



Fertilizer Outlook

Fluid Fertilizer Market & Technology Workshop

Wayne Welter

December 2014



Who is Simplot



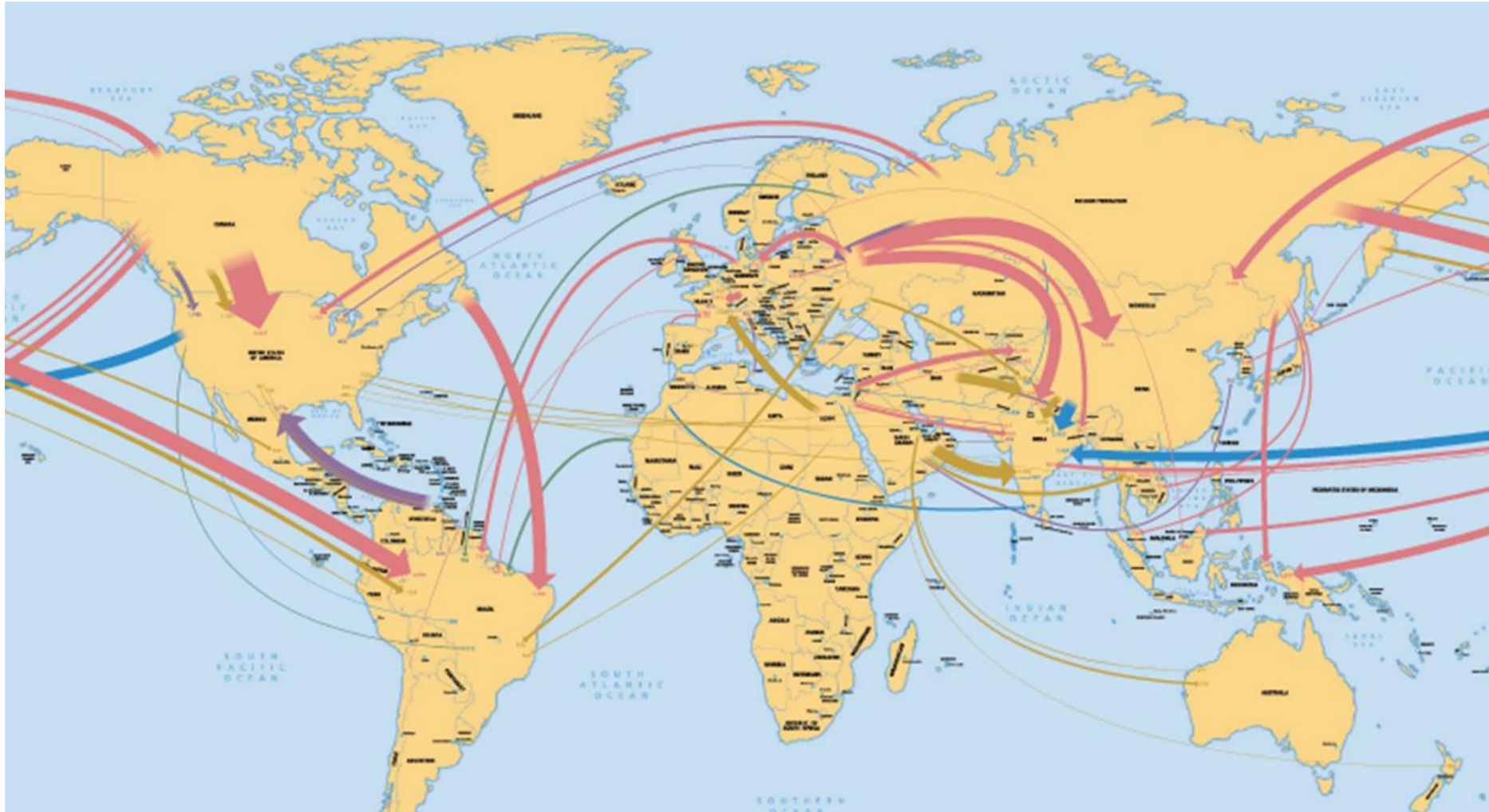
- Global Business
- Fertilizer Demand Drivers
- N, P and K
- Musings About 2015



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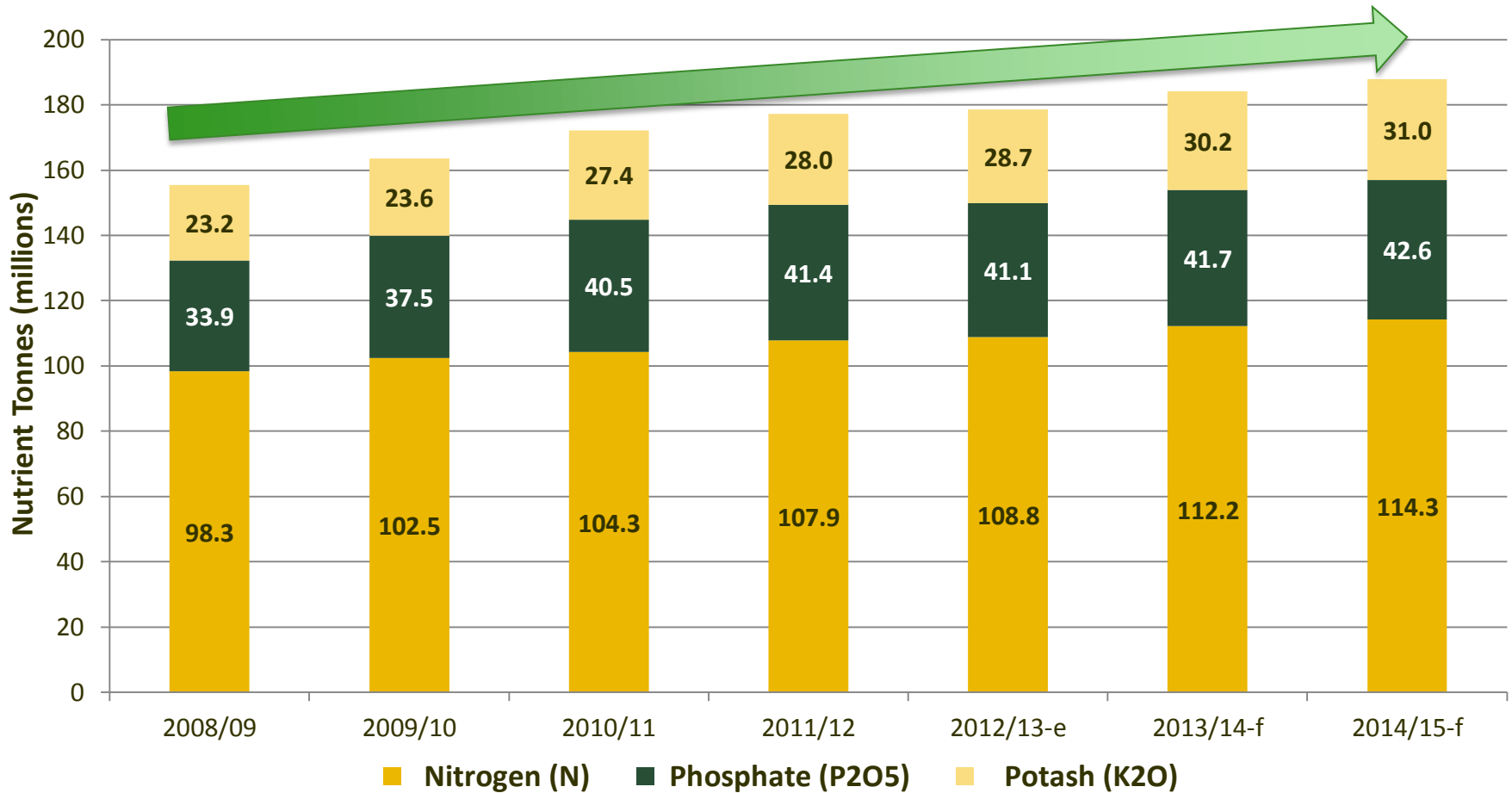


