Danielle Favreau stated that a renewed focus on cooperation in potash mining, exploration and supply chains would be a boon for food security in India. The company recently filed an updated feasibility study for its flagship Wynyard potash project in Saskatchewan. The study confirmed a life of mine (LOM) of 70 years. We have previously covered Karnalyte in our previous editions of the Growth Minerals Review. The company already has an offtake agreement with one of India's prominent fertilizer importers—Gujarat State Fertilizers and Chemicals Limited.

The momentum for junior potash mining projects in Saskatchewan continued throughout PDAC 2026. **Gensource Potash** (TSX-V: GSP) released the company's Technical Update for company's Tugaske Project

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in the Saskatchewan basin. The Technical Update is expected to take several months and will proceed in parallel with the ASEAN Partner Project's Exclusivity Agreement, including the due diligence and financing work. The management at Gensource calls their potash project "the most advanced greenfield potash project" in Saskatchewan.

Buffalo Potash (TSX-V: BUFF) became the newest publicly listed potash company this year. The junior mining company in Saskatchewan will deliver the Mineral Resource Estimate (MRE) and PEA by the second half of 2026. The results from the MRE and PEA are expected to support the modular Horizontal Line Drive (HLD) strategy at the Disley Project.

Brazil Potash soars ahead

Brazil Potash (NYSE:GRO) is up nearly 70% since the beginning of the year. The GRO price has been volatile, above USD \$3 per share. The current price target among analysts is USD \$6.17, which we see as going slightly higher, possibly to above US\$7 per share. War in the Middle East supports Brazil's National Fertilizer Plan to reduce imports of fertilizers from the Persian Gulf countries. For those reasons we suspect GRO had a great run during the initial start of the war between the U.S. and Iran. GRO's stock price hit a high of USD \$3.40 per share on 6 March 2026. Our Initiation of Coverage is out any day now.

Millennial Potash makes top 50 list

Millennial Potash (TSX-V: MLP) had shown underperformance in stock price until the war in the Middle East. We are delighted that MLP made it into the TSX Venture 50 list as one of the best-performing stocks of 2025. The company continues to engage with the Gabonese government about the company's expansion plans, which now include the "Haute Banio" exploration permit which is adjacent to the core Mayumba exploration permit at the Banio potash mine in southern Gabon.

Kore Potash is poised for a takeover

It's no secret that **Kore Potash** (LSE: KORE) is a takeover target. It was announced that one of the initial bidders dropped out of the race to take over the company's potash projects in the Republic of Congo. KORE's stock price has outperformed MLP since the beginning of the year. Kore Potash purchased more shares from one of the minority shareholders, MGM, and was also granted the right to acquire MGM's remaining outstanding minority stake of 2.54%. If Kore decides to exercise this purchase of 2.54%, then it will make Kore the sole owner of the Kola Project in the Sintoukola Basin. The Republic of Congo will also be entitled to a 10% ownership stake.

Sage Potash shakes up the management structure

Sage Potash (TSX-V: SAGE) has underwent changes in the company's management structure. The company recently brought on Richard Lock to the Board of Directors. His prior experience in potash mining was at the Dallol Project, a Sulfate of Potash (SOP) mining project in Ethiopia (more information below) and the Western Potash Corporation's Milestone project, a MOP solution mining project in Saskatchewan, Canada.

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A new SOP project in Ethiopia

We found out about a new developer, **Ethiopotash B.V.**, at the Dallol SOP Project in Ethiopia. The Dallol Project is one of Africa's premier SOP development projects, located in the Northern Afar Region of Ethiopia. Sir Mick Davis, the former CEO of Xstrata, became the Non-Executive Chairman of the Board at Ethiopotash in December 2025.

Ethiopotash aims to be a first-quartile SOP producer with a 94% lower CO₂ emissions profile compared to peers. The potash developer will utilize Ethiopia's renewable energy resources from hydropower and geothermal to boost resiliency against rising sulphuric acid prices and other energy-intensive processes to produce SOP.

Last words...

