DRY BULK MARKET INSIGHTS

March 2026

Latest commodity and trade developments

Contents

TRADE WAR NEWS

EARLY FEBRUARY

On February 2, President Trump announced a trade deal with India that cut US tariffs on Indian goods from 50% to 18% in return for India halting purchases of Russian oil and lowering trade barriers. The US had previously added a 25% tariff on Indian goods due to its use of Russian oil on top of a 25% reciprocal tariff. India has reportedly agreed to buy more from America including more than $ 500 billion worth of US energy products, including coal, along with technology, agricultural and other products.

MID-FEBRUARY

On February 11, six Republicans joined Democrats in the House of Representatives to vote to end President Trump's emergency tariffs on Canada. However, the resolution is unlikely to become law given that it would need two-thirds support in both houses to override a likely Trump veto.

On February 12, the US Trade Representative's office announced a trade deal with Taiwan maintaining 15% tariffs on imports from Taiwan and a schedule to eliminate nearly all tariffs on US goods. There was also a commitment by Taiwan to purchase nearly $85 billion in US energy products, aircraft and machinery over four years.

Press reports suggested that the Trump administration is planning to roll back some tariffs on steel and aluminium goods in response to voters concerns over consumer prices and the cost of living. Meanwhile, a study by the Reserve Bank of New York found that average US tariffs on imports jumped to 13% in 2025, up from less than 3%, and that nearly 90% of the tariffs economic burden fell on US firms and consumers. The Trump administration has maintained that foreign companies and exporters pay the lion's share of tariffs.

On February 13, the White House released its Maritime Action Plan which calls for a universal infrastructure or security fee on all foreign-built ships that call at US ports to be assessed on the weight of the imported tonnage arriving on a vessel. See later commentary under Logistics News.

LATE FEBRUARY

On Friday February 20, the bombshell dropped with the US Supreme Court ruling against President Trump's tariffs. In a 6-3 ruling, the court upheld a lower court decision that Trump's use of the International Emergency Economic Powers Act to impose tariffs had exceeded his authority. The

President initially reacted by calling the ruling a disgrace. He then announced a global US import tax rate of 10%.

Adding to the chaos, President Trump then announced the following day that he was raising the global tax on all US imports to 15%, the maximum allowed under the so-called Section 122 economic emergency law. However, the law also requires congressional approval to extend the tariffs after 150 days. There are doubts as to whether the Republican-majority Congress would give such approval given growing worries over the impact of tariffs on domestic prices. The President added that he would use the 150 days to work on issuing other legally permissible import tariffs.

Uncertainty remains over US trade deals that were negotiated under the threat of high tariffs now seen as illegal. Trump's trade representative called on countries imposed with higher than 15% tariffs to honour trade deals, ignoring the fact it is the US that imposes and collects tariffs, not exporting nations. What does this do to other commitments under trade deals, such as promises to invest in the US economy? What now happens to the host of corporate lawsuits set up to reclaim import fees in anticipation of such a Supreme Court ruling? Will there be more economic and political pushback to using other channels to impose new import taxes this time around?

The initial response from the EU was to call on the US to honour the terms of its trade deal which agreed to 15% US import tariffs on most goods but also allowed for zero tariffs on key products such as aircraft and aircraft spare parts. The EU added that it would accept no increase in US tariffs saying a deal is a deal. The European Parliament responded on February 23 by suspending the US trade deal with many MEPs complaining that the original deal was too lopsided. China said it was assessing the tariff ruling and urged the US to lift unilateral tariff measures on its trading partners. India has reportedly delayed planned trade talks in Washington. Meanwhile, the US Customs and Border Protection Agency said it will stop collections of tariffs imposed under the International Emergency Powers Act from Tuesday February 24. The agency also issued a notice thar a 10%, not 15%, import levy on all goods not covered by exemptions would come into effect from February 25.

The US Trade Representative said on February 25 that import tariffs for some countries will rise to 15% or higher without specifying which trading partners. He also said that the administration does not intend to raise tariffs on Chinese goods ahead of President Trump's planned visit to China starting at the end of

March. He added that the administration wanted to make sure that it pursues proper legal processes for the tariff increases.

ECONOMIC NEWS

IMF

The IMF's latest review of the Chinese economy found that real GDP growth was 5% in 2025 meeting target growth supported by robust exports and policy stimulus. However, private domestic demand remained lacklustre. GDP growth is projected to slow to 4.6% in 2026, reflecting the prolonged effects of tariffs and trade policy uncertainty. The report was released just ahead of the US Supreme Court ruling on President Trump's tariffs.

OECD

The OECD reported that G20 merchandise trade showed mixed developments in Q4 2025, as measured in current US dollars, with exports increasing by 0.9% and imports declining by 0.5% compared to Q3. However, services trade expanded modestly over the two quarters with exports and imports rising by 1.4% and 1.2% respectively. For the whole of 2025, G20 trade in goods increased, with exports rising by 5.3% and imports increasing by 1.2%.

GDP growth continues to show a mixed picture across the 24 OECD countries for which data is available in the fourth quarter of 2025. Compared against Q3, ten countries recorded increase growth, two stayed the same and seven saw lower growth. Overall, GDP growth in the OECD slowed marginally to 0.3% in Q4, down from 0.4% in Q3.

