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Monthly Fertilizer Prices: Spring 2014 with Comparisons to 2009 through 2013

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Fertilizer prices have been increasing in recent months; however, per acre fertilizer costs should be lower in 2014 than in recent years. In this post, monthly prices for anhydrous ammonia, diammonium phosphate (DAP), and potash are shown for 2009 through 2014. In most cases, monthly fertilizer prices in 2014 have been below prices for the 2011, 2012, and 2013 crop years. Prices suggest fertilizer costs for corn of \$150 per acre in 2014, compared to costs near \$200 per acre in 2012 and 2013.

Anhydrous Ammonia

The Agricultural Marketing Service (AMS), an agency of the U.S. Department of Agriculture, reports average fertilizer prices for Illinois every other week. These bi-weekly prices were averaged to determine monthly fertilizer prices.

Figure 1 shows monthly fertilizer prices for anhydrous ammonia for each year from 2009 through 2014, with prices reported for September through June. In Figure 1, prices are reported for a crop year. Since fertilizer purchased in September through December is typically used in the following year's production, prices in September through December are associated with the next crop year. For example the September 2013 price of \$687 per ton is associated with 2014 crop year. Similarly, prices in October through December are associated with the next year.

On April 3, 2014, AMS reported an anhydrous ammonia price of \$704 per ton, the highest of the 2014 crop year. Ammonia price in September 2013 was \$687 per ton. Ammonia prices then declined till January, reaching \$655 per ton. From January, prices increased: \$655 in February and \$658 in March. The April 3rd price of \$704 per ton was a \$46 per ton increase over the \$658 March average price.

Even given recent increases, all monthly prices for 2014 were below 2012 and 2013 prices. Moreover, except for September, all 2014 prices were below 2011 prices. Unlike 2011 through 2013, prices in 2014 were above 2010 prices. Prices in 2009 were extremely high the first part of the crop year and exceeded 2014 prices. Then, 2009 prices fell. The April 2009 price was below the April 2014 price.

From September through April, the 2014 monthly prices for anhydrous ammonia averaged \$673 per ton. Average prices for the comparable monthly time period were \$899 per ton in 2009, \$485 in 2010, \$747 in 2011, \$848 in 2012, and \$872 in 2013.

DAP

DAP prices have trended up since February 2014 (see Figure 2). In January 2014, DAP price was \$502 per ton. From this level, DAP increased each month: \$541 per ton in February and \$566 in March. The April 3rd price was \$580 per ton.

Even given these increases, all monthly DAP prices in 2014 were below 2011, 2012, and 2013 prices (see Figure 2). DAP prices in 2010 were below 2014 prices. Similar to anhydrous ammonia, DAP prices started high in 2009 and then declined. In 2009, DAP prices exceeded 2014 prices through March. In April, the 2009 price was \$531 per ton compared to a \$580 price in 2014.

Figure 1. Anhydrous Ammonia Prices by Month, Illinois, 2009 - 2014.

