



### **Planting lags in eastern Corn Belt and northern Delta regions**

Corn planting is mostly done, for all practical purposes, this week. The latest USDA Crop Progress report puts planting in the top 18 corn states at 97% completion. But states including Pennsylvania (89%), Indiana (90%) and Illinois (93%) are still sitting with sizeable acres of unplanted corn fields as of June 7<sup>th</sup>. Soybean planting is also behind in many states, with the 18-state average at 78% complete, compared to 87% for the five-year average. Parts of the northern Delta region, namely northern Arkansas, have also been affected by excessive wetness this spring. Rice planting is still being completed there, and soybean seeding lags behind the usual pace.

### **Dry Nitrogen**

#### **Urea**

In the world urea market, Pakistan was expected to tender but now may make purchases privately, instead. The market is also waiting on India to tender for a sizeable amount, which the country needs for July. Domestically, the U.S. urea market is still at a discount to world markets. The urea market is not likely to rally until domestic urea producers feel comfortable with Q3 inventory levels.

#### **Ammonium Sulfate**

No price change has been seen this week. Prices are likely to hold fairly constant until the end of June or early July, when a drop is expected.

### **Liquid Nitrogen**

#### **UAN**

The world market appears to have stabilized, with Romania selling UAN to Spain at \$140/mt and the Egyptian price going up \$2 this week, to \$142/mt. The most significant event in the domestic market this week is that CF Industries is exporting tons to France.

#### **Ammonia**

Strong side dress demand in the eastern Corn Belt is keeping some dealers busy there, while west of the Mississippi River there is sizeable demand for fall prepay. Some of those purchases are based on historic needs, but most are made back to back with grain sales. The spread between ammonia and urea prices has widened to 8 to 9 cents in some areas. Cash prices for ammonia remain weak and that is expected to continue for the next 30 days. We recommend layering in some fall needs now.

### **Phosphates**

Prices are firming FOB NOLA and Central Florida. Producers continue to talk about curtailing domestic production in July. Currently there is not an excessive amount of

phosphates in warehouse storage, so if production is curtailed next month, there could be less product available for fall. We recommend purchasing 20-30% of fall needs in the coming weeks. Currently, PCS is not producing any phosphoric acid but plans to be back in production in July.

### **Potash**

Buyers in India and China are still holding out on negotiating contracts, most likely trying to apply downward pressure to the world markets. It's starting to look like domestic fill prices could be set before China and India decide what to do. It's still very unclear what domestic prices will iron out at. There have been a number of inquiries on pricing for summer fill but North American producers are yet to come out with a price. Some dealers are speculating that prices will not go as low as previously thought therefore buying a few barges that are available today at prices that are much below posted producer pricing.

### **Regional markets**

**Northeast:** Side dressing corn is in full swing this week, although some rains in parts of the region slowed that work. There is quite a bit of carryover of 10-34-0, with some of the product being held for over a year now. Some buying of UAN fill is taking place, but dealers appear more cautious about buying for fall, and many are limiting purchases to only 20% of fill needs for now. There is very little interest in potash at current prices.

**South:** The rice run continues this week and is about half through in southern Arkansas and Mississippi. Growers in northern Arkansas were still planting rice last week, which will extend the rice run this year. There has been strong urea buying, but potash has been moving, as well. Phosphate sales have been the slowest. Farther west, wheat yield reports are very bad in southern Oklahoma, due to the early-season freeze. The N price spread between urea and ammonia is big in this region – as much as 15-18 cents. UAN fill prices are 3-8 cents below urea, as well. Dealer risk management and open CN position limits mandated by their boards and or banks may limit interest in fall fill.

**Midwest:** Now that planting is mostly completed, attention has turned to fall fill issues. Local dealer inventories and product carryover situations vary quite a bit. N inventories are generally very low, with the most carryover in P & K.

**Northwest:** Interest in urea for fall has been limited. Generally, dealers appear concerned about committing on too many fall tons, and many aren't willing to make any fast decisions. There appears to be some interest in P fill, though