Year-on-year inflation in the OECD as measured by the Consumer Price Index remained broadly stable at 3.7% in December compared with 3.6% in November. Food and core inflation (less food and energy inflation) showed little change while energy inflation fell.

UNCTAD

UNCTAD has released its February edition of its Global Trade Update. It focuses on how new tariff rules are reshaping global export competition, noting that trade policy changes redistribute competitiveness not only between domestic and foreign firms, but also among foreign suppliers. By altering relative prices, tariffs reallocate market shares and influence production, sourcing and investment decisions across global value chains.

LOGISTICS NEWS

EU PORTS

The EU's latest security review is looking to restrict foreign ownership of its ports. Member states are expected to mitigate risks of foreign ownership, operational control and equipment from high-risk suppliers. In particular, Chinese firms are likely to find it harder to invest in new projects as well as being hampered in any future extension of terminal concession contracts. The EU will also promote dual use military-commercial investments.

MIDDLE EAST – GULF AND RED SEA

The US and Israeli attacks on Iran at the end of February raises the prospects of major disruption to ship traffic both in the Gulf and to ships transiting the Red Sea and Suez Canal. The Houthis in Yemen have already vowed to resume attacks on shipping following the strikes on Iran.

PANAMA CANAL

Last month we reported that Panama's Supreme Court has ruled that some key port concession contracts held by Hong Kong's CK Hutchinson's local subsidiary, Panama Ports Company, were unconstitutional. This has effectively annulled its management of the container terminals at the entrances to the Panama Canal at Balboa and Cristobal. The Panama Maritime Authority announced at the end of January that the Danish-based Maersk Group will temporarily takeover operation of the two ports through its subsidiary APM Terminals. It later emerged that Mediterranean Shipping's TIL port arm will manage Cristobal. C K Hutchinson has since launched arbitration proceedings against Panama under International Chamber of Commerce rules as provided in its original concession terms. China has also threatened retaliation against Panama which potentially could include prohibiting Chinese shipping companies using the Panamanian flag and possible measures on Panamanian flagged vessels calling at Chinese ports.

US PORT FEES

The White House finally released its Maritime Action Plan in mid-February. The plan calls for a universal infrastructure or security fee on all foreign-built ships that call at US ports to be assessed on the weight of the imported tonnage arriving on a vessel. The plan also offered examples of a one cent per kilogram yielding around $66 billion over 10 years and a fee of 25 cents per kilogram yielding close to $1.5 trillion. Such measure would primarily impact containerships, tankers and car carriers. However, a bulk carrier importing a cargo of 70,000 tonnes would pay $700,000 at a one cent/kg fee and a prohibitive $17.5 million on a 25 cents/kg fee. We await further developments.

STEEL SECTOR DEVELOPMENTS

WSA

The latest January 2026 crude steel production data from the World Steel Association had global output across 69 reporting countries at 147.3 million tonnes, a decrease of 6.5% year-on-year. Chinese output for the month was estimated at 75.3 million tonnes, down sharply by 13.9% compared to a year earlier. Outside China, other major producers that recorded year-on-year decreases in January included Russia (-7.4%), the EU (-2.3%) Brazil (-1.4%) and Japan (-0.5%). There were year-on-year gains in Iran (+15.1%), India (+10.5%), Turkey (+5.8%), South Korea (+5.0%) and the US (+3.3%).

ALGERIA

Tosyali Algerie reported that its module 2 produced 2.43 million tonnes of direct reduced iron in 2025. The facility can run off natural gas and, with a minor modification, 100% hydrogen.

AUSTRALIA

Port Hedland, the world's largest iron ore export hub, resumed operations om Sunday February 8, after shutting down two days earlier due to the passage of tropical cyclone Mitchell.

The Port Hedland Port Authority reported that it achieved a monthly throughput of 49.22 million tonnes of iron ore exports in January, up 7.2% year-on-year.

The Department of Industry confirmed that the Australian government has imposed additional tariffs on some Chinese steel imports, including a !0% duty on steel ceiling frames. This follows an inquiry by its Anti-Dumping Commission.

BRAZIL

The Brazilian government has imposed wide-ranging anti-dumping duties on Chinese steel imports that will remain in place for five years. For example, duties on cold-rolled coil will range from $325 to $670 per tonne depending on the exporter while duties on hot-dipped galvanised coil will range from $285 to $710 per tonne.

CANADA

Canada's Strategic Resources reported that it had submitted all required environmental documentation and studies as part of the environmental permitting process for its proposed 4 million tonnes/year iron ore pellet plant at Port Saguenay, Quebec. Strategic plans to leverage Quebec's low-cost hydroelectric power and access to natural gas, along with marine access to both Great Lakes and Atlantic seaborne markets.

CHINA

There has been speculation that some Chinese steel mills in the northern region will be asked to cut production by no less than 30% in early March to improve air quality around the annual parliamentary meeting in Beijing that is due to start on March 5.

EU

The European steel association Eurofer has called on the EU to cut electricity prices back closer to pre-2021 levels in order safeguard the bloc's steel industry competitiveness. Eurofer argues that current power prices, inflated by high taxes and carbon costs, are threatening investment decisions that steelmakers are making now. The association also pointed out that electricity is a particularly critical input as the sector transitions toward electric arc furnaces and other low-carbon production methods that require significant power consumption.