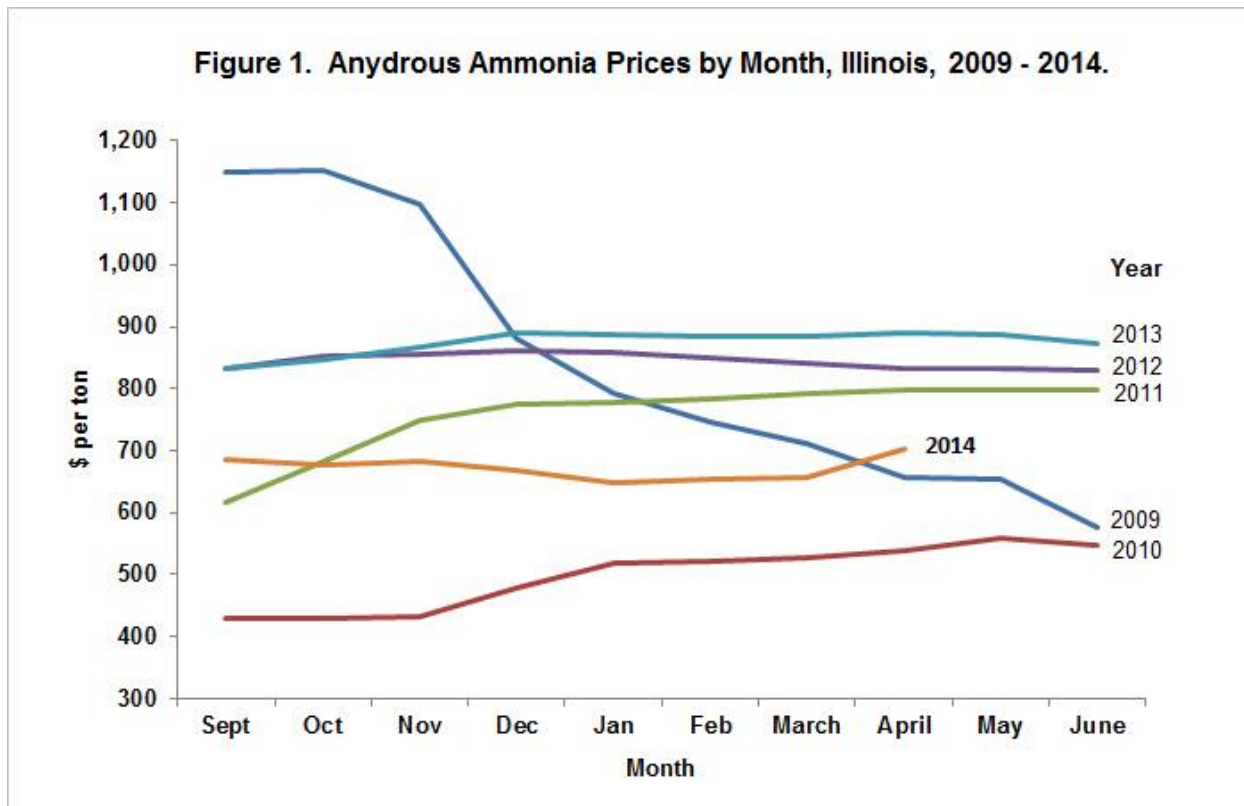
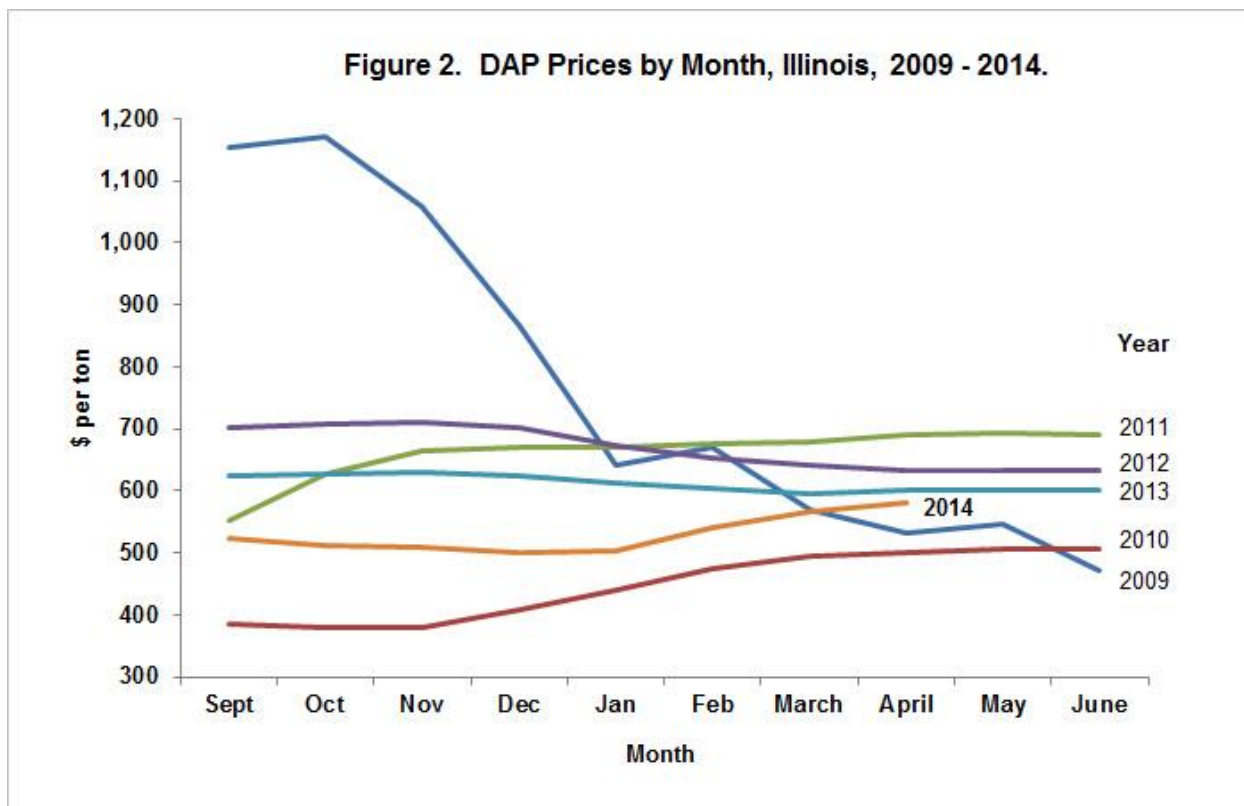