Growth Minerals have proven to be important to both geopolitical risk and food security all over the world. Food security is a civilizational problem, which is what the PDAC 2026 headline for potash was all about. In a geopolitical environment where war and tariffs are wielded to achieve foreign policy goals, food and fertilizer supplies should not be treated with carrots and sticks. A more humane response would be to use food and fertilizer supplies as a token of peace. From the commercial point of view, new potash mining companies must be incentivized to extract new minerals, and thus M&A activity should be welcomed in the near term.

Whether we are talking about Brazil, Ethiopia, or Canada, more fertilizers need to be produced to ensure food security at both a local and global level. Majors should start looking around for ways to expand into niche mining processes for fertilizers in the international growth minerals space. We know that some hi-tech processes are being employed at some of the junior potash projects in Saskatchewan, so let's see more innovation in this industry going forward. This will also incentivize majors to acquire new mines in the future, by cutting costs on the R&D upfront.

GROWTH MINERALS STOCKS

	Security	Ticker	Rating	Currency	Price	Market Cap. mns	Status	Country
Potash	Kore Potash	LSE: KP2	Neutral	GBP	3.20	\$165.6	Developer	Congo Brazzaville
	Millennial Potash	TSX-V: MLP	LONG	CAD	3.02	\$355.7	Developer	Gabon
	Brazil Potash	NYSE: GRO	LONG	USD	3.24	\$183.5	Developer	Brazil
	Nutrien	NTR.to, NYSE: NTR	Neutral	CAD	103.4	\$51,485	Producer	Canada
	Altamin	ASX: AZI	Neutral	ASX	0.03	\$21.4	Explorer	Italy
	Intrepid Potash	NYSE: IPI	Neutral	USD	40.85	\$575.2	Producer	USA
	Ethiopotash B.V.		Neutral	Private			Developer	Ethiopia
	Verde Agritech	NPK.to	Neutral	CAD	1.26	\$66.6	Producer	Brazil
	Sage Potash	SAGE.v	Neutral	CAD	0.19	\$20.1	Developer	USA
	South Harz Potash	ASX: SHP	Neutral	ASX	0.03	\$4.1	Developer	Germany
	Peak Minerals		Neutral	Private			Developer	USA
	Buffalo Potash	TSX-V: BUFF	Neutral	CAD	0.50	\$39.3	Developer	Canada
	Karnalyte Resources	KRN.to	Neutral	CAD	0.32	\$19.7	Developer	Canada
	K2O Potash		Neutral	Private			Explorer	Poland
	American Critical	CSE: KCLI	Neutral	CAD	0.235	\$20.4	Explorer	USA
	Gensource Potash	TSX-V: GSP	Neutral	CAD	0.15	\$67.6	Developer	Canada
	The Mosaic Company	NYSE: MOS	Neutral	USD	26.48	\$8,931	Producer	Canada/USA

GROWTH MINERALS STOCKS

	Security	Ticker	Rating	Currency	Price	Market Cap. mns	Status	Country
Phosphate	First Phosphate	CSE: PHOS	LONG	CAD	1.09	\$174.0	Developer	Canada
	Nevada Organic	CSE: NOP	Neutral	CAD	0.13	\$19.9	Explorer	USA
	Kropz	LSE: KRPZ	Neutral	GBP	1.3	\$18.8	Producer	South Africa
	ItaFos	TSX-V: IFOS	Neutral	CAD	4.27	\$707.2	Developer	Guinea-Bissau/Brazil
	Agua Resources	AGR.ax	Neutral	AUD	0.02	\$28.6	Developer	Brazil
	PhosCo	PHO.ax	Neutral	AUD	0.13	\$65.6	Developer	Tunisia
	Arianne Phosphate	DAN.v	AVOID	CAD	0.25	\$51.3	Explorer	Canada
	Fox River Phosphate	CSE: FOX	Neutral	CAD	0.77	\$60.6	Explorer	Canada
	Minbos	MNB.ax	LONG	AUD	0.02	\$26.3	Developer	Angola

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