



FERTILIZER CANADA
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Fertilizer Canada's Supply and Demand Presentation

October 2021



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DISCLAIMER

This presentation is based on publicly available information. Fertilizer Canada is an industry association representing fertilizer manufacturers, wholesale and retailers' distributors. It does not conduct market analysis and avoids discussions on when to buy or sell fertilizers. Fertilizer Canada does not collect pricing data from its members. Farmers should seek information from a variety of sources before buying fertilizer. Agri-retailers are the best source of information about local fertilizer markets.

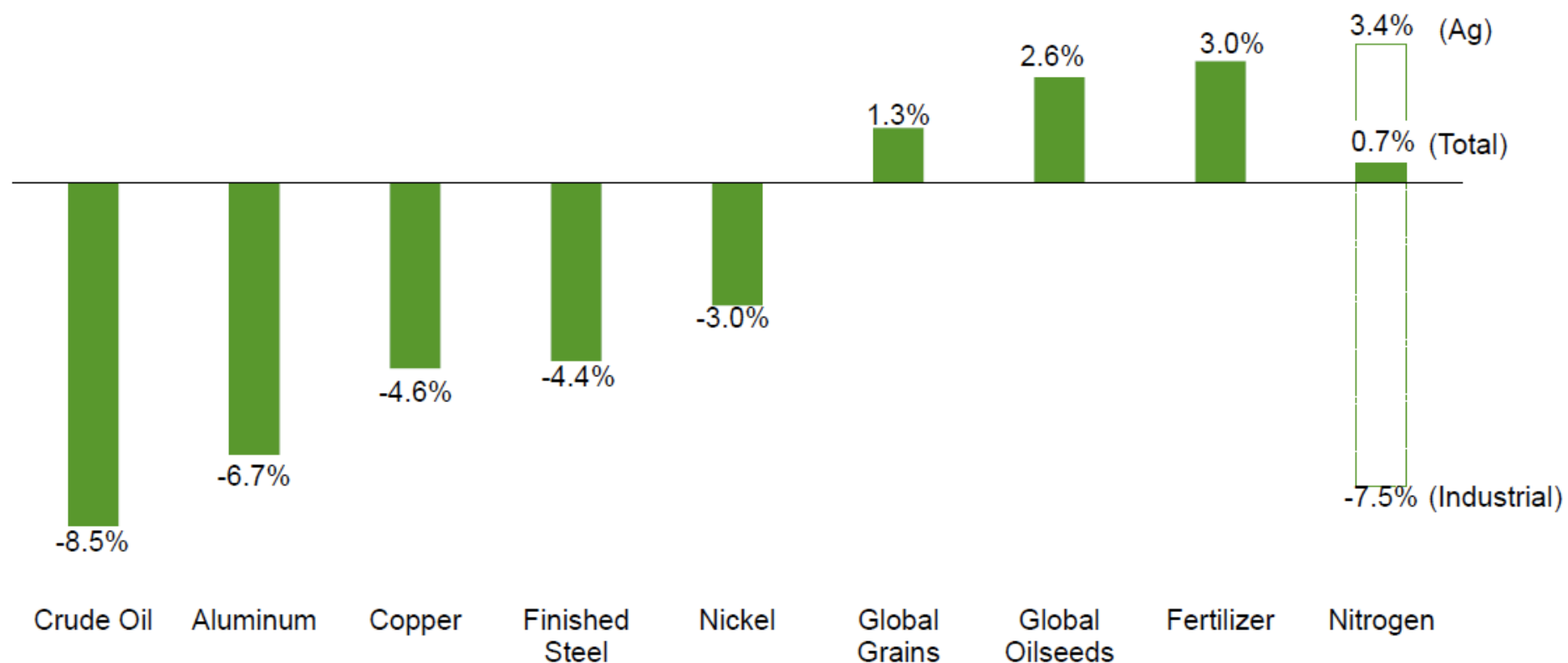
Fertilizer Supply and Demand

Fertilizer is the most important input for crops grown in Canada and around the world. Nitrogen (N), phosphorus (P) and potassium (K) fertilizers are globally traded commodities. Supply and demand are influenced by many factors that directly affect fertilizer markets in Canada and around the world.