World Fertilizer Trade Flows



.....*It's a global business*

Global Nutrient Demand



Source: IFA

2014 narratives



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- Musings About 2015



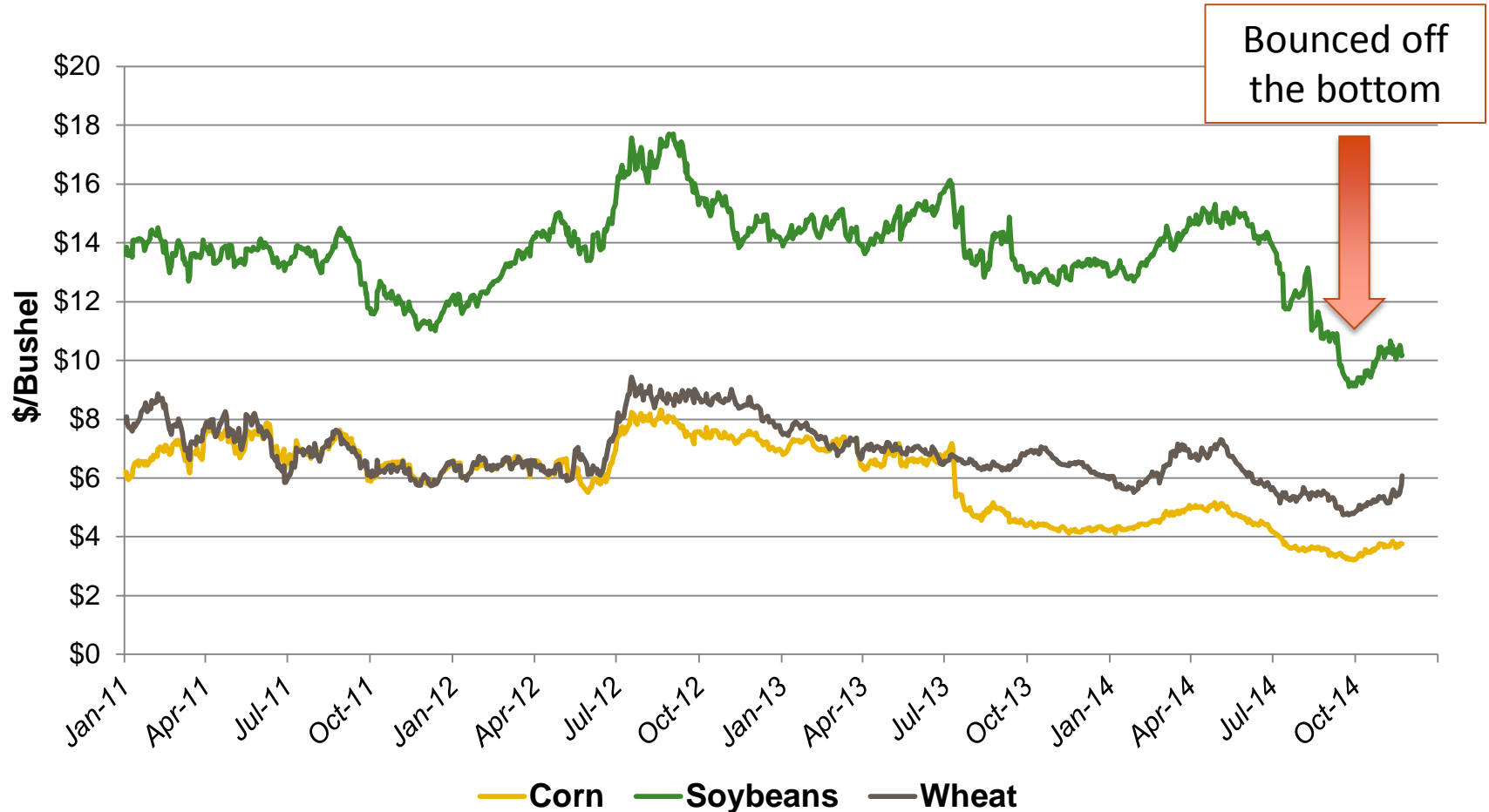
14.4 billion bushels of corn

4.0 billion bushels of soybeans

Marketing Year
Source: USDA

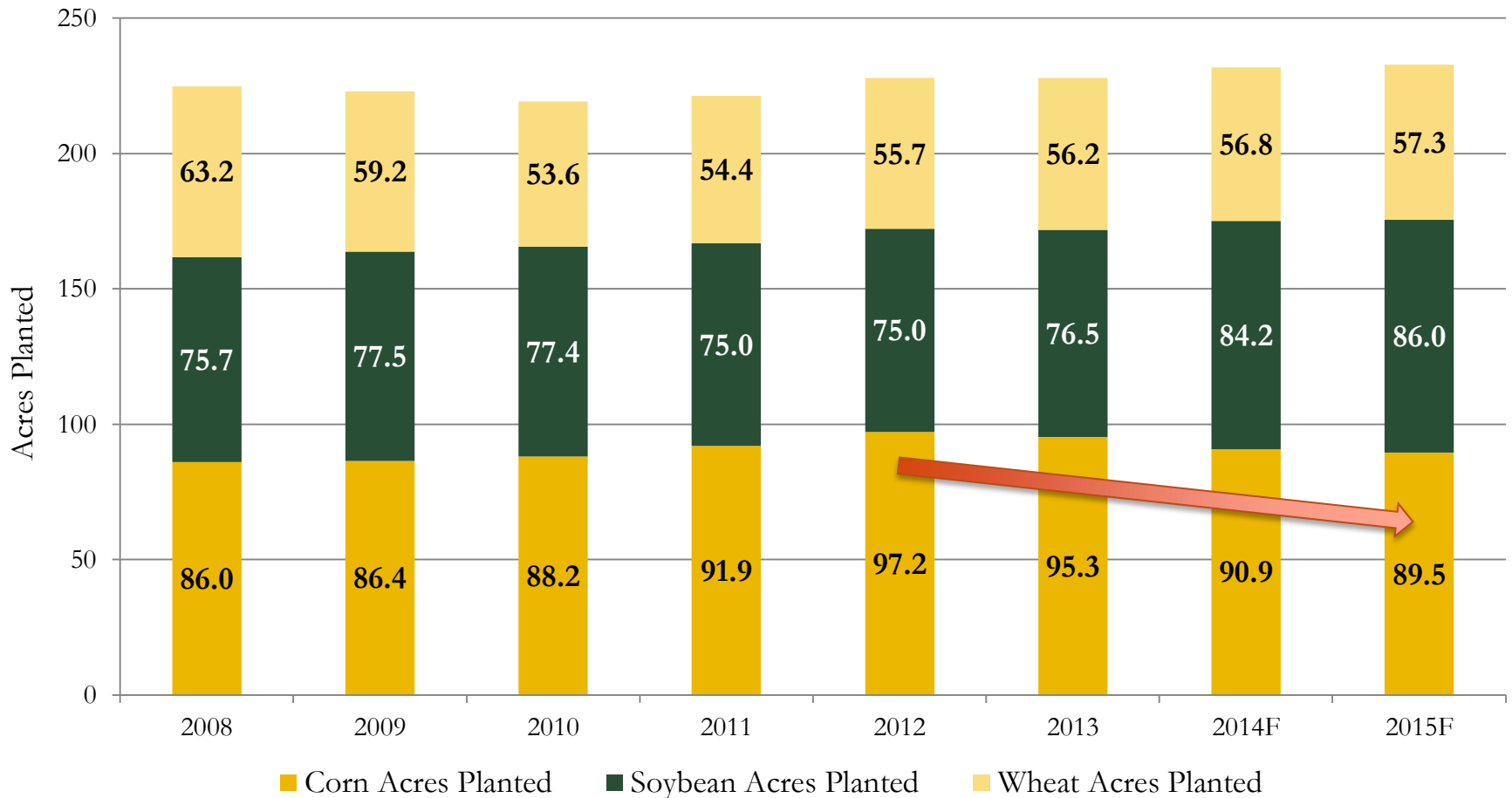


Price Trends Reflect Supply Expectations



Daily Nearby Futures
