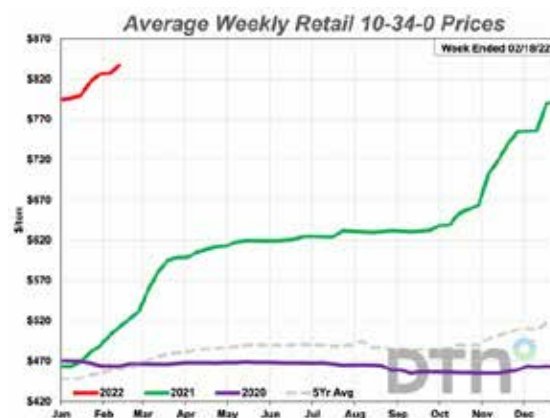


28 February 2022 – Laramie, WY

## Fertilizer Economics for Western Producers

*Average retail prices for most fertilizers continued to climb the second full week of February 2022, according to sellers surveyed by DTN. For the second week in a row, prices of all but one of the major fertilizers were higher compared to last month (Progressive Farmer, 23 FEB).*

Kansas State University Extension Agricultural Economist Gregg Ibendahl recently wrote a paper titled "What's Up With Fertilizer Prices." He looks at some of the issues relating to why fertilizer prices are climbing. Ibendahl's fertilizer price model forecasts what fertilizer prices should be, based on various factors including oil prices to corn prices to inflation expectations. The models suggest that anhydrous prices should be around \$1,000/ton right now and the actual price is closer to \$1,500/ton.



"The main question, then, is whether or not this increase is of a more lasting nature, or is the increase a temporary phenomenon?" Ibendahl wrote. "If it is the former, then the model is missing a key piece or pieces for the independent variable. If it is the latter, then anhydrous prices could decline substantially during 2022," [agmanager.info/production-economics/prices-and-price-forecasts/whats-fertilizer-prices](http://agmanager.info/production-economics/prices-and-price-forecasts/whats-fertilizer-prices).

"Projections call for continued high prices for all fuel sources and, consequently, fertilizer products," said John Hewlett, farm management specialist with the University of Wyoming Cooperative Extension Service (UW Extension). "When coupled with recent drought conditions, decisions on how much or whether to apply fertilizer to any agricultural land should be carefully considered. In the face of high fertilizer prices, high fuel prices for fertilizer application and questionable water supplies for the coming year, caution is in order."

Hewlett has developed two Web-based computer programs to help producers make more informed decisions. The first application allows users to enter fertilizer costs, crop prices, harvest costs and various levels of fertilizer and associated yields. The output table describes the most economic level of fertilizer to apply given the constraints. In addition, Hewlett has developed over a dozen examples from regional production research for crops ranging from dryland wheat to sugar beets and irrigated pasture.

The second application analyzes fertilizer costs. Users enter the cost per ton, the fertilizer nutrient formulation and recommended application rates for up to 10 different fertilizer components in a mix. The software then calculates the cost per pound of the nutrient applied, cost per acre per nutrient, the number of pounds of nutrient applied per acre and several other factors.

Agricultural producers interested in trying the free software may access it at [RightRisk.org/Analytics](https://RightRisk.org/Analytics). Additional information on fertilizer recommendations and application rates are available via links to the fertilizer software or call the local county extension office.

### For more information:

DTN Retail Fertilizer Trends Most Fertilizer Prices Continue Upward Climb. Progressive Farmer. 23 FEB 2022.

<https://www.dtnpf.com/agriculture/web/ag/crops/article/2022/02/23/fertilizer-prices-continue-upward>

Hewlett, J.P. Fertilizer Costs [risk analytics]. 23 FEB 2022.

<https://RightRisk.org/Analytics>

Ibendahl, G. What's Up With Fertilizer Prices. 9 FEB 2022.

<https://www.agmanager.info/production-economics/prices-and-price-forecasts/whats-fertilizer-priceshttps://RightRisk.org/Analytics>