

# fert focus

A WEEKLY REVIEW OF THE CROP NUTRIENTS MARKET

December 13, 2013

## NH3

- After a lackluster fall, NH3 supply will reach capacity, presenting an opportunity to step in and secure spring tons at extremely good values.
- World supply continues to stay long and shutdowns will be imminent in the coming months.
- When comparing NH3 to urea and UAN, NH3 is extremely undervalued.
- There are no major logistical issues at this time.

## UREA

- Current supply in the United States is short 1M tons, which means a total of 2M tons is needed for import.
- Physical demand for spring looks strong, but there is very little actual buying taking place.
- Lack of fall NH3 application is causing the marketplace to secure other forms of spring nitrogen.
- There are no major logistical issues at this time.

## UAN

- Projected NH3 values may force UAN and urea to compete for acres this spring.
- An Egyptian tender this week saw a \$20/mt price increase over the same producer's Nov. 18 tender.
- The Kansas/Oklahoma wheat run could help dictate whether UAN remains flat or gains steam heading into spring.
- Recent buying will continue to put more pressure on our infrastructure heading into spring.

## PHOSPHATE

- While the phosphate market has approached the bottom, factors such as supply and demand, corn values and market sentiment weigh on future pricing.
- Product movement has been largely supported by consignment programs, with the balance moving to the grower level.
- There are no major logistical issues at this time.

## POTASH

- While there has been some buzz in the market around potential winter fill offerings, there is no new news today.
- Potash prices continue to be under some pressure as the market attempts to sell off the last of product that is in place.
- Now that we are getting to the tail-end of the application period, trucks will begin to open up and make fertilizer values more attractive further inland.

## SECONDARY NUTRIENTS

- Some downside pressure was felt in the Western Corn Belt Market for 10-34-0 this week and prices adjusted down slightly as a result.
- There is talk of AMS spring prepay numbers coming out very soon. The next few weeks should bring a clearer picture of where this market is headed.
- ATS supply is keeping pace with demand and suppliers remain biddable for prompt orders.