Source: Trading Charts

Acres Planted – The Big Three

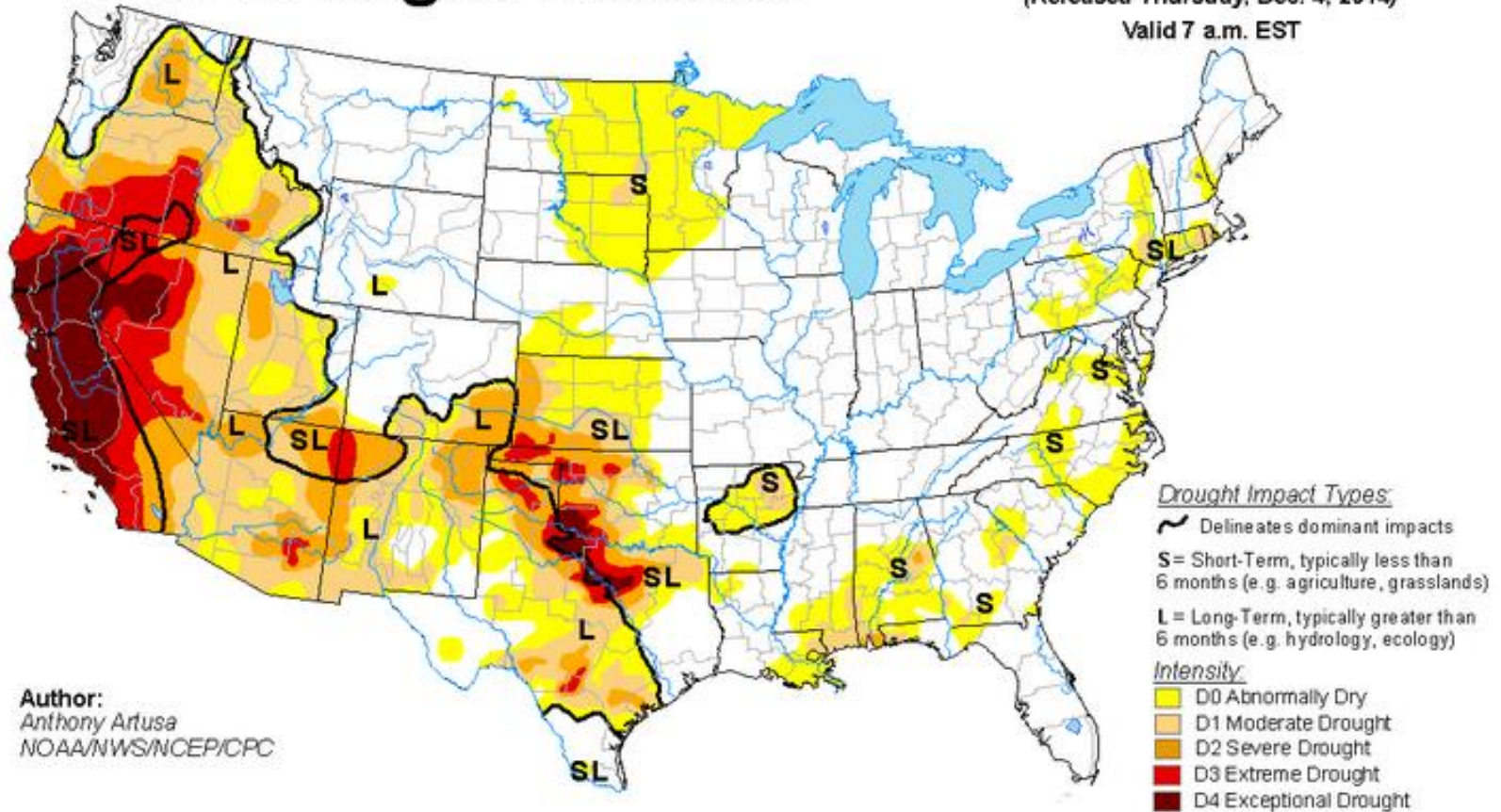


Source: USDA, Doane

Weather

U.S. Drought Monitor

December 2, 2014
(Released Thursday, Dec. 4, 2014)
Valid 7 a.m. EST

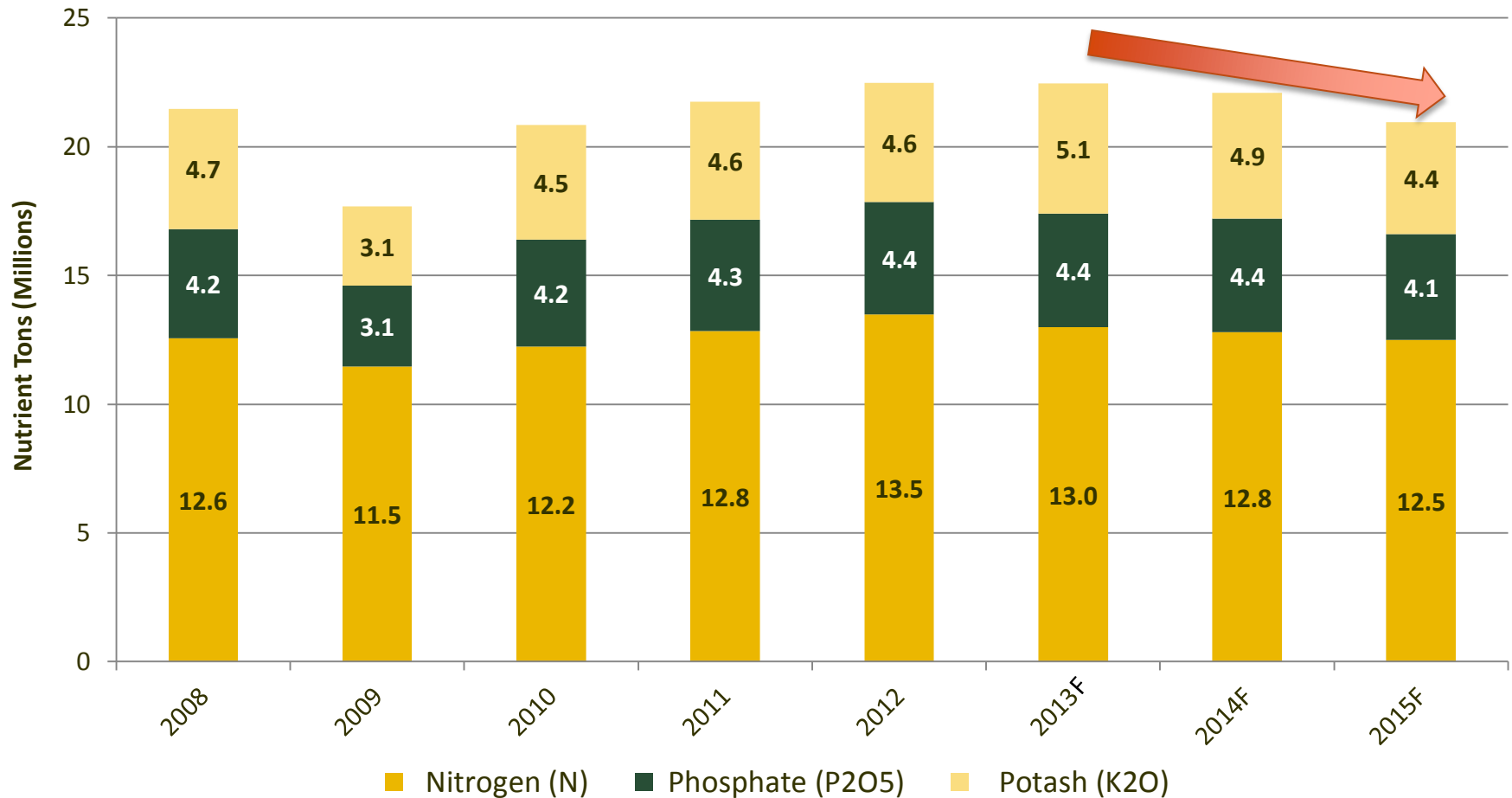


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NOAA/NWS/NCEP/CPC

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U.S. Ag Fertilizer Historical Consumption



