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FMB WEEKLY POTASH REPORT

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The most up-to-date FMB Weekly Potash Report methodology is available on www.argusmedia.com

Introduction

The FMB Weekly Potash Report publishes prices and market commentary on international bulk markets for both MOP (muriate of potash, also known as potassium chloride) and SOP (sulphate of potash, potassium sulphate). These prices are published every Thursday evening in the UK in the FMB Weekly Potash Report and in the FMB International Fertilizer Price Guide. There is no published price guide in the week between 25 December and 1 January.

Standard MOP

Water soluble potash content (as K₂O nutrient) minimum 60%
 Moisture max 0.50% by weight
 Particle size: varies according to supplier but smaller than granular MOP

Granular MOP

Water soluble potash content (as K₂O nutrient) minimum 60%
 Moisture max 0.50% by weight
 Particle size: varies according to supplier but typically not more than 5% is below 1mm size

Standard SOP

Water soluble potash content (as K₂O nutrient) minimum 50%
 Sulphur (as S) by weight minimum 17.5%
 Moisture max 1.50% by weight
 Particle size: varies according to supplier but smaller than granular SOP

Granular SOP

Water soluble potash content (as K₂O nutrient) minimum 50%
 Sulphur (as S) by weight minimum 17.5%
 Moisture max 1.50% by weight
 Particle size: varies according to supplier but typically not more than 5% is below 1mm size

The market

In the potash market, prices are assessed in various regions on a fob (free on board) basis in the main export regions and on a cfr (cost and freight) basis in the main consuming markets. All prices are assessed in US dollars per tonne (apart from US domestic prices, which are in short tons, and those in Europe, which are in euros per tonne). Most of the fob prices are assessed on the basis of cfr business with estimated freight cost deducted.

Fob business

In Canada prices are assessed on the basis of mostly cfr contracts (January-June, July-December or in the case of India a variable number of months) as fob Vancouver, and cfr spot prices with estimated freight cost deducted. These prices all relate to standard MOP product. For spot prices of granular MOP, a premium is given in brackets with respect to the spot price range for standard MOP. For example (+15-20) means add \$15-20 to the standard MOP range for spot prices.

In northwest Europe prices are assessed on the basis of mostly

cfr contracts (January-June, July-December or in the case of India a variable number of months) as fob northwest Europe, and cfr spot prices with estimated freight cost deducted. These prices all relate to standard MOP product. For spot prices of granular MOP, a premium is given in brackets with respect to the spot price range for standard MOP. For example (+15-20) means add \$15-20 to the standard MOP range for spot prices.

In the former Soviet Union (FSU) prices are assessed on the basis of mostly cfr contracts (January-June, July-December or in the case of India a variable number of months) as fob FSU, and cfr spot prices with estimated freight cost deducted. These prices all relate to standard MOP product. For spot prices of granular MOP, a premium is given in brackets with respect to the spot price range for standard MOP. For example (+15-20) means add \$15-20 to the standard MOP range for spot prices.

In Jordan prices are assessed on the basis of mostly cfr contracts (January-June, July-December or in the case of India a variable number of months) as fob Jordan, and cfr spot prices with estimated freight cost deducted. These prices all relate to standard MOP product. For spot prices of granular MOP, a premium is given in brackets with respect to the spot price range for standard MOP. For example (+15-20) means add \$15-20 to the standard MOP range for spot prices.

In Israel prices are assessed on the basis of mostly cfr contracts (January-June, July-December or in the case of India a variable number of months) as fob Israel, and cfr spot prices with estimated freight cost deducted. These prices all relate to standard MOP product. For spot prices of granular MOP a premium is given in brackets with respect to the spot price range for standard MOP. For example (+15-20) means add \$15-20 to the standard MOP range for spot prices.

Cfr business

Prices in southeast Asian markets are assessed for cargoes of all sizes on the basis of cfr spot transactions. These prices all relate to standard MOP product. For spot prices of granular MOP, a premium is given in brackets with respect to the spot price range for standard MOP. For example (+15-20) means add \$15-20 to the standard MOP range for spot prices.

Prices in India are assessed on the basis of cfr contract prices for standard MOP only. The length of the contracts in number of months has varied over the years, depending on when they are eventually concluded.

Spot prices for granular MOP in Brazil and Europe are assessed for cargoes of all sizes on the basis of cfr spot transactions.

Price assessments

A comprehensive weekly survey of key industry participants to uncover all relevant market information and to confirm market transactions, bids and offers for inclusion in the assessments. Methods used comprise the telephone and various electronic mail

and messaging services to acquire and cross-check information. Coverage is not restricted to one subsection of the market such as a single trading platform or single informational channel for market information. The market surveys are balanced in their approach and are conducted by well-trained specialists.

Deals, bids and offers must be considered repeatable to be reflected in the assessments. All information is taken into account but if the market shows high volatility, the assessments are weighted towards trading activity at the end of the Thursday of the assessment.

Argus publishes prices that report and reflect prevailing levels for open-market arm's length transactions (please see the Argus Global Compliance Policy for a detailed definition of arm's length).

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