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Department of Agricultural and Consumer Economics, University of Illinois Urbana-Champaign

Weekly Farm Economics: Seasonal Fertilizer Prices

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Graphs presented here show monthly fertilizer prices beginning in the fall prior to planting through spring and summer. From fall 2008 though summer 2011, prices generally decreased from fall through spring. This decreasing pattern exists primarily because of the dramatic price decreases occurring in 2008-09. Comparing of price patterns across all three years does not suggest a predictable pattern between fall and spring prices.

Figure 1 shows monthly prices for anhydrous ammonia. Over the three complete planning periods (2008-09, 2009-10, and 2010-11), anhydrous ammonia price averaged $742 per ton in the fall (October, November, and December) and $676 per ton in the spring (February, March, and April), resulting in an average decline of $66 per ton. Price changes varied across the three-year:

2008-09 had a $338 decrease ($1,044 per ton fall price and a $705 per ton spring price),

2009-10 has a $83 increase ($447 per ton fall price and a $530 per ton spring price), and

2010-11 had a $56 increase ($735 per ton fall price and a $791 per ton spring price).

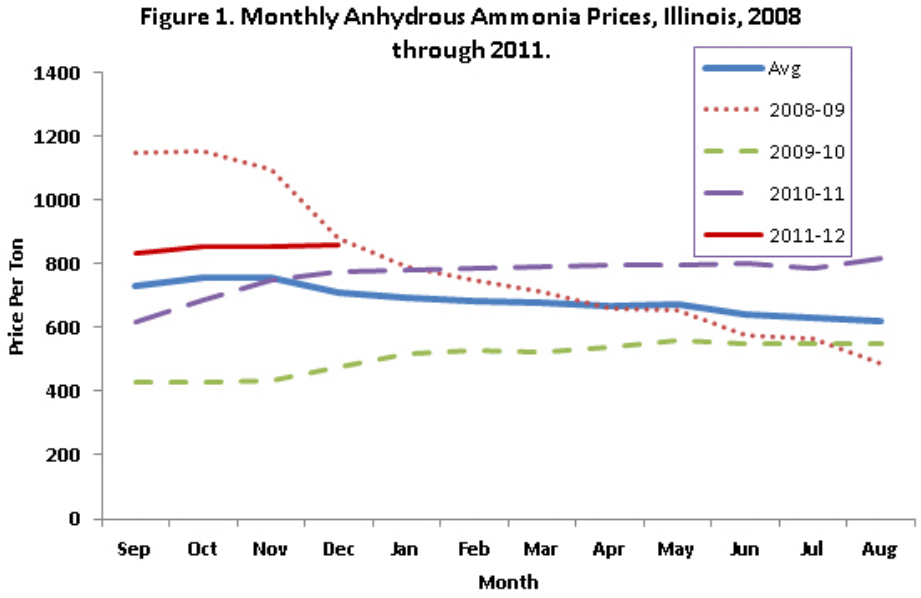


Figure 2 shows monthly prices for diammonium phosphate (DAP). Over the three complete years, DAP prices average $692 per ton in fall (October, November, and December) and $587 per ton in spring (February, March, and April), resulting in an average decrease of $105 per ton. Again, price changes varied across the three year:

2008-09 had a $443 decrease ($1,033 per ton fall price and a $590 per ton spring price),
2009-10 has a $101 increase ($389 per ton in fall price and a $490 per ton spring price), and
2010-11 had a $29 increase ($653 per ton in fall price and a $682 per ton spring price).