Source: TFI, Simplot

14

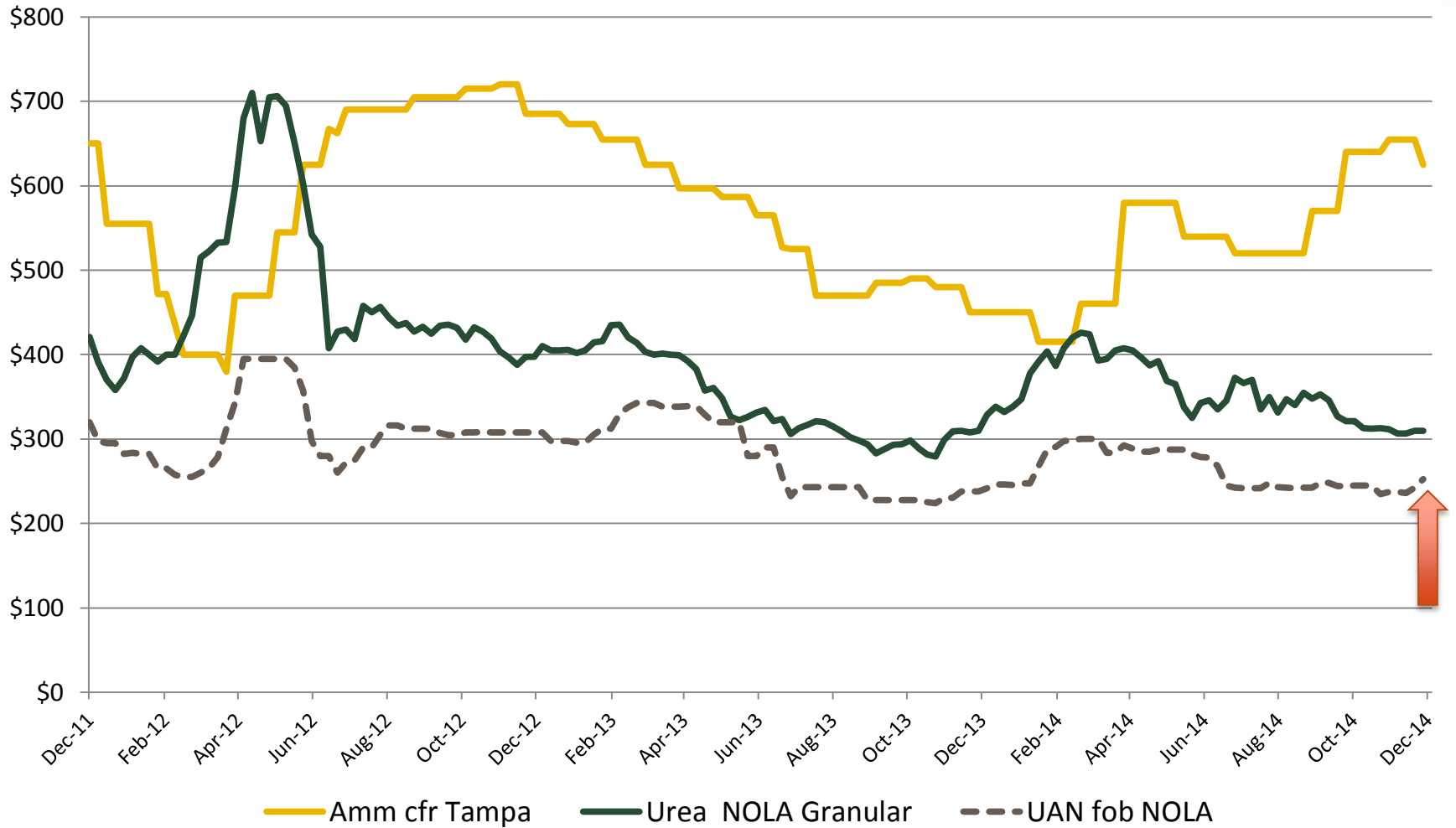
7

N

nitrogen

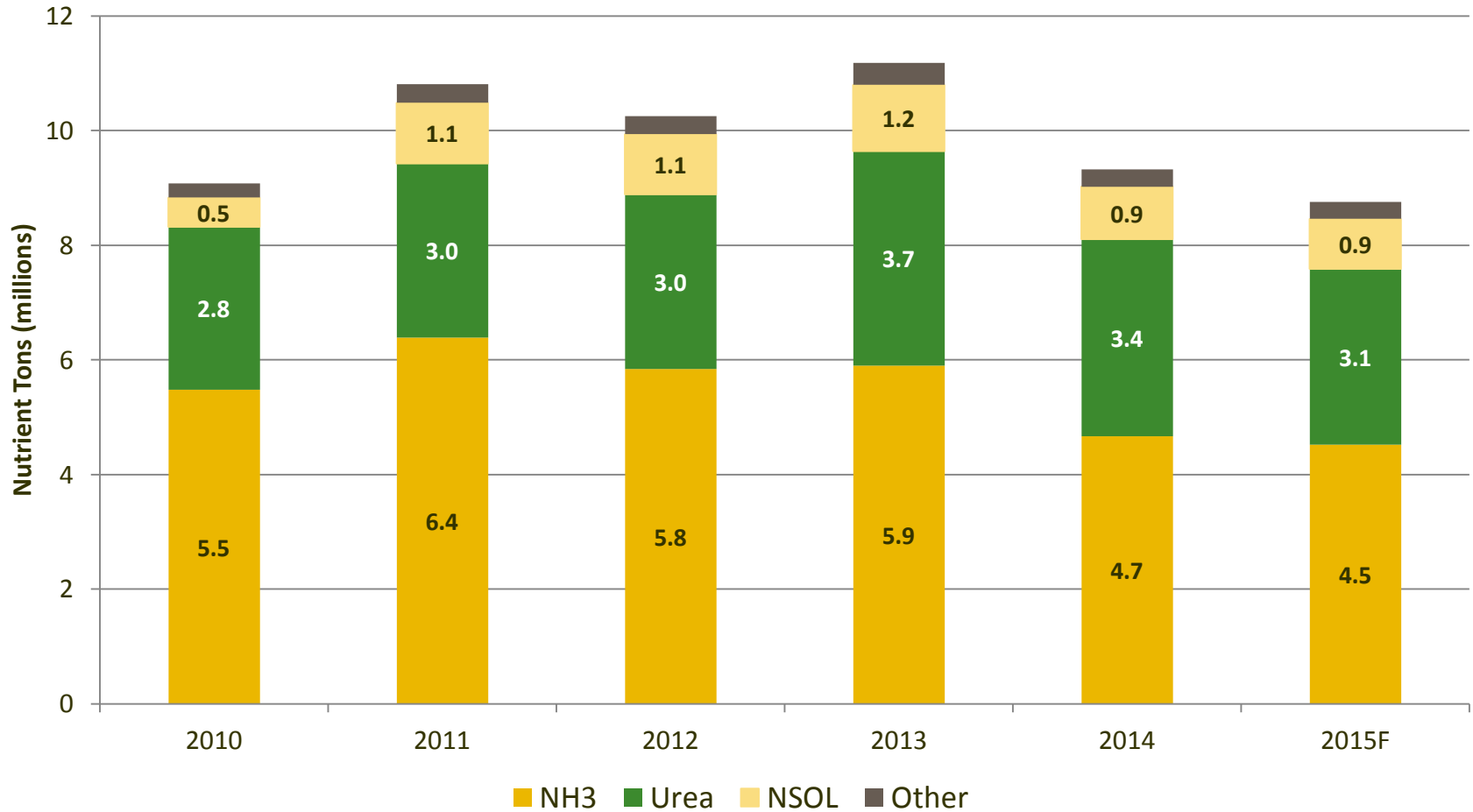
14.00643–14.00728

Nitrogen Pricing Trends



Source: CRU

Nitrogen Imports



Fertilizer Year
Source: TFI, Simplot

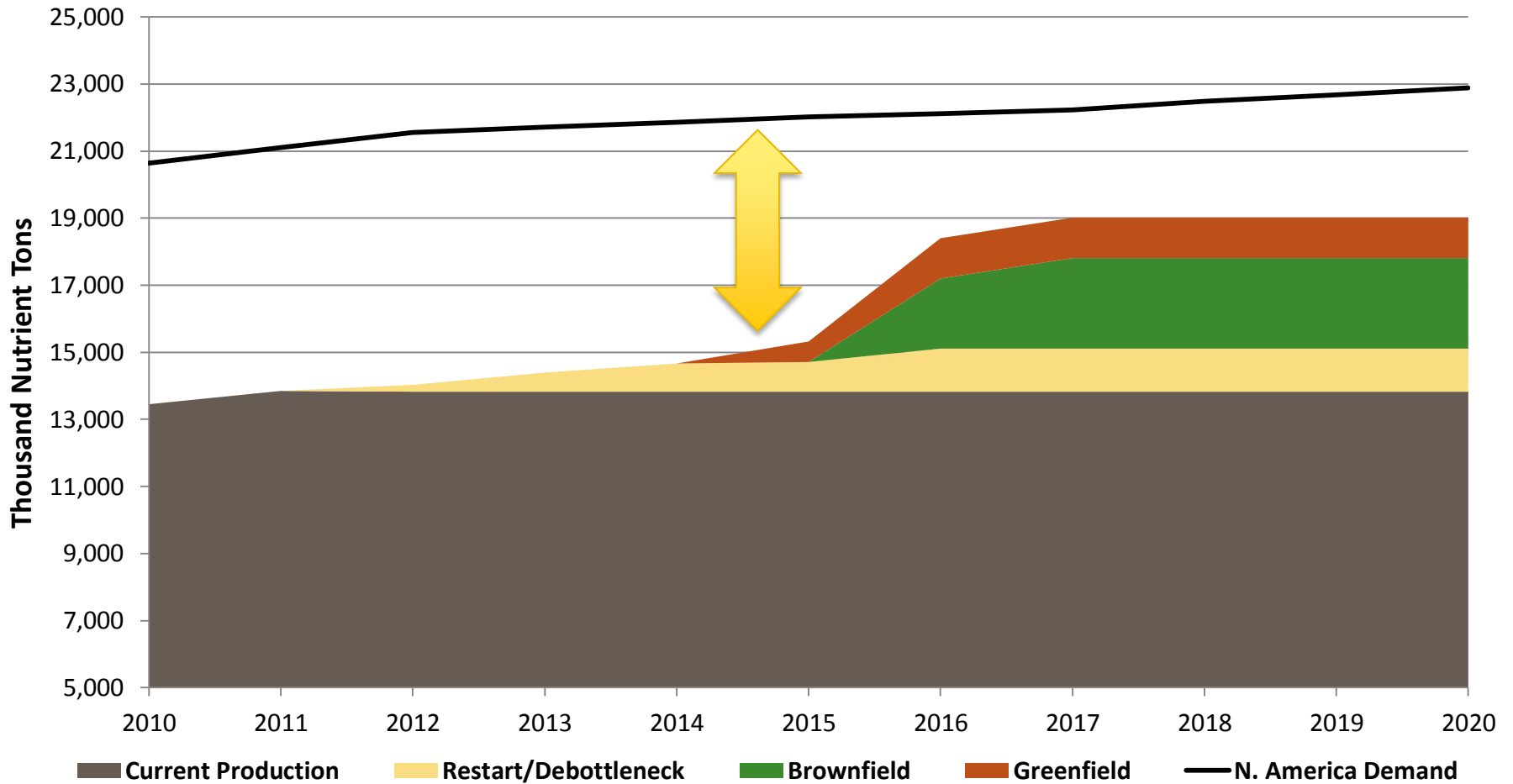
North American Nitrogen Projects

| Plant | Type | Confidence | Gross ammonia | Net ammonia | Gross urea | CAPEX* | Start up |
|----------------------|--------------|------------|---------------|-------------|------------|--------|----------|
| CHS Spiritwood | Greenfield | Medium | 775 | | ? | 3.0 | 2018 |
| RenTech Nitrogen | Debottleneck | In Process | 332 | 225 | 185 | 0.1 | 2014 |
| Dyno, Waggaman | Greenfield | High | 750 | 100 | -- | 0.8 | 2016 |
| Agrium Redwater | Debottleneck | Delayed | 55 | -- | 170 | 0.2 | 2015 |
| Mosaic Faustina | Brownfield | Medium | 720 | 720 | -- | 0.7 | 2016 |
| CF Donaldsonville | Brownfield | High | 1,090 | 184 | 1,200 | 2.1 | 2015 |
| OCI Iowa | Greenfield | In Process | 726 | 303 | 730 | 1.8 | 2016 |
| Agrium Borger | Debottleneck | High | 490 | -- | 640 | 0.5 | 2016 |
| Incitec Pivot | Brownfield | Medium | 800 | | | .9 | 2016 |
| CF Port Neal II | Brownfield | In Process | 750 | 81 | 1,200 | 1.7 | 2016 |
| Koch - Enid | Brownfield | High | | -500 | 1,000 | 1.0 | 2016 |
| Yara Belle Plaine II | Brownfield | Low | 750 | 46 | 1,300 | 0.7 | 2017 |
| Eurochem | Greenfield | Low | ? | ? | ? | 1.5 | 2018 |