Changes in Global Commodity Demand

2020 Global Commodity Demand vs. 2019

% change in volume



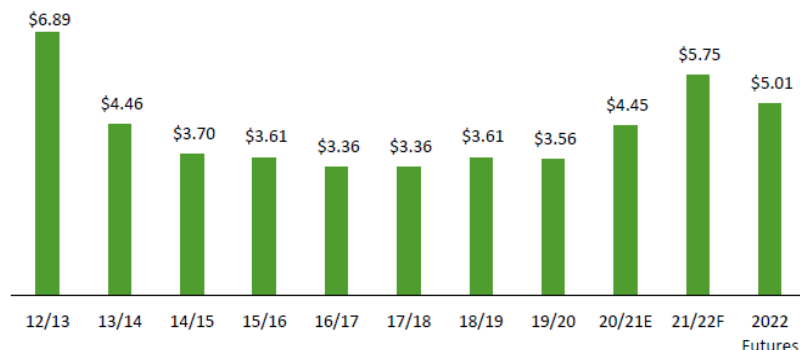
Source: CRU, Fertecon, Nutrien

U.S. Season Average Realized Prices

Crop prices have improved significantly due to lower-than-expected global production and strong demand in China

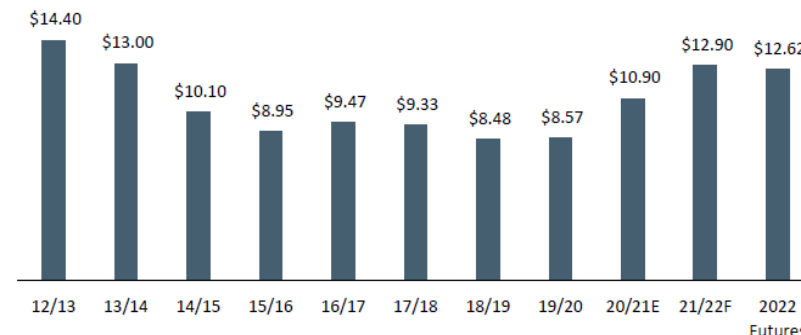
Corn Avg. Realized Price

USD/bushel



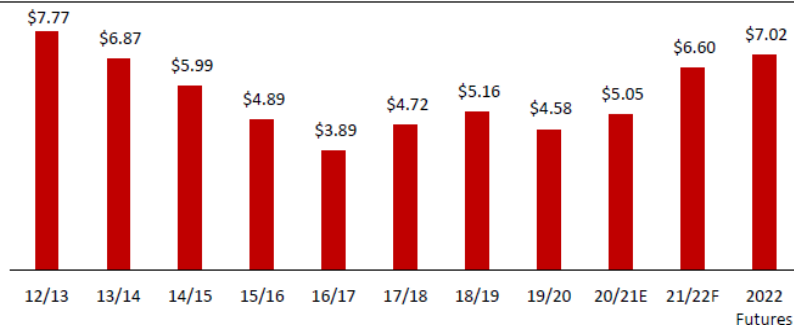
Soybean Avg. Realized Price

USD/bushel



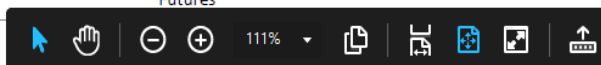
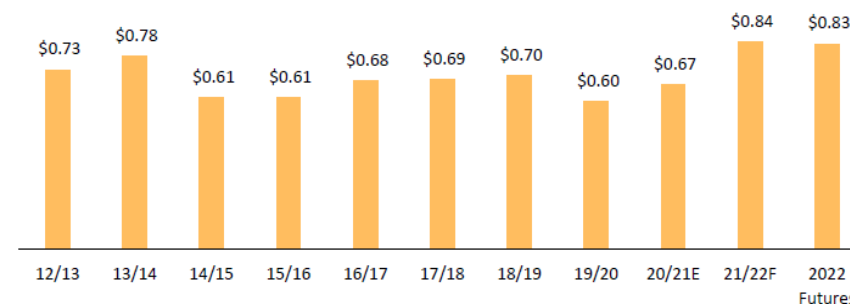
Wheat Avg. Realized Price