FRANCE

ArcelorMittal has decided to invest €1.3 billion to build a lower-emission electric arc furnace at its Dunkirk steel plant. Having previously halted investment plans, the company said the outlook had changed following the EU's plans to slash steel import quotas along with the introduction of the EU's carbon border tax scheme at the start of this year. A new long-term energy contract with French utility EDF from January 1 had also enabled the project to go ahead. The 2 million tonnes/year EAF will replace one of the site's blast furnaces without impacting overall capacity. The new facility will be financed 50% by ArcelorMittal and 50% by a French energy-efficiency scheme with startup targeted in 2029.

GravitHy, Marcegaglia and Elyse Energy have signed a MoU to develop complementary industrial products in Fos-sur-Mer, France. GravitHy is developing a 2 million tonnes/year HBI plant scheduled to start in 2030. Marcegaglia is modernising the Fos-sur-Mer steel plant which it acquired in 2024. By 2028, the plant will produce green steel via a new 2.1 million tonnes/year electric arc furnace. The output of carbon and stainless hot rolled coil will be shipped for further processing at Marcegaglia's plant in Ravenna. Italy. Elyse Energy plans to start producing green chemicals from 2030, including methanol and electro sustainable aviation fuel using captured CO2 as feedstock.

GERMANY

The German Government has provided Salzgitter with an additional €322 million grant to help its transition from coal-based blast furnaces to green hydrogen-based steelmaking after EU approval for the additional state aid. The company had previously been approved for €1 billion in federal and state funding.

IRAN

According to the Iranian Steel Producers Association, the country exported 20 million tonnes of iron ore pellets and concentrates in the first ten months of the Iranian calendar up to January 22.

ITALY

Italy's Acciaierie d'Italia (ADI) said in mid-February that it plans to ramp up steel output at its Taranto site by April 2026. ADI restarted its 2 million tonnes/year capacity blast furnace No2 on February 10 and has scheduled planned maintenance on its 2.3 million tonnes/year capacity blast furnace No4 at the end of the month. When BF No4 restarts, it will allow the company's output to ramp up to about 4 million tonnes/year. As we have been reporting, the state-appointed administrators of ADI are seeking a buyer to take over its operations.

LIBERIA

The Liberian mines minister expects the country's iron ore exports to triple to around 30 million tonnes this year driven by ArcelorMittal's planned ramp-up and additional shipments from new and revived projects. As we reported last month, ArcelorMittal Liberia's expansion project will raise annual iron ore shipments from 5 million tonnes to 20 million tonnes from this year. ArcelorMittal is also undertaking feasibility studies to further expand its iron ore operations.

LUXEMBOURG

Spanish-based Sarralle Group says it has finished its upgrade of ArcelorMittal's Belval plant in Luxembourg, including a new electric arc furnace. The plant has a capacity to produce 1.3 million tonnes/year of steel beam blanks and blooms.

PAKISTAN

China's Shandong Xinxu Group is reported to be prepared to invest $800 million in Pakistan's Integrated Maritime Industrial Complex plan for Port Qasim, aimed at linking ship recycling with domestic steel production. The project includes the revival of the currently disused Iron Ore and Coal Berth, development of shipbreaking and maintenance facilities and efforts to restart operations at Pakistan Steel Mills. The latter includes a proposed mini-furnace facility at the PSM site to process scrap generated from ship recycling.

RUSSIA

Russian steelmaker Severstal, in announcing a 79% fall in 2025 net profits, commented that domestic steel consumption fell by approximately 14% last year. The company expects a further decline in steel demand in 2026. However, it also expects to increase its annual steel output this year from 10.8 million tonnes to 11.3 million tonnes.

SOUTH KOREA

The Korean Trade Commission has decided to recommend the government to accept a proposal from Japanese and Chinese steel companies to raise export prices of their hot-rolled steel products over the next five years as part of anti-dumping remedies. This follows the KTC reaching a preliminary decision in September to impose anti-dumping duties. The KTC also said it would recommend levying duties of up to 33.43% on Japanese and Chinese companies that did not make such proposals.

SPAIN

ArcelorMittal Spain said it will take its blast furnace B at its Aviles works offline for several months after failing to repair a production issue that started after maintenance in 2025. The Aviles site has a production capacity of 4.7 million tonnes/year via its two blast furnaces

POWER COAL SECTOR DEVELOPMENTS

CHINA

The China Coal Transportation and Distribution Association expects China's coal production in 2026 to increase by 35 million tonnes to total 4.86 billion tonnes, a rise of just 0.7% year-on-year. The association also forecasts coal imports to fall by 5.1% year-on-year to 465 million tonnes.

China is expanding coal power despite record renewable investments to meet its energy needs and to ensure energy security. A joint study by Helsinki-based Centre for Research on Energy and Clean Air and California-based Global Energy Monitor found that new and reactivated coal power project proposals surged to a record 161 GW in 2025. In total, 291 GW of coal power capacity remained in the development pipeline by the end of 2025. China also commissioned 78 GW of new coal-fired power plants last year, the most in a decade, and started work on another 83 GW.

GERMANY

LEAG is set to close its Welzow-Sud lignite mine in eastern Germany by the end of 2030, three years earlier than initially planned. The company said that the expansion of wind and solar energy in the region had made the mine economically non-viable.

INDIA

The Indian government has reportedly asked power plants to test increased blending of domestic coal with imported coal with the aim of cutting thermal coal imports by at least 15 million tonnes in 2026.