*US\$ billions

*Note, Net ammonia has been estimated for some plants

North American Nitrogen Capacity Expansion



Source: IFA, CRU, Blue Johnson, Simplot

Nitrogen – Key Takeaways

Global

Watch Russia, Ukraine and China

Gas disruptions in Trinidad

Domestic

Corn prices – economics will influence demand

Timing of Imports – matching supply with demand

Local

Logistics – Can you get the product when you need it

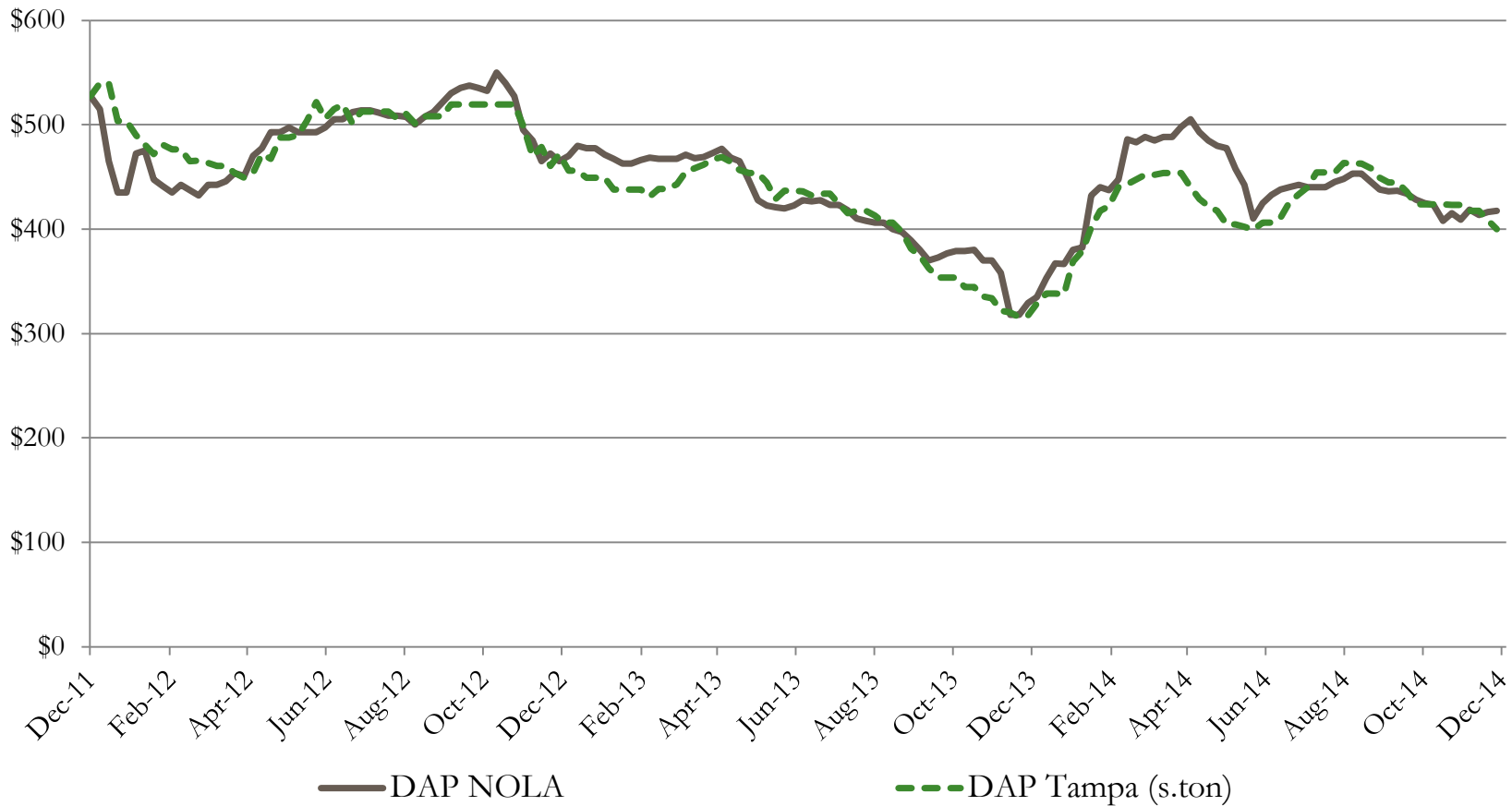
Grower deferral – increased uncertainty defers decision-making