USD/bushel



Cotton Avg. Realized Price

USD/lb



September 14, 2021

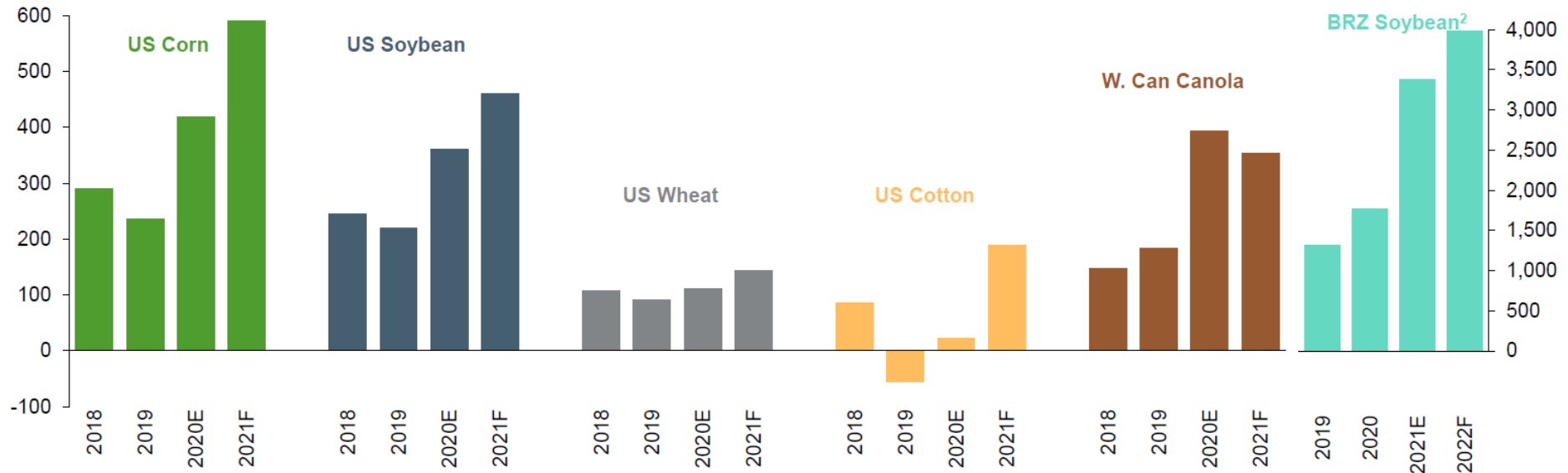
Source: USDA, Bloomberg

Historically High Grower Margins in 2021

Historically high grower margins across major row crops supports potential increased demand for all crop inputs

Key Crop Grower Cash Margins¹

Local Currency Margin/Acre



1. Brazil Local Currency Margin/HA

2. Due to crop year timing in Brazil the 2022F references the 2021/2022 crop year, which is planted in

September 14, 2021

Source: USDA, IMEA, Doane, Bloomberg, ICE, Nutrien

Global Fertilizer Prices

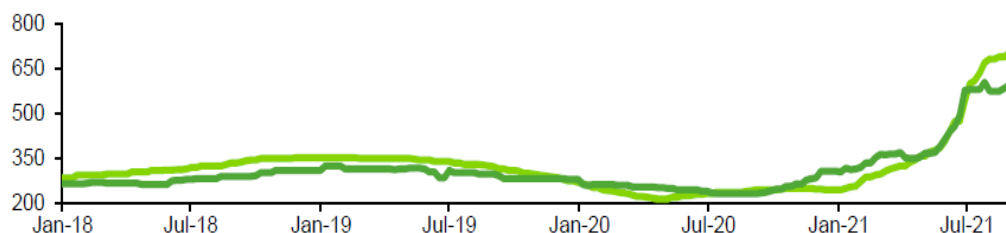
Fertilizer prices have continued to increase in recent months on tightened supply and robust demand in key spot markets