INDONESIA

Indonesia's coal mining association ICMA has objected to steep production cuts for 2026 proposed by the government, noting that its members had received coal output quotas 40%-70% lower than 2025 levels. The government is seeking cuts to shore up plunging coal prices while the ICMA argues that members face economic unfeasibility as fixed costs and obligations cannot be adequately covered. The association added that ripple effects would impact contractors, transport and shipping companies.

Indonesia's Central Statistics Agency said that that coal export volumes fell 3.66% in 2025 to total 390.93 million tonnes. However, coal export values plunged 19.7% to $24.48 billion. India and China were the largest export markets in 2025, accounting for 100.23 million tonnes and 81.73 million tonnes respectively.

KAZAKHSTAN

Bogatyr Komir, operator of Kazakhstan's largest coal mine in Ekibastuz, plans to increase production from 42.7 million tonnes in 2024 to 45.2 million tonnes in 2026 and reaching 56.5 million tonnes by 2032. The Ministry of Energy linked the output increase to a national project to expand coal-fired power generation. The ministry also reported that total coal production in the country hit 120.5 million tonnes in 2025.

ALUMINIUM SECTOR DEVELOPMENTS

IAI

The International Aluminium Institute reported that global primary aluminium production in January rose 1.25% year-on-year to total 6.317 million tonnes, with 59.9% produced in China. Global production in the whole of 2025 totalled 73.79 million tonnes, up 1.1% year-on-year.

The IAI also reported that global metallurgical-grade alumina production in January totalled 12.366 million tonnes, up 1.1% year-on-year, of which 60.4% was produced in China.

CAMEROON

Australia-based Canyon Resources has provided a development update on its Minim-Martap bauxite project in northern Cameroon. The commissioning of surface mining is scheduled in February, but the first trial bauxite shipment from the port of Douala has been pushed back to the third quarter due to minor logistics delays. As we have reported before, initial capacity on the rail route to Douala is targeted at two million tonnes/year with subsequent increases up to 15 million tonnes/year under review.

GHANA

Last month we reported that the Volta Aluminium Company (Valco) announced it plans to boost its 200,000 tonnes/year smelter operational capacity from 23% to 40%. The Ghanian government has now said its long-term industrial strategy is to expand the facility to a capacity of 1.5 million tonnes/year by2035, underpinned by Ghana's extensive bauxite reserves.

ICELAND

Century Aluminium said on February 19 that repairs would allow the Line 2 shuttered capacity at its Grundartangi smelter in Iceland to restart in April, six months earlier than previous guidance. The 320,000 tonnes/year capacity plant had to cut production by two-thirds in late October.

INDIA

Vedanta Aluminium has secured 1,447 acres of land from the government of Odisha in advancing its project to build a 3 million tonnes/year aluminium smelter, together with a 4,900 MW captive power plant, in the Dhenkanal district.

INDONESIA

Indonesia's primary aluminium smelting capacity is expected to rise from 0.75 million tonnes/year in 2023 to 3.13 million tonnes/year in 2028 under Jakarta's downstream drive to convert domestic bauxite into integrated alumina and aluminium output.

LAOS

The Lao Ministry of Industry and Commerce said that an ongoing aluminium smelter project in Sekong Province is set to deliver up to 1 million tonnes of aluminium in 2028. The $1 billion project is led by the Vietnam-Phuong Group which began construction in late 2022 and is the largest mining investment made by Viet Nam in Laos.

MOZAMBIQUE

As we previously reported, South32 said in mid-December that it will mothball its Mozel Aluminium smelter in Mozambique by March 2026 due to the failure to secure a new electricity supply deal. The company reaffirmed the closure and has now said it has no plans to replace volumes from the Mozal plant or expand its footprint in aluminium. Soth32 added that it sees more attraction and spending in zinc and copper over aluminium.

NIGERIA

China's GLC Group, in a meeting with Nigeria's Minister of Steel Development, said it intends to submit plans for a 3 million tonnes/year primary aluminium smelter with projected costs exceeding $2 billion. GLC also signalled its interest in upstream investment in bauxite mining. We await any further developments given past failures to realise major industrial projects in Nigeria.

USA

As we have been reporting, the Novelis' Scriba aluminium plant suffered a series of fires that has curtailed output. The company now estimates repairs will cost at least $255 million and will be completed by the end of June. The plant is the only primary producer of aluminium in the US and is a major supplier to Ford who now say that the fallout from the original fire could cost the company up to $2 billion.

Century Aluminium announced at the start of February that it had sold its idled Hawesville smelter site to TeraWulf, a digital infrastructure company supporting high-performance computing and AI. Aluminium production was suspended at Hawesville in 2022 when energy prices jumped but was expected to reopen when energy prices abated. Both aluminium production and AI computing require large amounts of energy and AI appears to have won in the competition for electrical supply in this case. The story also suggests that President Trump's 50% tariffs on imported aluminium products will struggle to create new domestic primary aluminium production capacity while heaping costs on US companies manufacturing products requiring aluminium. As we have previously reported, Century Aluminium was planning to build its own new aluminium smelter but abandoned that last month in favour of taking a share in EGA's planned 750,000 tonnes/year smelter near Tulsa, Oklahoma.

