The Fertiliser Bill Arrives Before the Milk Price Does

Prepared for a dairy farmer, County Kerry, Ireland · 25 August 2026

World state as at Radar anchor 2026-08-25 · built entirely from public sources

This report has two inputs: Radar's world state file for 25 August 2026, and public research done in this session. Four labels mark where every claim comes from. [RR] means it sits in the Radar file. [RI] means an inference built on Radar evidence. [CR] means a public source fetched today, with the URL in the notes. [CI] means reasoning with no data anchor. Discount the last two at whatever rate you think they deserve.

1 · What this report assumes about you

This was built for a dairy farmer in County Kerry from public sources alone, so it should show you its guess before it tells you anything. Correct any part of this and read the rest against your correction. [CI]

The assumption is that you are running a grass-based herd, supplying a co-op on a monthly milk cheque, farming in derogation or close to the threshold, and that your two live questions this autumn are what next year's fertiliser will cost and whether the milk price recovers before your overdraft does. If you are outside derogation, or supplying liquid rather than manufacturing milk, sections 4 and 5 change materially. [CI]

2 · The frame: your margin is set off-farm this year

Average base milk price across the Irish co-ops was 37.82 cent per litre in the most recent monthly tracker, against a cost of production the same source puts at 37 to 41 cent. [CR][1] The ICMSA calculates the first half of 2026 at 37.6 cent against 49.5 cent for the same period in 2025, which on a 500,000 litre farm is roughly 31,000 euro of revenue that did not arrive. [CR][2]

You know that. What the file adds is the other half of the squeeze, and it is the half with a longer tail. [CI]

3 · The reading I would put in front of you

Radar's lead situation is the near closure of the Strait of Hormuz. The register shows one vessel transiting on 16 August against a pre-crisis baseline of 83. [RR][3] Roughly a third of globally traded fertiliser moves through that strait. [CR][4] Urea reached 765 euro per tonne in March, 55 per cent above the same month in 2025, because gas is 60 to 80 per cent of the cost of making it. [CR][4] At Irish merchant level in March, straight urea was around 800 euro a tonne and CAN 510 to 520. [CR][5]

Here is the part worth your time. The World Bank's fertiliser outlook, which is what most merchant forecasting rests on, assumes the acute phase ended around May and that Hormuz traffic normalises by October. [CR][5] Radar's register says one vessel a day on 16 August. [RR][3] The assumption underneath the published forecast has already failed, and the forecast has not caught up. [RI]

The same analysis finds that fertiliser prices peak about twelve months after an oil supply shock and stay above pre-shock levels for more than two years. [CR][5] Twelve months from March is next spring, which is your application window, not this one. Radar carries a standing thesis that this is not a delay but a permanent loss: fertiliser missed during a planting window cannot be made up when the strait reopens. [RR][6]

4 · The world state, in raw register rows

Unedited readings from Radar's registers with their observation dates, so you can form your own view. [RR][7]

Reading	Value	Observed
Hormuz, daily transits	1 vessel (baseline 83)	16 Aug 2026
Suez, daily transits	41 vessels	16 Aug 2026
Panama, daily transits	33 vessels	16 Aug 2026
European gas, TTF	$68.41 / MMBtu	24 Aug 2026
Brent, front month	$91.99 / bbl	24 Aug 2026
Brent, June 2028 contract	$75.79 / bbl	21 Aug 2026
Ireland, annual generation	30.95 TWh	2025 full year
Ireland, annual demand	37.08 TWh	2025 full year
Ireland, installed gas capacity	4.88 GW of 6.47 GW fossil	2025 full year

The last three rows are worth a moment. Ireland generated 30.95 terawatt hours against 37.08 of demand, so about a sixth of the electricity on your yard arrives over an interconnector priced in the same European gas market that sets your fertiliser bill.

[RR][7] Your energy cost and your nitrogen cost are not two exposures. They are one exposure arriving twice. [RI]

5 · Where this collides with the derogation calendar

The nitrates derogation was extended for three years in December 2025, running to the end of 2028, permitting up to 250 kg organic nitrogen per hectare, or 220 in catchments with poorer water quality. [CR][8] Two mechanical details in the terms matter more than usual this year. Your grassland fertiliser allowance is set by the previous year's stocking rate. [CR][9] And every derogation applicant must declare closing stocks of chemical fertiliser and lime held at 23:59 on 14 September 2026, submitted between 15 September and 15 October. [CR][10]

So the ordinary response to a market you expect to rise, buying forward and holding stock, runs into a declaration date five weeks after this report. That is not a reason to avoid buying. It is a reason to know which side of 14 September a purchase lands on and to have the paperwork right, because the allowance and the declaration interact and the deadline is fixed. [RI] Whether forward buying is right for your cash position is your call, not mine, and you know your overdraft. [CI]

One further thing the file flags that the merchant will not. Eighty per cent of Ireland's urea is sourced outside the EU, and the carbon border levy entered its definitive phase on 1 January 2026, applying to exactly those imports. [CR][5] That is a second, permanent cost layer sitting underneath the temporary one, and it does not reverse when the strait reopens. [RI]