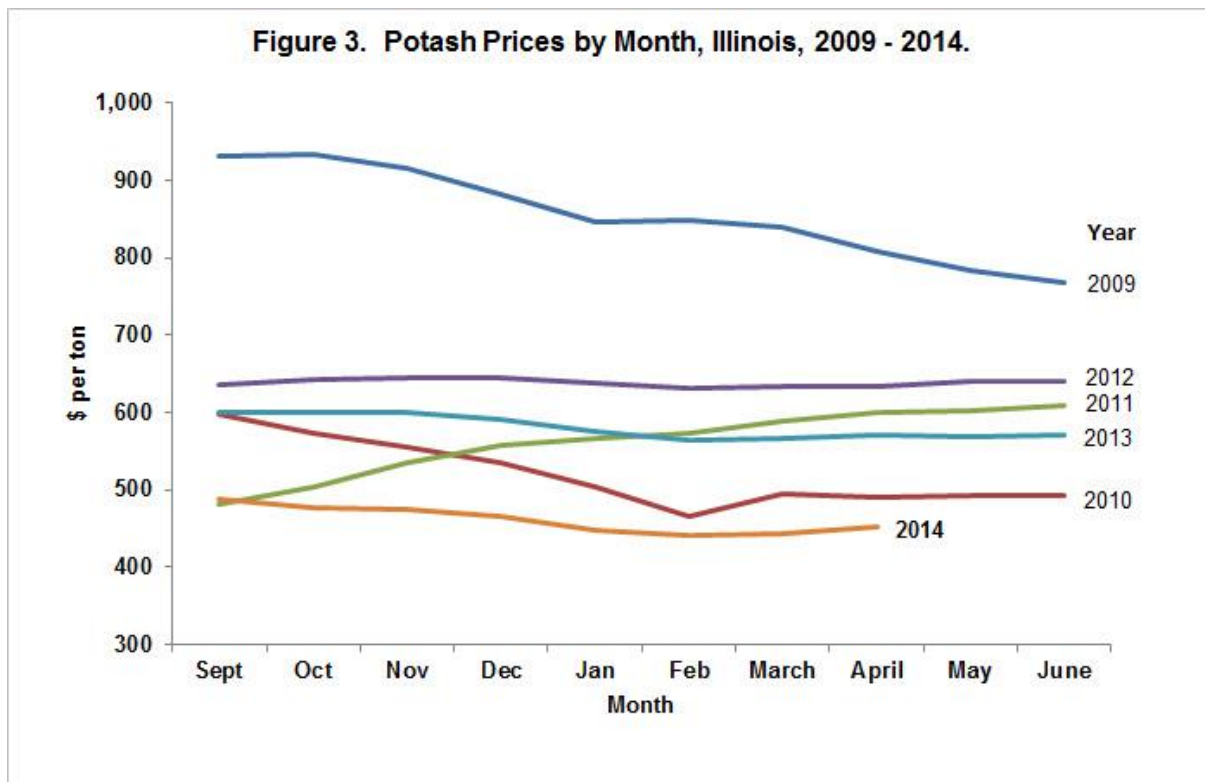
Figure 2. DAP Prices by Month, Illinois, 2009 - 2014.



From September through April, the 2014 monthly DAP prices averaged \$529 per ton. Average prices for the comparable monthly time period were \$833 per ton in 2009, \$433 in 2010, \$654 in 2011, \$687 in 2012, and \$615 in 2013.

Potash

Potash prices decreased from September 2013 through February 2014 (see Figure 3). In September, potash price was \$488 per ton. In February, price was \$442 per ton. From February to March, potash price increased by \$2 per ton to \$444 per ton. The April 3rd price was \$453 per ton.



Only one monthly price from 2009 through 2013 was below 2014 monthly prices: September 2011. From September through April, the 2013 monthly potash price averaged \$583 per ton. Average prices for comparable monthly time period were \$876 per ton in 2009, \$527 in 2010, \$550 in 2011, \$638 in 2012, and \$583 in 2013.

Summary

Fertilizer prices for the 2014 crop year have generally been lower than prices for the 2011, 2012, and 2013 crop years. This should result in significant reductions in per acre fertilizer costs. Prices so far for 2014 would imply per acre fertilizer costs for corn around \$150 per acre. This \$150 per acre cost compares to average costs of around \$200 per acre in 2012 and 2013.

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