In a follow up story, it was also reported that the US aluminium company Alcoa is looking to sell 10 of its closed or curtailed sites to the data centre industry., with the first sale due to be completed by the end of June. Such sites are generally close to and linked into large energy producers.

VIET NAM

Viet Nam's Lam Dong Province has approved plans for two alumina projects with a total investment equivalent to $2.3 billion. The Nhan Co alumina plant will have a capacity of 1.2 million tonnes/year and is scheduled to come online in 2030. A second production line at the existing Lam Dong bauxite-alumina complex will also provide additional capacity of 1.2 million tonnes/year and is due to start up in the fourth quarter of 2030.

AGRICULTURE SECTOR DEVELOPMENTS

FAO

The FAO's World Food Price Index for January averaged 123.9 points, down 0.4% from December, led by lower international quotes for dairy products, sugar and meat. The FAO's January Cereal Price Index increased slightly by 0.2% to average 107.5 points but was still 3.9% below the level a year earlier. World wheat prices were broadly stable, down just 0.4% from December. There was pressure from strong export sales by Australia and Canada and worries over weather affecting dormant crops in Russia and the US. However, expectations of good harvests in Argentina and Australia plus high global stock levels continued to push prices lower. World maize prices eased 0.2% from December reflecting bearish market sentiment driven by ample global supplies. The FAO All Rice Price Index increased by 1.8% in January reflecting firmer demand, particularly for fragrant varieties. Meanwhile, the FAO Sugar Price Index averaged 89.83 points, down 1.0% from December, underpinned by favourable production expectations in India, Thailand and Brazil.

The FAO revised its 2025/26 Cereal Supply and Demand Brief in early February. It now forecasts world cereal output to increase by 5.1% year-on-year to 3.023 billion tonnes, the first time ever to exceed three billion tonnes. Wheat, coarse grain and rice outputs are all expected to increase. World cereal trade in 2025/26 was also raised, up 3.6% year-on-year to total 501.0 million tonnes.

IGC

The International Grains Council has made only minor adjustments to its forecast for total grains (wheat and coarse grains), soybeans and rice production in the 2025/26 marketing season However, it has also released its first guidance on the 2026/27 season. The global wheat supply and demand outlook looks slightly tighter than in 2025/26 with expectations for a reduced harvest and further consumption gains. Given initial planted area assumptions, next season's maize crop may also dip year-on-year while barley production is expected to be similar to last season. The global area for soybean production could rebound by 2% year-on-year, on gains in leading exporters. As for rice, world harvest area in 2026/27 is projected to edge up, but with much dependent on state support given soft international prices.

USDA

The US Department of Agriculture's February forecasts for 2025/26 season export trade saw a sixth consecutive upgrade, primarily to wheat and maize export prospects. Looking across all the principal commodities (wheat, coarse grains, rice, soyabeans, and soyabean meal), net changes to the 2025/26 season compared to January forecasts saw an overall export trade increase of 5.63 million tonnes, a rise of 0.70%. The global wheat outlook for 2025/26 is for slightly lower supplies, fractionally greater consumption, higher trade and lower ending stocks. Wheat exports from Argentina and Canada were marked up by 2.0 million tonnes and 1.0 million tonnes respectively, reflecting strong sales plus a record crop in the case of Argentina. The EU wheat export estimate was reduced by 1.0 million tonnes off a slower export pace. The US maize export forecast was raised by 2.51 million tonnes on continued robust sales and inspections. However, the Ukrainian maize export figure was cut by 1.0 million tonnes on sluggish exports to date. There were only modest adjustments made to 2025/26 rice export numbers, the biggest being a 0.3 million tonnes trimming of the Thai estimate due to uncompetitive pricing. There were no changes to 2025/26 soybean export assessments. The only significant change to 2025/26 soybean meal export forecasts was a 0.8 million tonne upgrade to the Brazilian assessment, on the grounds of increased crushing from a larger soybean crop.

ARGENTINA

Argentine port employees from the country’s maritime workers federation FESIMAF launched a 48-hour strike on February 18 over the government’s planned labour reform. Argentina’s grain exporters and processors chamber said the action is bringing agro-export activities to a complete standstill. A 24-hour strike was planned for the following day by Argentina’s SOEA oilseed crushers union.

The Buenos Aires Grain Exchange revised its estimate for Argentina’s grain crop from 58 to 57 million tonnes in early February due to crops deterioration due to high temperatures and low rainfall.

BRAZIL

The Brazilian government has decided to revoke a decree that would have expanded Amazonian waterways under a federal privatisation programme. This followed the occupation of Cargill’s river port terminal in Santarem by indigenous protestors in late February who argued that proposed dredging work would adversely impact their way of life.

Brazil’s crop agency Conab raised its assessment of the country’s soybean crop by 1.1% from its January estimate to a record 177.985 million tonnes, due to expected higher yields as the harvest moves into some key areas. Total maize production was trimmed by 0.3% from last month to 138.448 million tonnes. The current season estimate of Brazil's soybean production is now up 3.8% year-on year while the maize crop is down 1.9% from last season.

CHINA

Chinese buyers were reported to have ramped up feed grain purchases in recent months, taking large volumes of Australian barley and US sorghum after heavy rainfall damaged the domestic corn harvest.

Following a phone call with Chinese President Xi in early February, President Trump said China has agreed to boost its purchases of US soybeans in the current season to 20 million tonnes, up from the 12 million tonnes previously set.