Selected Fertilizer Prices

US\$ per Unit

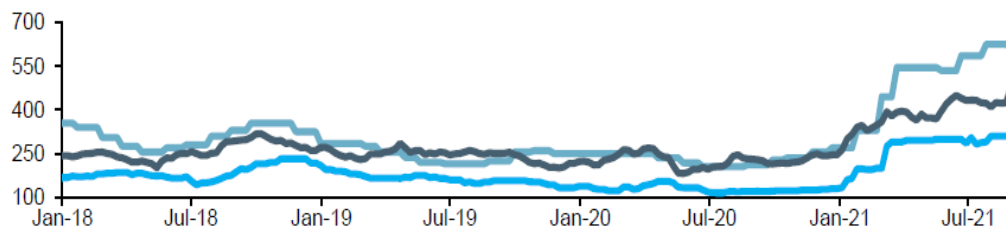
Change Since Sept 2020

US\$ per Unit



Brazil CFR (US\$/mt) +\$470

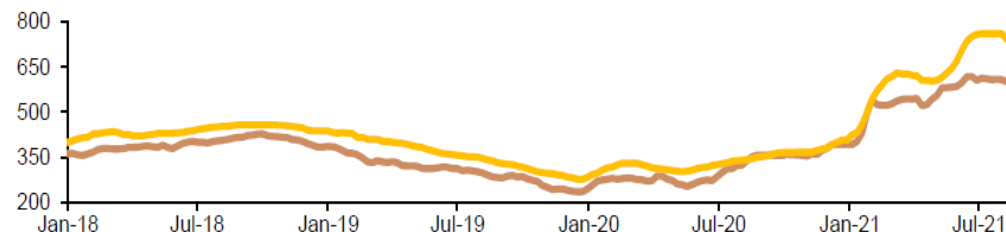
US Midwest FOB (US\$/st) +\$380



Tampa Ammonia CFR (US\$/mt) +\$403

NOLA Urea FOB (US\$/st) +\$295

NOLA UAN FOB (US\$/st) +\$190



NOLA DAP FOB (US\$/st) +\$289

Brazil MAP CFR (US\$/mt) +\$365

As of September 9, 2021.