15 30.974

P

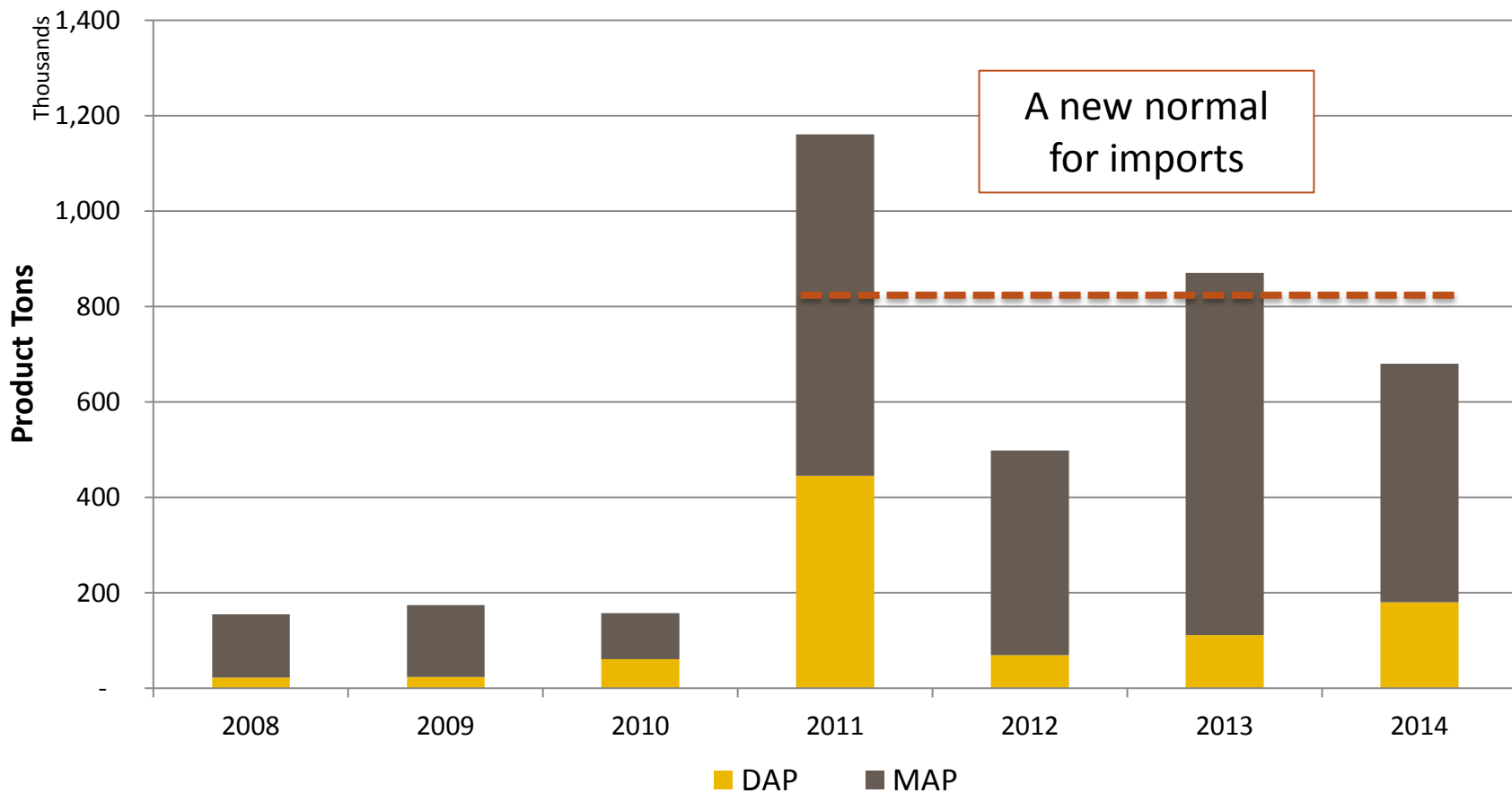
PHOSPHORUS

Phosphate Pricing Trends



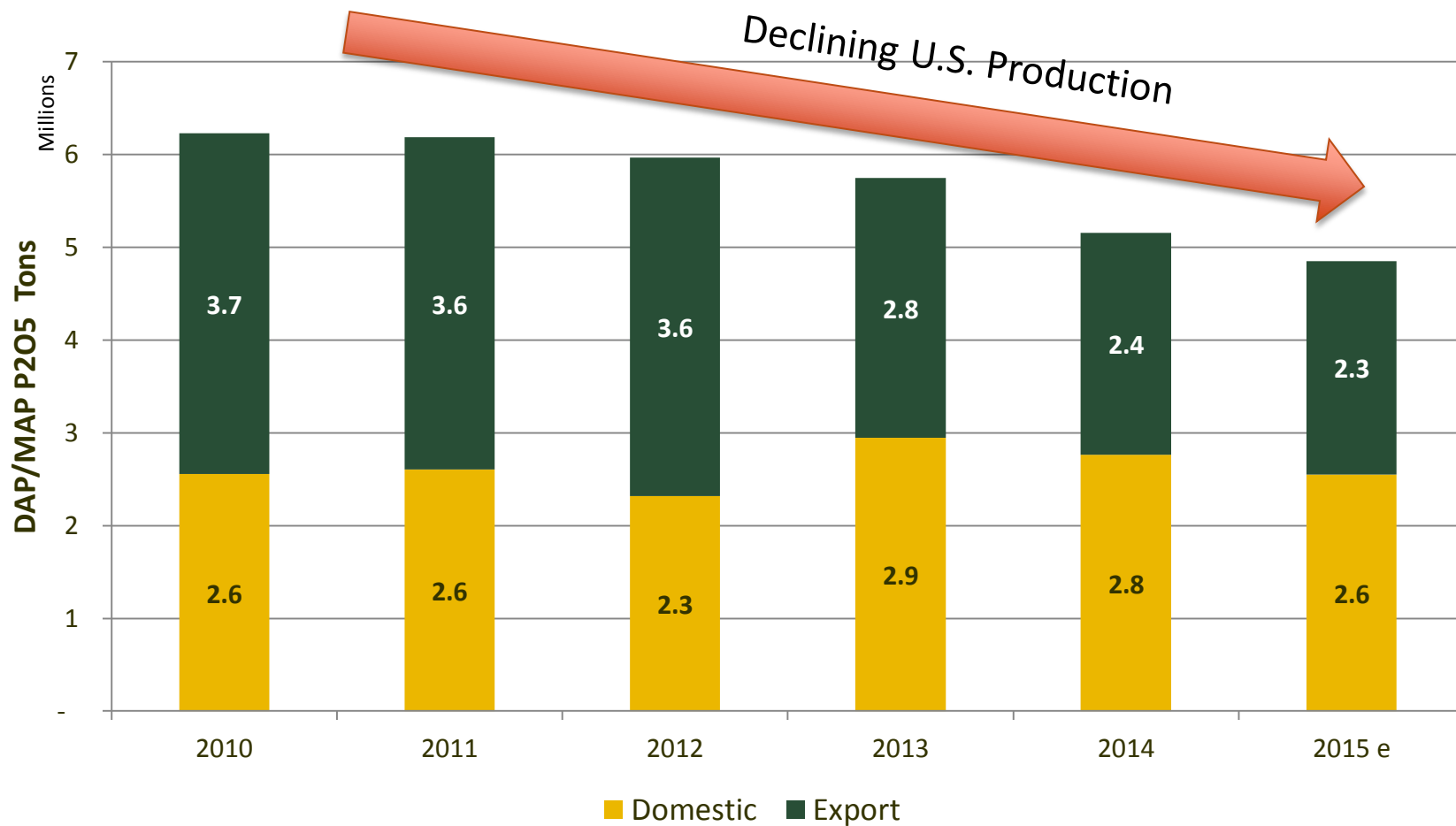
Source: CRU

Phosphate Imports



Fertilizer Year
Source: TFI

Domestic Phosphate Production



Source: TFI

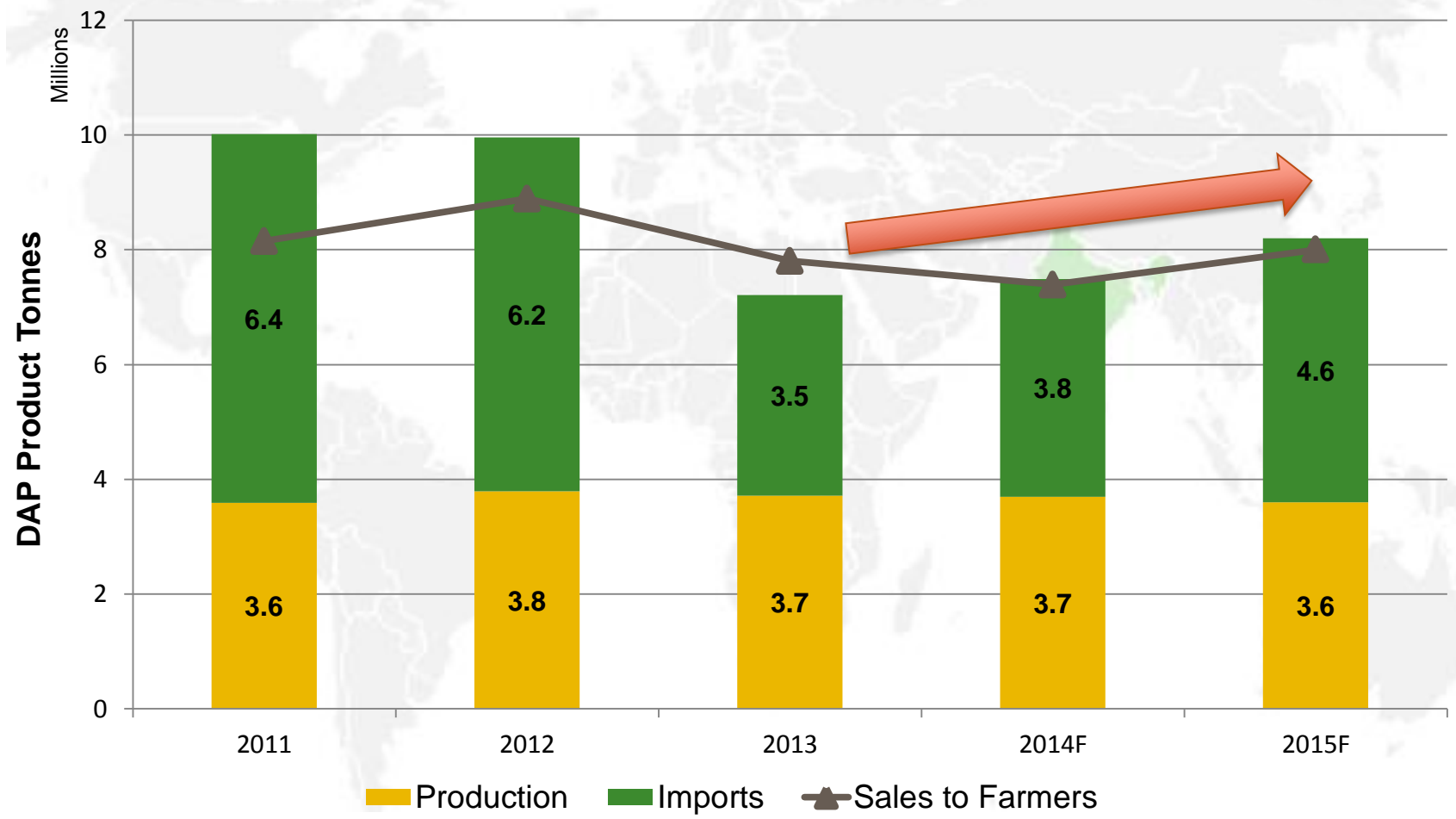
24

India accounts for **15-20%** of
global phosphate demand



Source: IFA

India - finally revising the NBS.....