Grain production in China in the marketing year 2025/26 is forecast to rise by 8 million tonnes to a record 715 million tonnes, according to the US Foreign Agricultural Service. The FAS also expects expanding domestic demand to drive additional imports of staple grains, including maize, wheat and rice.

INDIA

The Indian government approved in mid-February the export of 2.5 million tonnes of wheat and 500,000 tonnes of wheat products. It also allowed the export of an additional 500,000 tonnes of sugar in the current season. The move came as the government sought to support domestic farmers amid protests over the trade deal with the US.

Reacting to news in early February of a trade deal between the US and India (see the story at the top of this report), India's AWL Agri Business expects lower US tariffs will help boost its exports of basmati rice and edible oils to the US.

SOUTH KOREA

The South Korean Ministry of Agriculture, Food and Rural Affairs said in late February that it will supply 100,000 tonnes of rice from its reserves to help stabilise prices.

USA

The USDA has announced it will provide $150 million in assistance to domestic sugar beet and sugarcane farmers in response to temporary market disruptions and increased production and processing costs.

The USDA expects American farmers to sow more soybeans and less maize in 2026. Soybean plantings are expected to rise to 85 million acres from 81.2 million acres in 2025. Over the same timeframe, maize plantings are forecast to fall to 94 million acres from 98.8 million acres. Both soybean and maize harvests are projected to be the second largest on record.

The USDA forecast that US net farm income will fall 0.7% this year, despite near-record government payments that are expected to account for nearly 29% of producers' bottom line. When adjusted for inflation, net farm income is projected to decrease by $4.1 billion or 2.6%. However, there are worries that even more government support may be needed to counteract low crop prices, a global grain glut, rising operational costs and lost export sales due to President Trump's trade policies.

FERTILISER SECTOR DEVELOPMENTS

EU

EU fertiliser imports dropped sharply in January following the introduction of the Carbon Border Adjustment Mechanism. The EU Commission published data showing that less than 200,000 tonnes of nitrogen fertiliser were imported during the month, down 80% year-on-year. Traders and farming groups had previously warned that the introduction of CBAM was likely to disrupt supply flows and increase costs for farmers.

According to the European Commission, the EU is planning to introduce quotas on imports of Russian ammonia as part of its next sanction package. Ammonia is a key feedstock for nitrogen fertiliser production, and the EU has remained partly reliant on Russian supplies since the start of the war in Ukraine.

KAZAKHSTAN

Kazakhstan's largest producer of phosphate-based products, Kazphosphate, reported record production in 2025. Ammophos production rose 58% to 750,000 tonnes while phosphate rock production reached 1.4 million tonnes. The company is also investing in building an 800,000 tonnes/year sulphuric acid plant in Taraz and a 1 million tonnes/year MAP fertiliser plant in Zhanatas.

SOUTH AFRICA

South Africa's Kropz has reportedly increased its phosphate rock production to 40,000 tonnes/month, up from around 30,000 tonnes/month achieved in

2025. The company exported a cargo of 26,000 tonnes of phosphate rock from the port of Saldanha in February bound for Australia. It has also shipped product to Asia and New Zealand.

UNITED KINGDOM

Mitsubishi Corporation is backing the Woodsmith mine project in North Yorkshire under a new investment agreement with Anglo American. Ther mine is set to produce polyhalite, a naturally occurring mineral used in fertiliser. The agreement will support ongoing investment in the project until a final investment decision is made by Anglo American from 2028.

FOREST PRODUCTS SECTOR DEVELOPMENTS

AUSTRALIA

The head of the South Australian Forest Products Association said that international trading conditions, fuelled by US tariffs, were responsible for imports reaching Australia at about half the price of local timber. This included laminated veneer lumber used in construction that competes with locally grown radiata pine. LVL imports jumped 63% year-on-year in 2025, according to Forest and Wood Products Australia. The SAFPA sees the domestic manufacturing of timber being detrimentally impacted by loss of market share to both steel and imported timber.

BRAZIL

According to the International Tropical Timber Organisation, Brazilian exports of wood-based products (excluding pulp and paper) totalled US$263.2 million in December, down 17% year-on-year. Among main products, pine sawnwood export volumes rose 3.5% year-on-year to 2253700 cubic metres, while pine plywood export volumes fell 7.6% year-on-year to 198,500 cubic metres.

CANADA

Statistics Canada reported that Canadian sawmills produced 3.675 million cubic metres of lumber in November 2025, down 8.0% year-on-year. Lumber shipments totalled 3.492 million cubic metres, down 13.9% from a year earlier. In a later report, Statistics Canada said that Canadian wood product manufacturers continue to operate at levels far below peak capacity. Capacity utilisation in December fell to 70.3%, the lowest level since July 2024.

CHINA

Customs data indicated that China's imports of logs in 2025 were down 13.1% year-on-year at 31.384 million cubic metres while sawn timber imports decreased by 10.0% year-on-year to 24.061 million cubic metres.

FINLAND

Finland harvested 5.8 million cubic metres of industrial roundwood in January, down 12% year-on-year and down 2% from the five-year January average.

Finland's exports of softwood lumber and planed timber grew by 11% in 2025 to total just under 9.2 million cubic metres.

