

## CHEMICAL MARKET

As many have already learned and experienced, the chemical market has become very volatile this year, making it very hard for us to predict. Many concerns are based around supply. There will be product available, but firm prices and deliveries will be slow to come. We understand that growers may need to prepay, but that is going to look a little different for the 2022 season. Chemical, in particular, has moved to POD (price on delivery) pricing.

What does that mean for us (AgHub)? We can put an order in for a product at a quoted price and pay for it, but the manufacturer reserves the right to reprice that product when it lands at the distribution level. When that price inflation takes place it then gets passed along to us and is priced upon delivery.

We will work through prepay on an individual basis by customizing plans to fit your needs. Products that are on the floor will be firmly priced. For products that we do not have in our possession yet, we will only suggest an estimated price.

We feel that products like Round-up, Liberty, and Dual II will be a problem, as they will enter the market slowly.

- Round-up is trading for \$60+/gallon (\$15+/acre) up 400% over last year
- Liberty is trading over \$100+/gallon (\$25+/acre) up 333% over last year
- Dual II is around \$60+/gallon (\$7.50+/acre) up 250% over last year.

Based upon the inflation rates, you can see the reluctance in our procurement decisions. We feel that there is a good chance that prices will soften as products enter the market, but that might not be until February to March.

## FERTILIZER MARKET

The fertilizer market as a whole has firmed up for the time being. Prices today should be firm through most of Spring. It was a wild ride for about three months as we watched prices double in the Nitrogen and Potash market. The market was mostly driven by demand and commodity prices.

### MAP, Potash, AMS, SO<sub>4</sub>, and Elemental S:

The dry market looks to be firm for Spring as most retailers are bought in. We have released prepay numbers on dry fertilizer for Spring, and below are the different forms of sulfur and their benefits:

- AMS is readily available and carries nitrogen too. 100 pounds of AMS has 21 pounds of Nitrogen and 24 pounds of Sulfur. AMS works great in the spring and gives an early season boost.
- SO<sub>4</sub> has been a great product for us to use in the fall and to blend with AMS in the Spring, but allocations look to be light for Spring. Quantities and availability at this time look to be unknown.
- Elemental S is another product we use. This product is 90% Sulfur but is not as available year one. We have been running both AMS and Element S on stalk acres going to soybeans to get a similar effect as SO<sub>4</sub>.

### Nitrogen market:

NH<sub>3</sub>, UAN, and UREA are still trading at record prices. The market appears to be firm for Spring. Prepay prices have been released and there was little to no change from the high a few weeks ago. The prices we are seeing today are unfortunately driven off of corn prices. Natural gas and ammonia separated themselves years ago.

- 170 actual pounds of N with NH<sub>3</sub> at current market is about \$150/acre.
- 170 actual pounds of N with 32% at current market is about \$175/acre.

Nitrogen prices are about 350% higher than last year.

*See correlating graph below*