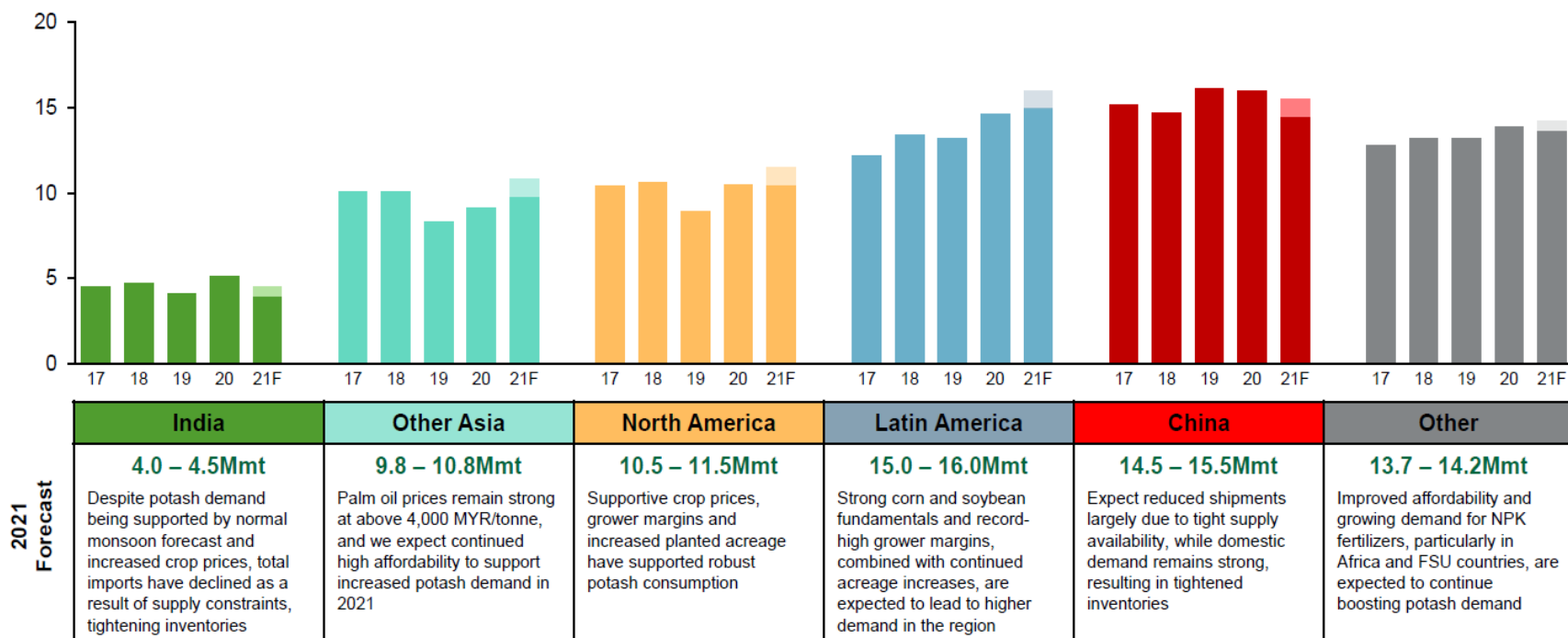
September 14, 2021

Source: Fertilizer Week, Nutrien

Global Potash Deliveries by Region

We expect global potash demand to reach a record 69 to 71 million tonnes in 2021, supported by favorable crop economics for farmers around the world and limited inventory build from higher-than-expected 2020 shipments

Million Tonnes KCI



September 14, 2021

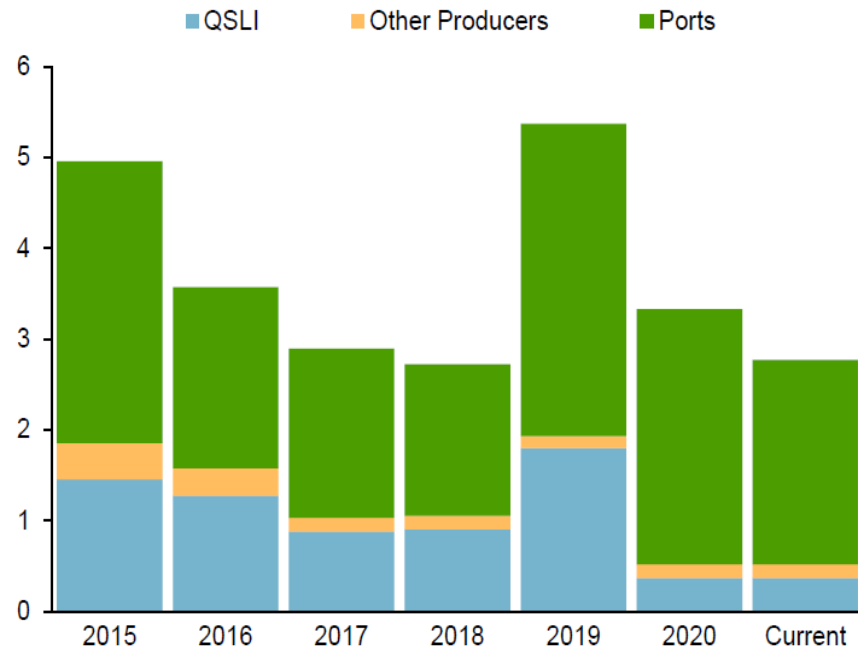
Source: Industry Consultants, Nutrien

Chinese Potash Fundamentals

China potash port inventories have continued to decline while domestic consumption has continued to rise. The Chinese government has put more emphasis on food security, driving future expected total demand for fertilizer