6 · Watchlist

If you see this	It means	Anchor
Hormuz transits recover materially above one vessel a day	The acute phase is ending. Merchant forecasts become usable again and forward buying loses its premium.	Note 3
Urea quotes fall back below roughly 600 euro a tonne at Irish merchant level	The scarcity premium is unwinding faster than the twelve-month pattern implies.	Note 5
Co-op base price moves back above 41 cent per litre	You are above the top of the stated cost-of-production band again, rather than inside it.	Note 1
A second Irish catchment is reclassified to the 220 kg band	Your allowance arithmetic changes before the next application, not after.	Note 8

7 · Candid judgement

The uncomfortable finding is that both blades of the scissors are set outside Ireland. Milk price is following global supply and butter markets; nitrogen price is following a strait in the Gulf and a gas market you do not trade in. Nothing you do on the farm this autumn moves either. [RI]

What is inside your control is timing and information, and the file gives you an edge on both: the published forecasts your merchant is quoting from rest on an assumption about October that the shipping register has already broken. [RI] That is worth a conversation with whoever prices your fertiliser, and it is worth having before the September declaration rather than after. [CI]

This report cannot see your stocking rate, your catchment band, your co-op's bonus structure, your ground conditions or your borrowings, and all five decide whether any of the above is actionable for you. Those are the questions worth putting to your adviser, and the file is the reason to ask them now rather than in February. [CI]

Notes

1. Agriland and ICMSA Milk Price Tracker, most recent monthly tracker, recording an average base price of 37.82 cent per litre and a stated cost of production of 37 to 41 cent: https://www.agriland.ie/farming-news/milk-price-tracker-handful-of-increases-as-drought-persists/
2. Irish Creamery Milk Suppliers Association, reported July 2026, calculating an average base price of 37.6 cent per litre for the first half of 2026 against 49.5 cent for the first half of 2025, and a revenue effect of about 31,000 euro on a 500,000 litre farm: https://en.edairynews.com/irish-dairy-farm-incomes-fall-sharply-as-h1-2026-milk-prices-drop-12c-l/
3. Radar corpus, REG-06#PW.hormuz.n_total#2026-08-16, and lead situation 2026-08-25-CL-001.
4. Council of the European Union working document ST-7687-2026, recording that about 33 per cent of globally traded fertiliser transits the Strait of Hormuz, that gas is 60 to 80 per cent of urea production cost, and that urea reached 765 euro per tonne in March 2026, 55 per cent above March 2025: https://data.consilium.europa.eu/doc/document/ST-7687-2026-INIT/x/pdf
5. ifac, Irish fertiliser market price outlook and supply risk assessment 2026 to 2027, citing the World Bank April 2026 Commodity Markets Outlook: Irish merchant prices in March 2026 of about 800 euro per tonne for straight urea and 510 to 520 euro for CAN; a projected 30.7 per cent rise in the global fertiliser price index for 2026; the World Bank assumption that the acute phase ends about May 2026 with Hormuz normalising by October; the finding that fertiliser price responses peak about twelve months after an oil supply shock and remain elevated beyond two years; that 80 per cent of Ireland's urea is sourced outside the EU; and that CBAM entered its definitive phase on 1 January 2026: https://www.ifac.ie/news-insights/insights/latest-price-outlook-and-supply-risk-assessment-for-the-irish-fertiliser-market-2026-2027
6. Radar corpus, TH-2026-013-sulphur-fertiliser-food-security, status medium, trajectory steady.
7. Radar corpus, REG-06 chokepoint series observed 2026-08-16; REG-03 series observed 2026-08-21 and 2026-08-24; REG-10 Ireland capacity, generation and demand series for the 2025 full year.
8. Teagasc, Nitrates Derogation, recording stocking rates above 170 kg and up to 250 kg livestock manure nitrogen per hectare subject to conditions: https://teagasc.ie/environment/schemes-regulations/nitrates-derogation/

9. Department of Agriculture, Food and the Marine, announcement opening the 2026 derogation, recording that the previous year's stocking rate determines the grassland fertiliser allowance under S.I. 588 of 2025: https://www.gov.ie/en/department-of-agriculture-food-and-the-marine/press-releases/online-system-opens-for-2026-nitrates-derogation-applications-and-dairy-band-confirmation/

10. Agriland, 2026 nitrates derogation requirements, recording the closing-stock declaration of chemical fertiliser and lime held at 23:59 on 14 September 2026, submitted between 15 September and 15 October 2026: https://www.agriland.ie/farming-news/2026-nitrates-derogation-deadline-fast-approaching/

Honest limits

This is a sample report, published to show what the product looks like. It is written for a composite dairy farmer in County Kerry rather than a real individual, so nothing in it is personalised to a named person. A commissioned report is built from four fields you supply and is materially sharper as a result. The report is anchored to 25 August 2026; the Radar file is a current-state snapshot whose telemetry reconciled clean across all eight layers with no warnings before use. Milk price figures are base prices excluding bonuses and vary by co-op and by constituent; the cost-of-production band is the tracker's own and is not farm-specific. Fertiliser prices quoted are March 2026 Irish merchant level and are the freshest fetched this session; no fetched source gave an August 2026 Irish merchant quote, so current prices may differ and the report does not assert them. The derogation terms cited are the published 2026 conditions. Ireland electricity figures are 2025 full-year values, the most recent in the register. Your stocking rate, catchment band, co-op, contracts and financial position are not public and are not guessed here. Every URL above was fetched in this session.