

Ammonia Build-Out: Recipe for Risks

OVERVIEW

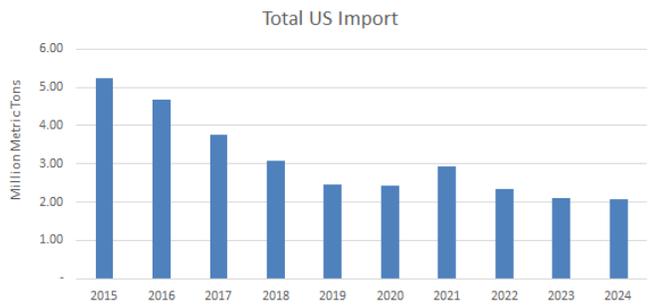
Government agencies have been awarding financial incentives to private companies to build ammonia production plants that may fail to achieve robust economic benefits for host communities. [IEEFA's five-part report](#) shows why ammonia production would likely have a limited impact on jobs and high construction and operating costs, why energy markets for ammonia will not likely be robust, and why such projects should be heavily scrutinized given the potential risks to host communities. This factsheet focuses on declining demand.

IMPORTS DECLINING

Ammonia build-out intended to access new domestic markets is likely to encounter challenges. Domestic ammonia production already supplies about 88% of the ammonia consumed in the United States¹, and U.S. imports of ammonia have been declining, on average, over the past decade.

IEEFA calculates that domestic production already added or under construction in 2025 amounts to more than double the tonnage of ammonia imported today. If the new domestic ammonia is price-competitive against imports and if the export market is more limited or less lucrative than anticipated, U.S. importation of ammonia could shrink further or be eliminated.

Decline in Ammonia Imports

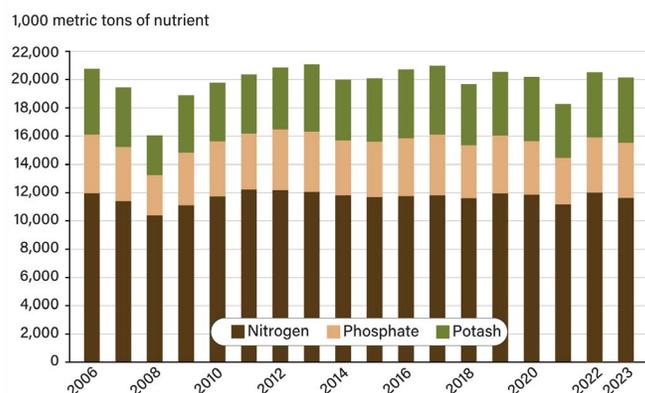


Source: ICIS, IEEFA²

About 88% of domestic ammonia consumption is in agricultural use as fertilizer.³ But the U.S. Department of Agriculture reports domestic fertilizer consumption remains below the 2006 level, attributed to the rising costs of fertilizer and increases in fertilizer efficiency practices in farming.

Hopes for major growth of new ammonia markets in energy are highly speculative, and even some major ammonia

U.S. fertilizer consumption and composition, 2006-2023



Note: At the time of publication, 2023 was the most recent year of available consumption data. All values are measured in thousand metric tons of elemental nutrient.

Source: USDA, Economic Research Service using data from the International Fertilizer Association.

CHARTS of NOTE

Source: U.S. Department of Agriculture (USDA)

companies have expressed doubt about whether a low-carbon ammonia energy market will emerge.

CONCLUSION

Based on the concerns raised in the five parts of IEEFA's report, Ammonia Build-Out: Recipe for Risks, any plan to grant public monies and tax benefits to ammonia production projects should be subject to rigorous scrutiny and robust public discussion. See factsheets 1, 2, 4, and 5 on the [IEEFA website](#).

¹ ICIS. Proprietary.

² U.S. Geological Survey, Mineral Commodity Summaries: Nitrogen (Fixed) - Ammonia. February 2026.

³ U.S. Geological Survey, Mineral Commodity Summaries: Nitrogen (Fixed) - Ammonia. February 2026.

⁴ USDA. Charts of Note: U.S. fertilizer consumption rebounds from 2021 drop. September 24, 2025.