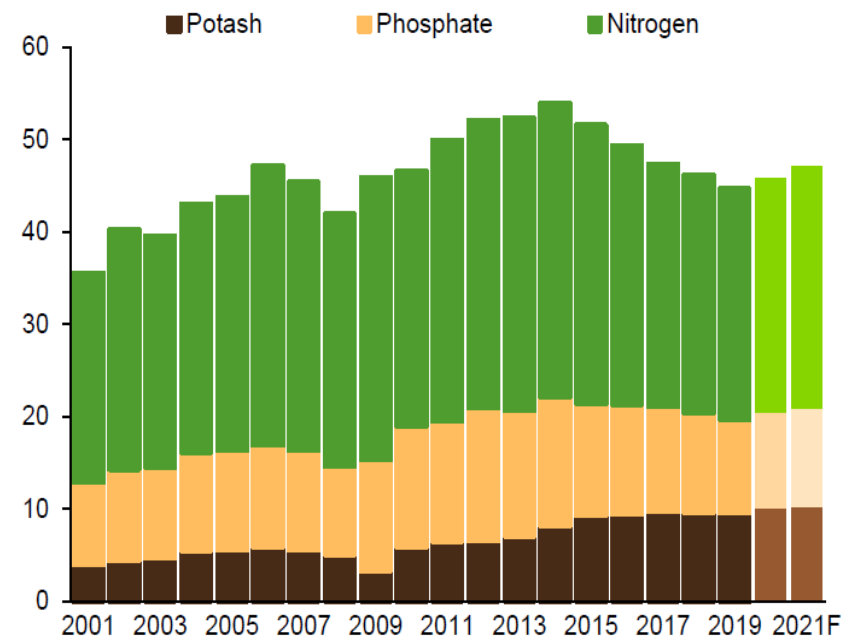
China Potash Year-end Inventory

Million Tonnes KCl



China Fertilizer Consumption by Nutrient

Million Tonnes Nutrient

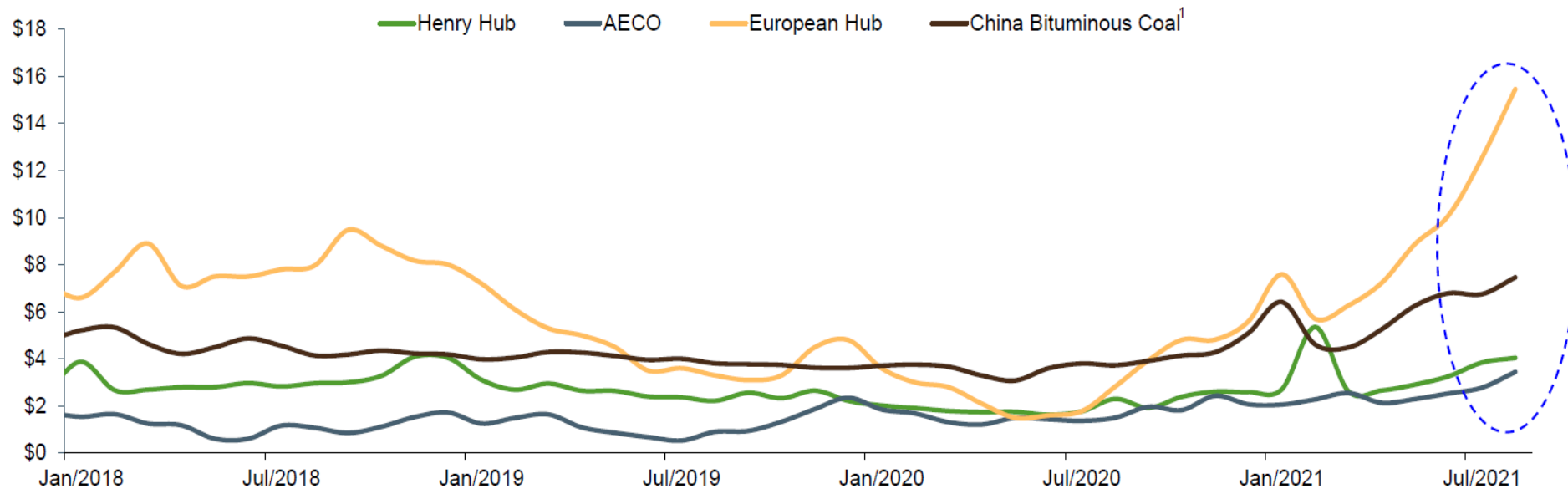


Global Natural Gas and Coal Prices

Continued increases in European natural gas and Chinese coal prices are supportive of the cost-based floor. While prices have traded above the cost-based floor throughout most of 2021, current European gas costs are supportive of nitrogen prices

