MAIN TRENDS IN THE GLOBAL MARKET FERTILIZER
Highlights

- Fertilizers are generally defined as "any material, organic or inorganic, natural or synthetic, which supplies one or more of the chemical elements required for plant growth." The main fertilizers are nitrogen (ammonia, urea, ammonium sulfate and nitrate, among others), phosphorus (phosphate rock and phosphoric acid, etc.) and potassium (recovered from underground deposits of soluble minerals).

- After several consecutive years of strong growth, world fertilizer consumption has been strongly affected by the financial and economic crisis. Total consumption in 2008-2009 decreased by 6.7%, to 156.4 million tons of nutrients (N + P2O5 + K2O). Estimated consumption has contracted more phosphorus fertilizer (-10.5%) and potassium (-19.8%), whereas for the nitrogen was only -1.5%.

- Demand has increased only in the regions of South Asia, Eastern Europe and Central Asia. I was fairly stable in Africa and declined in all other regions. The biggest changes in volume occurred in South Asia (+2.1 million tons) on the positive side and in Western and Central Europe (-4.3 million tons), North America (-3.4 million tons), East Asia (-3 million tons) and Latin America (2.4 million tonnes) on the negative side.

- Due to the difficult economic environment of 2009, and evaluating a gradual recovery in 2010, forecasts for global fertilizer consumption in 2009-2010 point to a slight rebound of 1.0%, reaching 158 million tons. Projections indicate a total recovery of nitrogen (N) of + 1.6%, a small rebound in phosphorus (P) with a + 3% and a further reduction of potassium (K), giving a -4.5%.

- Of the total fertilizer demand is expected to continue its rise in South Asia and the rebound in North America and Western Asia. Significant declines are anticipated in Oceania. The demand would develop only marginally in East Asia, Eastern Europe and Central Asia, Africa and Western and Central Europe.

- Projections for 2010-2011 are highly speculative. Whenever the global economy recovers, and agricultural market fundamentals remain positive, global fertilizer demand in 2010-2011 could return to positive growth (+ 4.9%). The demand would rebound strongly K (+ 13.5%), while the demand for N and P continue its recovery (+2.6 and 6.2%, respectively) with forecast increases in all regions.

- The levels of international trade in 2009: the volume of trade in the seven major products together showed a reduction of 16% compared to 2008. The main changes in international imports were falling potash shipments (based fertilizers potassium) to China, strong sales of DAP to India and a significant decline in import demand for urea in the United States. India appears mainly in international markets in 2009 as the world's largest importer of urea, potassium and DAP.
• According to estimates by the International Fertilizer Industry Association (IFA), the world production of ammonia (NH3) in 2009 has marginally increased to 152.5 million tons.

• World production of urea in 2009 was estimated at 151.7 million tons, representing an increase of 4% over 2008. The expansion of the main production occurred in China, Oman, India and Russia. China accounted for 55% of the net increase of 1.7 million tons of production.

• The global potash market collapsed in 2009; this was 21 million tons. Imports are expected to rebound in North America, Latin America and East Asia.

• World production of elemental sulfur rose 2% in 2009 compared to last year, 49.5 million tons (although consumption decreased by 1%). Large increases in sulfur production for 2010 are planned for Western Asia, East Asia, Eastern Europe-Central Asia and North America.

• The Asian continent represents 58.6% of the fertilizer consumed globally. The demand will increase by 10.4 million tons, up 2.1% annually for all fertilizers; 1.6% nitrogen, 2.4% phosphate and 3.5% for potash. The region is expected to pass a small deficit to a considerable surplus of nitrogen; reduce its dependence on imports of phosphates, but will increase the volume of imports of potash.

• The total fertilizer consumption in Latin America is forecast to increase 2.3 million tons at an annual rate of 2.7% by 2011-2012. This growth in fertilizer demand is expected after the strong recovery in crop production since 2006, mainly in Brazil and Argentina, where there was a rapid response to crop prices.

• In North America nitrogen production was 10.9 million tons in 2009-2010 with a consumption of 13.8 million tons. Phosphorus production was 9.6 million tons while the potash was 15.2 million (5.16 million tons are intended for use as fertilizer).

• According to the average consumption of three seasons (2005, 2006 and 2007), farmers in the EU27 applied annually mineral fertilizers containing 10.7 million tons (Mt) of nitrogen, phosphorus and 3.1 Mt 3.5 Mt of potassium. In the next ten years, it is anticipated that the use of nitrogen in the EU27 increased by 3.6%, while phosphorus and potassium forecast a decline of 4.4% and 2.6% respectively.

• According to the Association of Fertilizer Argentina, fertilizer consumption decreased by almost 5% in 2009 compared to 2008, from 2.60 million tonnes to about 2.47 million tons. This decrease follows a decrease of 29.5% in 2008 from the record year 2007 consumption of 3.69 million tons. The consumption of nitrogen-based fertilizers and potassium decreased by 11% and 25%, but consumption of phosphate fertilizers increased by 2%.
In the fertilizer industry there are certain topics that must be internalized in business analysis medium and long term. This is mainly linked to the transformation of the industry due to biotechnology applications on the sector. Although its effects have not yet been determined with a good level of certainty, there are certain topics or issues to monitor, evaluate and learn.

For example, the effect Yield. Yields have always influenced the fertilizer industry. Bring higher yields resulting higher level of removal of soil nutrients and, therefore, increased demand for fertilizers. However, the use and application of transgenic seeds (an application of biotechnology) usually result in some cases levels below the conventional or traditional seed yields, resulting in lower demand for certain nutrients and fertilizers. Other hand, transgenic crops that reduce the acquisition cost of other inputs (other than fertilizers) can be beneficial for the fertilizer industry. For example, Roundup Ready soybeans can produce savings in pesticide freeing working capital to a greater and more efficient use of fertilizers.