



Planting Is Behind In Much of the Country

Yesterday's USDA Crop Progress Report shows that planting of the major crops, including corn, soybeans, cotton, rice, spring wheat and sorghum, is behind the five-year average in most parts of the country. Excess rains have kept growers out of the field in parts of the North, Midwest, eastern cornbelt and the Delta. Corn planting in the Midwest, for example, ranges from 0% done in states such as Indiana and Minnesota, to 6% complete in Iowa, where it's normally at 10% completed by April 19. Across much of the cornbelt, this spring's delay puts planting just a few percentage points behind normal. So with dry weather ahead this week, that difference could be made up quickly.

Tennessee, Kentucky Illinois and Missouri are farthest behind in corn planting this spring, at between 22% and 40%. The Delta is 8%-13% behind the normal pace of rice planting this spring, 18%-37% behind in sorghum planting, and 5%-11% behind in cotton planting.

Dry Nitrogen

Urea

There was a little movement of product here and there last week, but most regions are waiting for fieldwork to get fully underway. There were also a few barge inquiries but few sales. The international market is fairly slow as well, with Pakistan being one of the few buyers this week and the country is expected to tender again in early May for 260,000 tons.

Ammonium Sulfate

Prices remain fairly stable this week. HJ Baker has its load out equipment in Beulah, ND, up and running again this week, after being down with mechanical failure last week. Honeywell claims they were seeing strong demand at all of its warehouses last week. There should be more railcar capacity available by mid-May.

Liquid Nitrogen

UAN

Movement has picked up in Iowa this week, specifically out of Fort Dodge. Some lower prices are popping up on the cash market along the east coast, due to dealers concerned about the potential for lower corn acres wanting to move all their inventory this spring. Look for summer purchase opportunities.

Ammonia

Last week there was a lot of product movement, especially in northern Illinois, Iowa and southern Minnesota. Some moisture over the weekend slowed activity, this week so far, but a day or two of sun and wind should be enough to dry things out again. Domestic ammonia remains fairly weak even where product is being applied. Current Natural Gas prices for the future may equate to fall ammonia prices starting with a 3 or even a 2. In general, European ammonia use and fertilizer demand is down this spring as well. Production cutbacks and some temporary plant shutdowns are predicted there. One change in recent weeks is that industrial demand for ammonia appears to be improving.

Phosphates

The market remains slow, with prices continuing to soften, especially in the Gulf. That downward price pressure could be moving north. Producers have dropped warehouse pricing. They are also moving product to export markets. There is more sideways movement of product, as dealers who are long try to reduce inventories. Production curtailments are likely as the spring season wraps up. PCS has already indicated they will probably shut down in May, which means the company will have no acid production. That is causing the price differential between dry and liquid products to grow.

Potash

There has been more international business concluded but we still feel that it's still not enough to set the new mark on potash pricing. Resellers, brokers and dealers are continuing to sell at prices well below the producer list price as everyone attempts to be empty at the end of the season. The challenge will be, when recharge is needed, what price we will be able to buy it at. China and India will be the bench mark for what happens moving forward. China negotiations have resumed but don't expect something to get done anytime soon.

Regional markets

South: A fair amount of rain came through the region over the weekend, slowing field activity. Certain areas, including northwestern Kansas, really needed more moisture, while heavy rains east of San Antonio and in most of the Delta were not welcomed. In western Texas, around Lubbock, it remains dry. In the mid-South, field work is well underway, and the outlook for the week is promising, weather-wise. Damage to wheat from the recent freeze in southern Kansas and Oklahoma could be severe in some areas, specifically to the south of that region. Quite a bit of UAN has been displaced by urea this spring. UAN demand through the remaining part of spring depends largely on the crop mix and what gets planted in the next few weeks. Many of the corn acres are already in for the region.

Northeast: There was good product movement in northern Illinois last week, and 10-hour waiting lines for trucks at the East Dubuque terminal. A bit of rain over the weekend, has slowed application this week, but only for a day or two. In parts of the region, dry P & K application is mostly complete and farmers are concentrating on planting. Application of 10-34-0 is down by 10%-20% in many areas and by as much as 50% in others.

Midwest: There was strong product movement in the region this week. Some planting started last week, but most farmers are just getting started this week. Most terminals are running heavy on urea sales – as much as 80% – while P& K make up only about 20%. There has been a fair amount of product activity in Nebraska, with both dry product and ammonia going down. Some dealers are asking to open May contracts early. Dry product sales have been mostly hand to mouth, with orders of 25 to 150 tons at a time being most common. Application of 10-34-0 is down by as much as 30%-40% in some areas.

Northwest: Last week saw a lot of field activity in the Pacific Northwest and Montana, but spring planting is still behind normal. The southern part of the Red River Valley has begun to dry out from flood conditions and will likely see field work starting by the end of the month. After weeks of delay, urea trains have been released for shipment out of Galveston. Corn and Wheat were being planted in the southern part of South Dakota over the weekend. SD and ND are still dealing with frost and colder than normal soil temps.