FRANCE

Swiss Krono has cancelled plans to build a new OSB plant in Lot-et-Garonne, France. The project was announced in September 2024 and was expected to produce 340,000-600,000 cubic metres of wood panels per year.

JAPAN

Japan reportedly imported 297,000 cubic metres of softwood lumber in January, up 1% year-on-year.

Japan's land ministry said housing starts in 2025 fell 6.5% year-on-year to 740,667 units, down for the third straight year and hitting a 62-year low. The drop reflected a deterioration in consumer sentiment amid price rises as well as falling demand due to the country's shrinking population.

RUSSIA

Russia lumber production in 2025 was reported to have fallen by 2% year-on-year to 28.48 million cubic metres, well below the 2019 peak of 32 million cubic metres. Softwood lumber production fell 3.5% last year to 25.7 million cubic metres.

SWEDEN

The Swedish Forest Industries Federation said in a new report that its sawmills and pulp industries face threats from cost increases and green policies. Swedish mills, whose emissions are 96% fossil fuel-free, no longer qualify for free carbon allowances from the start of this year and will now face an annual charge of around €160 million under the EU's Emissions Trading Scheme. In addition, freight charges for heavy rail transport have soared by more than 600% since 2019 and are expected to rise a further 15% in 2026. Measures such as the extension of the EU ETS to shipping and FuelEU Maritime regulation are set to add to seaborne freight costs. The SFIF also say that the

EU Nature Restoration Regulation could see large areas of productive forest withdrawn from use potentially resulting in an annual reduction of 8 million cubic metres in raw material supply.

USA

The National Association of Home Builders/ Wells Fargo Housing Market Index reported that builder confidence for newly built single-family homes fell one point in February to 36. Sentiment has now remained in negative territory for 22 consecutive months.

The USDA Foreign Agricultural Service reported that the US exported 891,093 tonnes of wood pellets in November, up 1.9% year-on-year. The UK was the largest destination, taking 71.25% of shipments in November. Wood pellet exports in the first 11 months of 2025 reached 9.26 million tonnes, up 2.0% from-the same period last year.

CEMENT SECTOR DEVELOPMENTS

ARGENTINA

Argentina's cement demand declined by 5.3% year-on-year to 788,173 tonnes in January, according to the national cement association AFCP. Domestic cement producers manufactured 792,873 tonnes during the same month, down 5.6% year-on-year.

BOLIVIA

The Bolivian statistics institute reported that the country's cement consumption in 2025 declined by 3.9% year-on-year to 3.942 million tonnes.

BRAZIL

Votorantim Cimentos said it is pushing ahead with its BRL 5 billion investment programme in Brazil covering 2024-2028 which will lift the company's operational cement capacity by 3.7 million tonnes/year from 2026. Among its plans, it is doubling capacity at its Edealina cement plant to 2 million tonnes/year with the addition of a second grinding line. Start-up is expected in April 2026.

The National Cement Industry Union, SNIC, reported that cement demand in January totalled 5.262 million tonnes, up 1.1% year-on-year.

COLOMBIA

Colombia's grey cement production in December rose 3.1% year-on-year to total 1.18 million tonnes, according to the national statistics agency DANE. Grey cement output for the whole of 2025 rose 3% year-on-year to 13.9 million tonnes while domestic shipments totalled 12.7 million tonnes, up 5% from the previous year.

EGYPT

Cement production in Egypt in 2025 was reported to be approximately 65 million tonnes, up 18% year-on-year, while domestic consumption expanded by 13.4% to 54 million tonnes.

INDONESIA

Indonesian cement sales in 2025 contracted 1.5% to 63.912 million tonnes, according to Asosiasi Semen Indonesia. Cement production in 2025 fell 4.5% year-on-year to 64.720 million tonnes while clinker production was largely unchanged at 57.30 million tonnes.

LIBYA

The Libyan Ministry of Industry and Minerals and China's Goodwill Ceramic were reported to have held talks regarding plans to establish a new cement plant with a proposed capacity of 2 million tonnes/year.

MOROCCO

Cement deliveries in Morocco totalled over 1.044 million tonnes in January, a fall of 18.8% year-on-year according to the country's cement association, APC.

MOZAMBIQUE

The foundation stone has been laid on a new 1 million tonnes/year cement plant in Chibbabava, Sofala Province. The project includes a 28 MW captive power plant and is Chinese funded, including by Sino Harbor Construction Group. It is scheduled for completion in 2027.

PAKISTAN

According to the All-Pakistan Cement Manufacturers Association, cement dispatches in January increased 12.5% year-on-year to total 4.54 million tonnes. Domestic dispatches rose 4.4% year-on-year to 3.60 million tonnes while cement exports jumped 61% year-on-year to 0.937 million tonnes. During the first seven months of fiscal year 2026, total cement dispatches reached 30.58 million tonnes. up 10.6% year-on-year.

SPAIN

The cement association Oficemen reported that Spain's cement consumption rose by 8% year-on-year in January to 1.13 million tonnes.

VIET NAM

Viet Nam's customs data showed cement and clinker exports in January totalled 3.66 million tonnes, a rise of 68% year-on-year. In 2025 cement and clinker exports were up 25.6% from a year earlier at 37.32 million tonnes.

