Increasing Global Needs for Nitrogen & How that will Affect what Growers may Pay

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The lion’s share (88% overall and 89% for Nitrogen) of fertilizer nutrient demand is outside of the United States.

As such, the rest of the world, particularly China, India and Brazil, but other countries as well, play a significant role in where both global fertilizer demand and, thus, global and domestic fertilizer prices, go.

The USA is a relatively small player in the market, despite the size of our agriculture.
The Lion’s Share of Global Nutrient Demand is Outside the United States

Global Nutrient Consumption FY 2010/11

- China 29%
- India 16%
- Rest of World 37%
- Brazil 6%
- US 12%

Source: International Fertilizer Industry Association (IFA).
The Lion’s Share of Global Nitrogen Demand is Outside the United States

Global Nitrogen Consumption FY 2010/11

- China: 31%
- India: 16%
- US: 11%
- Brazil: 3%
- Rest of World: 39%

Source: IFA
There was a significant drop in nutrient use in the USA as a result of the record fertilizer prices and declining crop prices during the fall of 2008/Spring of 2009. However, domestic nutrient use is anticipated to have increased significantly over the past 3 years (we only have actual data for FY2009/10; FY2010/11 and FY2011/12). TFI is forecasting the estimate for FY2012/13. The increase in domestic demand is a result of the relatively tight stocks of the major U.S. crops (corn, soybeans and wheat) and the resulting record or near-record prices for these crops as well as many others.
USA Forecast - Nitrogen

Global demand was also impacted by the record fertilizer prices in 2008-09. However, like the United States, global demand has come roaring back in response to the higher crop prices globally and is expected to continue its rise beyond FY2012/13.
World Nitrogen Consumption

Source: International Fertilizer Industry Association