Source: CRU, Simplot

Phosphate – Key Takeaways

Global

Chinese exports – will they continue to come west

South America – low grain prices pinch demand

Domestic

Corn prices – economics will influence application rates

Supply – imports offset decline of U.S. production

Local

Logistics – Can you get the product when you need it

Mining the soil – what are the economics of your growers

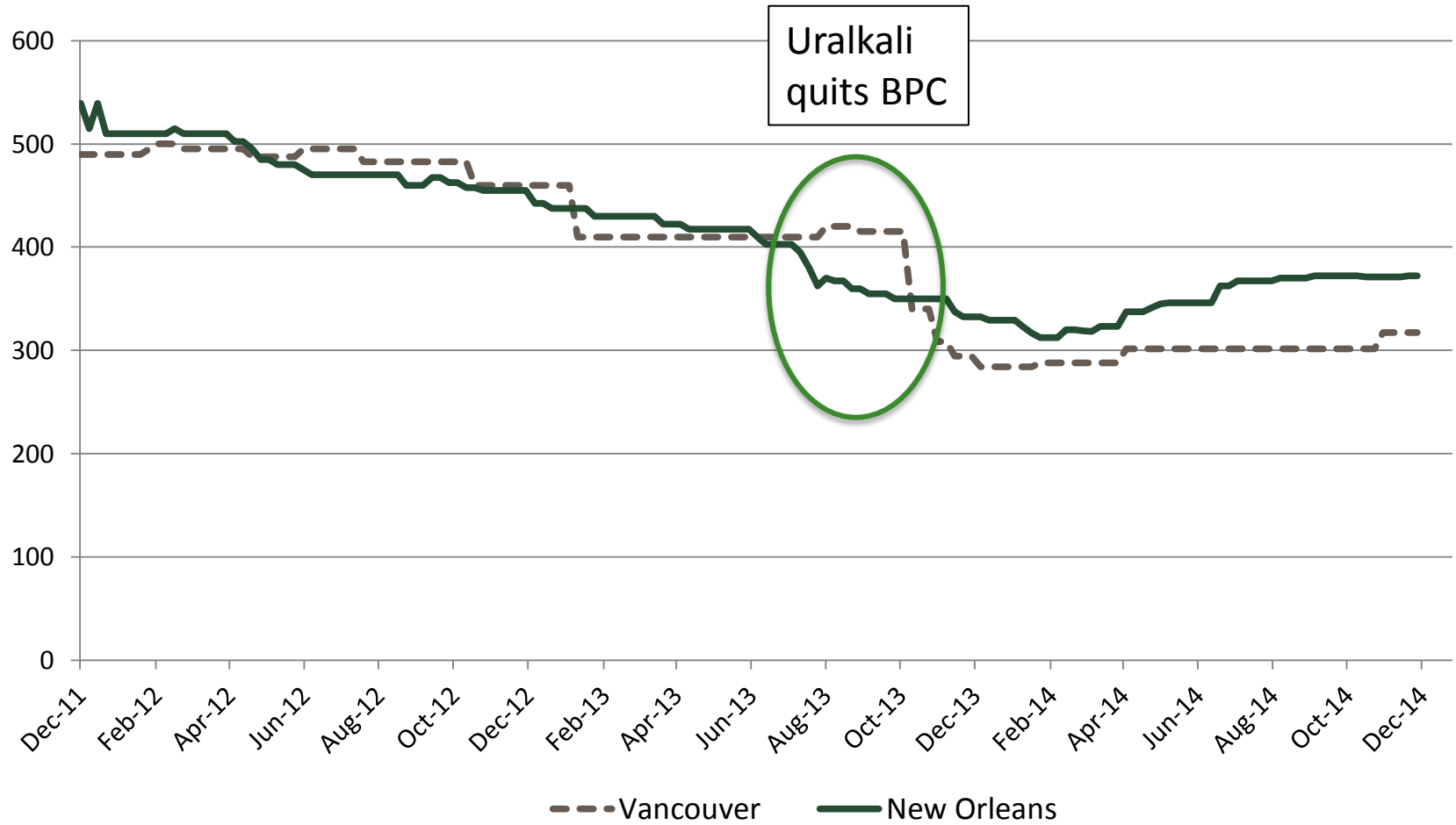
potassium

19

K

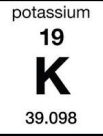
39.098

Potash Pricing Trends



Source: CRU

Uralkali Loses Production



Potash – Key Takeaways

Global

Uralkali Production – Could take 2 million tonnes out of supply

Domestic

Corn prices – economics will influence application rates

Canada – Managing supply via low operating rates

Local

Logistics – Can you get the product when you need it

Mining the soil – what are the economics of your growers

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2015 narratives

Strong U.S. Dollar



Government Policies



Commodity Prices

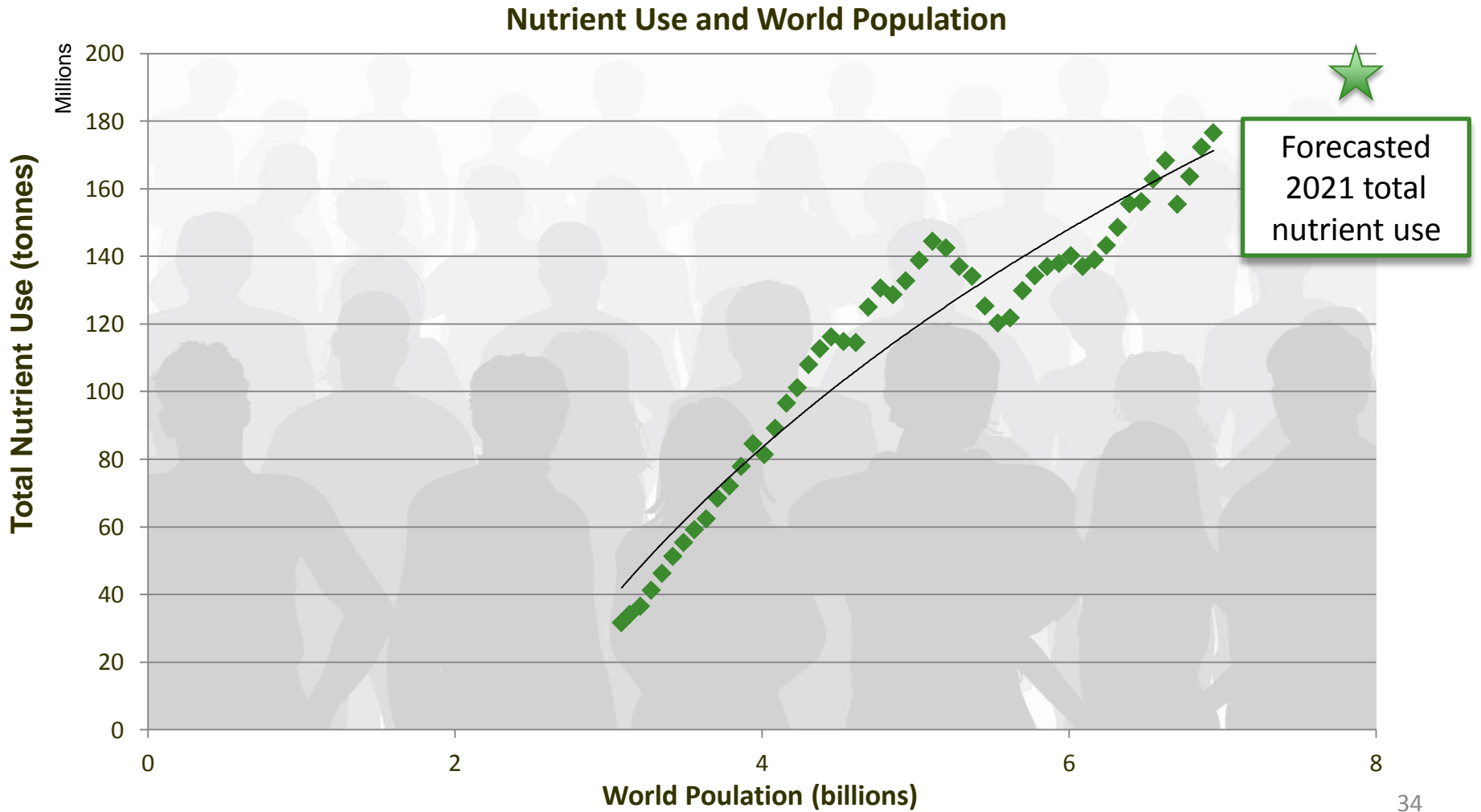


Logistics



Source: CRU

Global agricultural P₂O₅ demand driver



Source: IFA, FAO, Simplot



Thank You