OTHER INDUSTRIAL MINERAL DEVELOPMENTS

ICSG

The International Copper Study Group reported that preliminary data indicated that world **copper** mine production increased by about 1% in 2025 to 23.125 million tonnes of copper content. World primary refined copper production grew by about 3.8% over the same period to 23.564 million tonnes while world apparent refined copper usage, including secondary production, rose by 3.0% to 28.160 million tonnes. The ICSG analysis of the world's refined copper balance indicated an apparent surplus of 380,000 tonnes over 2025.

ILZSG

The International Lead and Zinc Study Group reported that preliminary data indicated that world **zinc** mine production increased by about 7.6% in 2025 to 12.586 million tonnes of zinc content. World refined zinc metal production grew by about 2.1% over the same period to 13.830 million tonnes while world apparent zinc usage rose by 1.9% to 13.863 million tonnes.

The ILZSG also reported that preliminary data indicated that world **lead** mine production increased by about 0.75% in 2025 to 4.575 million tonnes of lead content. World lead metal production, including secondary production, grew by about 1.6% over the same period to 13.633 million tonnes while world apparent lead usage rose by 1.6% to 13.563 million tonnes.

CANADA

Newmont has announced a $3 billion overhaul of its Red Chris **copper** mine in British Columbia as it transitions from open pit to underground operations extending its life by over a decade and boosting Canada's annual copper output by more than 15%. The feasibility study is due in the second half of 2026, and the new production is planned to start in the early 2030s. Surface ore is expected to run out in 2028.

Vale reported a $3.5 billion impairment on Vale Base Metal's **nickel** assets in Canada attributed to a downward revision in long-term nickel price assumptions based on market estimates.

Glencore Canada suspended major investments at its Horne smelter in Rouyn-Noranda in early February after failing to reach an agreement with the Quebec government on long-term operating conditions. The smelter processes copper concentrates into **copper** anodes which are further processed at its CCR refinery. Investments at the CCR refinery will also be scaled back over the medium term.

CHINA

The China Nonferrous Metals Industry Association said in its annual briefing that Chinese production of major nonferrous metal products hir a record in 2025, with total output exceeding 80 million tonnes for the first time. The association called for the Chinese government to expand its strategic reserves of **copper** and work with major state-owned producers to boost commercial inventories. It was also reported that there was a call to add copper concentrates to the strategic reserve mix. As we reported last month, China's imports of copper ore and concentrates reached a record 30.305 million tonnes, up 7.8% year-on-year. A Chinese policy to build strategic stockpiles of key raw materials in competition with the US is clearly positive for bulk carrier demand.

CONGO, DEMOCRATIC REPUBLIC

Ivanhoe Mines is reported in advanced talks with state-owned miner Gecamines and trader Mercuria to channel **zinc** concentrate from its Kipushi mine to the US, following a wider deal between Washington and the DRC government. Ivanhoe's Kipushi mine is forecast to produce 240,000-290,000 tonnes of concentrate this year.

INDONESIA

Eramet's **nickel** mining joint venture in Indonesia has received an initial production allowance of 12 million wet tonnes for 2026, down from an initial allowance of 32 million wet tonnes last year which was subsequently upgraded to 42 million wet tonnes. The Indonesian government is restricting nickel ore production with total quotas this year set at 260 -270 million tonnes, down from 379 million tonnes in 2025. See also the report on the government's production restrictions on coal in Power Coal Sector Developments above.

NAMIBIA

Thailand Smelting and Refining has announced a deal with Namibia's Uls Tin Mining Company that effectively locks down the entire output from its **tin** operations. The agreement is an expansion of a previous offtake partnership signed in late 2023. The company reported record tin ore production of 273,000 tonnes in the quarter to end August 2025.

SENEGAL

France's Eramet has declared force majeure at its Grande Cote **mineral sands** operation in Senegal after a localised fire occurred at the wet concentrator plant on February 22. The company has suspended its 2026 production guidance, having previously targeted output of more than 900,000 tonnes.

SOUTH AFRICA

South Africa's Lion Smelter has resumed **ferrochrome** operations following a nine-month shutdown. The smelter secured a one-third cut in its power costs from the country's energy regulator enabling the restart.

At the end of February, South Africa's power utility Eskom announced a further 29% reduction in electricity prices for two other distressed **ferrochrome** producers, Samanco Chrome and Glencore's joint venture with Merafe Resources.

Transalloys warned that it may have to retrench workers at is smelter, the last remaining **manganese** smelter in South Africa, if the upcoming National Budget fails to deliver meaningful electricity tariff relief.

TIMOR-ESTE

Estrella Resources is set to ship its first cargo of **manganese** ore from its Ira Miri project in Timor-Este after extracting 22,600 tonnes under a 30,000-tonne permit to test market suitability for its manganese product.

USA

The US is reported to be planning a $12 billion initiative to establish a privately driven critical minerals reserve. Ther project, known as Private Vault, is intended to be a buffer for US manufacturers that rely heavily on **rare earths** and other strategically important materials currently dominated by Chinese supply chains. The plan is to launch with more than $1 billion raised by private investors supported by a $10 billion loan facility provided by the US Export-Import Bank.

ZAMBIA

The Zambian mining regulator suspended operations at Mopani Copper Mines' Mufulira mine in mid-February after it failed to account for all its underground personnel. This followed on from recent accidents at the mine. Zambia's **copper** output totalled 820,670 tonnes in 2025, up from 732,580 tonnes in 2024. The country aims to expand copper production to 3 million tonnes/year by 2031.