Energy Feedstock Prices

US\$/MMBtu



1. Presented on a US\$/MMBtu equivalent basis.

September 14, 2021

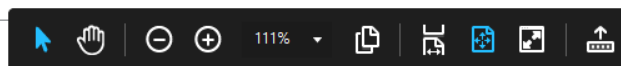
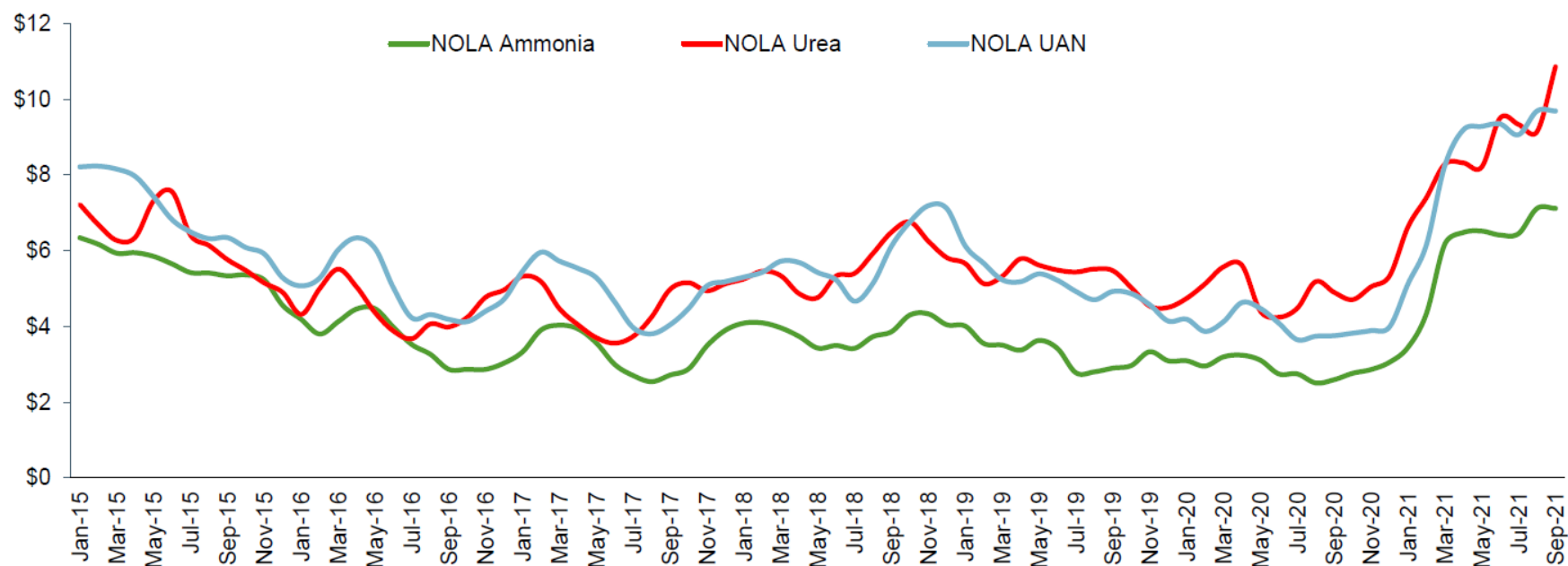
Source: Fertecon, US EIA, Canadian Gas Price Reporter, CRU, Nutrien

US Nitrogen Prices Per Unit of N

The prices among nitrogen products have been historically highly correlated on a N basis. Hurricane Ida has caused substantial damage to nitrogen facilities in the US and tightened supply in the near-term

Selected Nitrogen Prices

NOLA barge Spot \$US/st (Per Unit of N basis)



September 14, 2021

Source: Fertecon, CRU, Nutrien

Summary

- **International demand increased as farmers around the world want additional fertilizer**
- **Commodity prices are rising, it remains profitable to use fertilizer**
- **Working with a Certified Crop Advisor to develop a 4R Nutrient Stewardship plan is the best way to get additional value from fertilizer use**
- **An agri-retailer is the best source of advice on buying fertilizer**



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