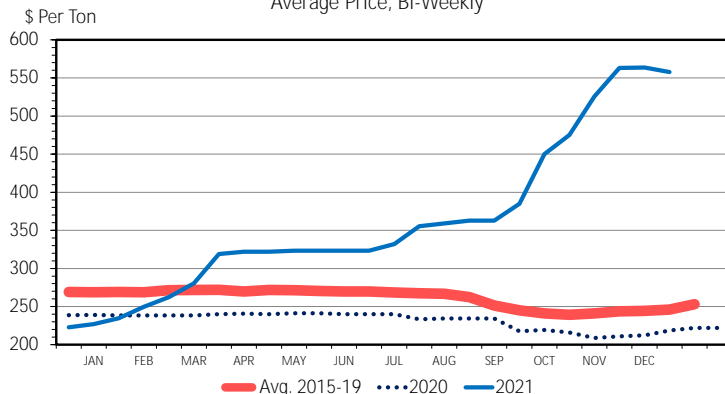


Fertilizer prices have been on a sharp upward climb since September and in recent weeks many products are at or near all time record highs. USDA Agricultural Marketing Service (AMS) publishes a bi-weekly report titled Illinois Production Cost Report ([GX_GR210](#)) which contains price information on various production costs throughout the state. According to data from the report, prices for most fertilizers had been rising since the start of the year and began to quickly rise in late-September.

Anhydrous ammonia prices have seen the largest spike with a more than three-fold increase (\$994) from last year to \$1,445 per ton on average, the most recent price, and a record according to data going back to 2008. Since late-September, the anhydrous ammonia price has jumped 83% (\$657). Urea (46-0-0) prices have more than doubled since last year to an average of \$907 last week but are still below the record price of \$927 set in September 2008. Liquid Nitrogen (28% spread) prices reached a record of \$564 per ton in early December rising \$351 (166%) from last year. The most recent price moderated lower to \$558 per ton. Both DAP (Diammonium Phosphate 18%N 46%P) and MAP (Monoammonium Phosphate 11%N 52%P) have gradually increased and are almost doubled last year's prices. The most recent average price for DAP was \$843, the highest in thirteen years. The average MAP price was \$887 per ton, a record. Potash has more than doubled since last year to an average price of \$788 per ton. Diesel prices are also reported which have increased 53% from the last year to an average price of \$2.89 per gallon.

According to data from the USDA AMS Illinois Production Cost Report, the last time fertilizer prices reached to similar levels as the current prices was 2008. Supply disruptions have plagued many sectors in recent months and is likely one culprit that has caused the spike in

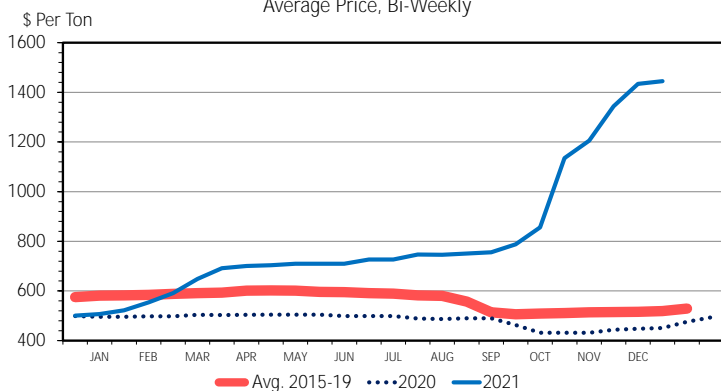
LIQUID NITROGEN 28% SPREAD
Average Price, Bi-Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

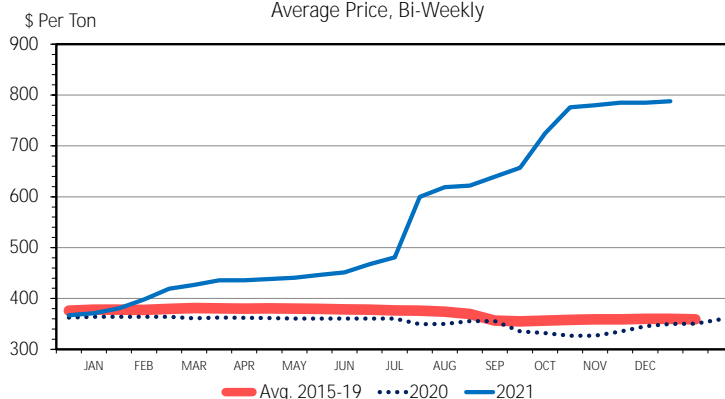
fertilizer prices. Another contributing factor to the rise in fertilizer prices has been inflationary pressures. Weighing on row crop farmers is the best strategy for pricing and finding inputs ahead of the new crop year. Will fertilizer prices continue to rise into the spring and will there be enough availability of product to provide timely applications if fertilizer is not pre-bought are two key questions for spring-time questions. Those strategies and outcomes will likely factor into the acreage decision matrix next year and may effect how many corn and soybean acres to plant this next growing season.

ANHYDROUS AMMONIA
Average Price, Bi-Weekly

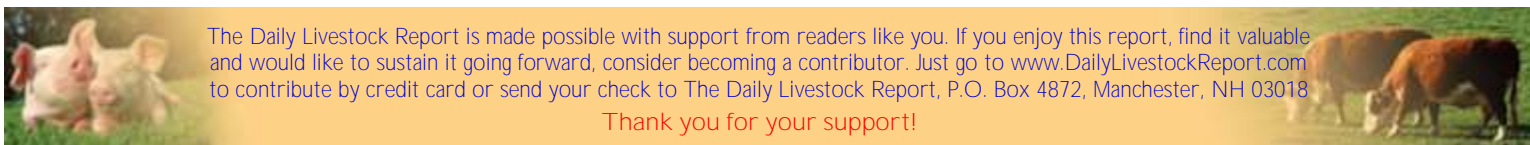


Data Source: USDA-AMS
Livestock Marketing Information Center

POTASH
Average Price, Bi-Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The **Daily Livestock Report** is published by **Steiner Consulting Group, DLR Division, Inc.**. To subscribe, support or unsubscribe please visit www.dailylivestockreport.com.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group®, CME® and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.