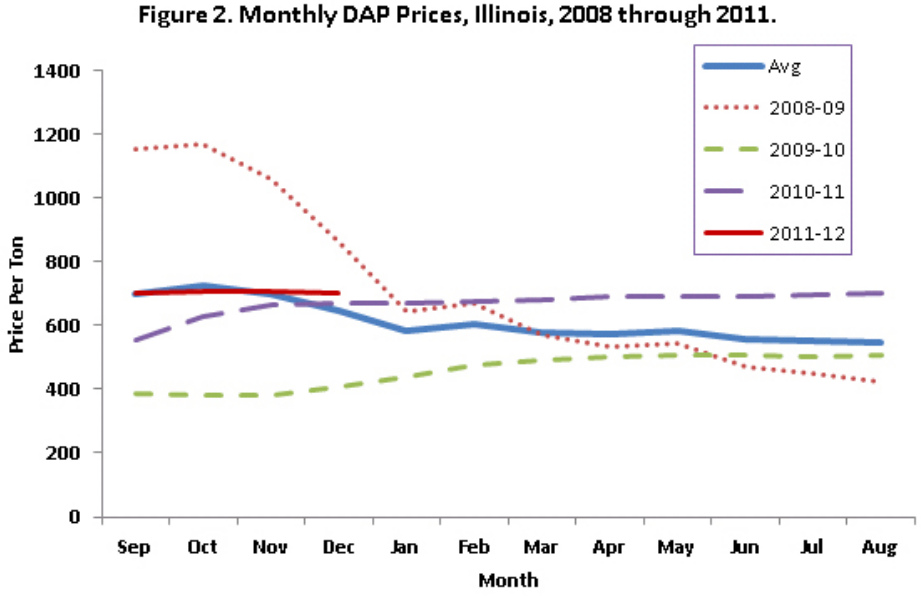
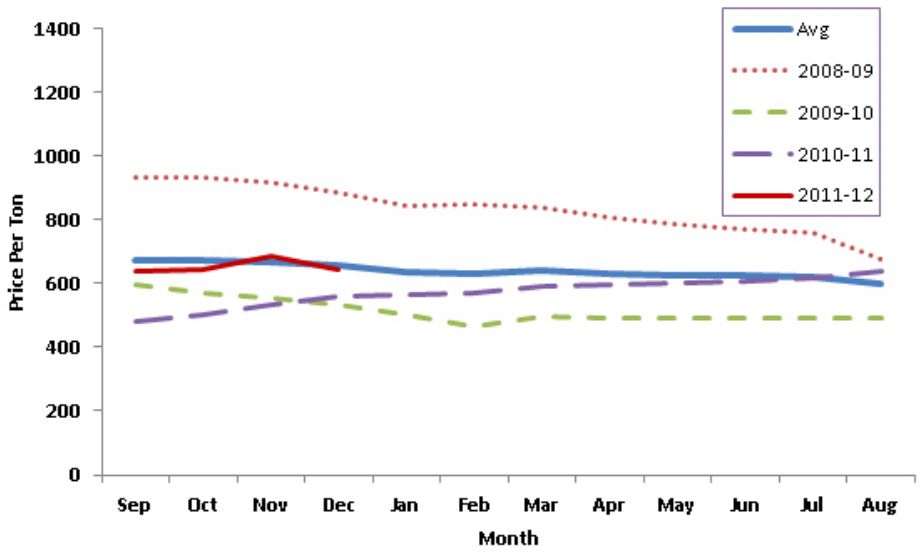


Figure 3 shows monthly prices for potash. Over the three complete years, potash prices averaged $666 in the fall (October, November, and December) and $634 in spring (February, March, and April), yielding a decline over the three years that averaged $32 per ton. Again, price changes varied across the three year:

2008-09 had a $79 decrease ($911 per ton fall price and a $832 per ton spring price),

2009-10 has a $71 decrease ($554 per ton fall price and a $483 per ton spring price), and 2010-11 had a $55 increase ($532 per ton fall price and a $587 per ton spring price).

Figure 3. Monthly Potash Prices, Illinois, 2008 through 2011.



Some years prices decline between fall and spring and other years prices increase. Overall, these patterns do not suggest predictable seasonal patterns. Hence, recent price patterns do not suggest one time period is better for purchasing fertilizer than another period. Evaluating prices over a longer time-period might change implications.