



"Increasing Our Owners Capabilities & Competitiveness"

2010 Ag Summit

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United Suppliers, Inc.



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Agenda

- Overview of My Background, the Fertilizer Market, & Where Fertilizer is Going
- PowerPoint Slides as a Guide through this Agenda
- Roadmap for the Fertilizer Market to Help You Increase Your Profitability Moving Forward



"Increasing Our Owners Capabilities & Competitiveness"



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A Little About Who I Am

- Raised on a Family Farm in Central Iowa
 - Corn, soybeans, feeder cattle & farrow-to-finish swine operation
- Graduated from Iowa State University in Ag Business
- Started in the Crop Protection Industry
- Been in Retail & Now Wholesale Fertilizer Business for the past 7 Years
- Employed by United Suppliers, Inc.



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United Suppliers

- Member-Owned Wholesaler of Ag Products
 - Cooperatives & independents
- Sales of \$1.4B in 18 States
- Work with Businesses on Both Coasts
- Fertilizer, Chemicals, Feed, & Business Resources for Retailers
- Corporate Office is in Eldora, IA
- Roughly 400 Full-Time Employees

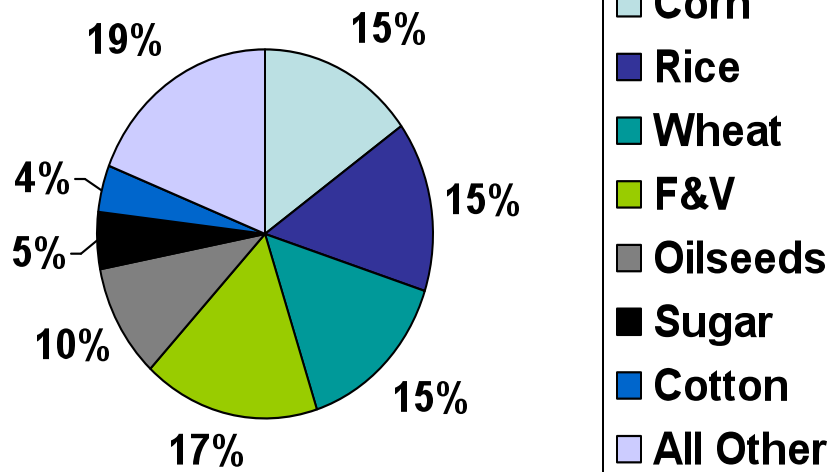




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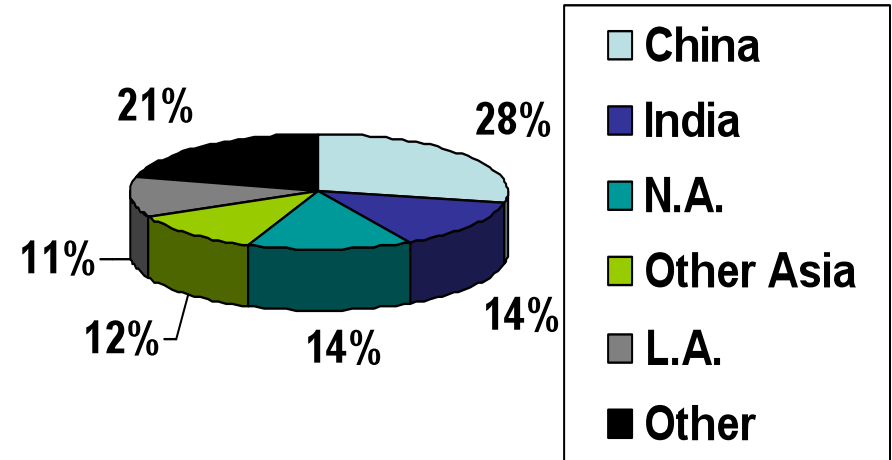
Some Fertilizer Statistics

Global Fertilizer Use by Crop



Source: IFA

Fertilizer Use by Region



Source: Fertecon



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Some Fertilizer Statistics

- World Fertilizer Consumption will Increase by over 20M Tons in the Next 4 Years
- Largest Fertilizer Global Producers are as Follows: PCS, Mosaic, Belaruskali, and Yara
- China, Other Asia, and N.A. are the Biggest Crop Producers Globally (in order)
- China's Meat Consumption has Risen by about 20M Tons During the Past 10 Years
- The U.S. is No Longer the Large Player



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Population Growth



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Some Fertilizer Statistics

Product	1985	2010
Potash	80%	85%
Urea	29%	68%
NH3	15%	38%
Total Import Tons	16M	25.5M

I believe these numbers will continue to increase over the unforeseen future, putting more pressure on timely supplies, price volatility, and other related factors.



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Issues with Fertilizer Imports

- Timing to Get These Products to the U.S.
- Subsidized Grower Pricing by Governments
- Product Quality & Debris
- Factors Which Can Affect Imports
 - Value of the Dollar, weather/hurricanes, international disputes/wars/conflicts, exporting country's morals/values, & many others



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Issues with Domestic Fertilizer Producers

- Consolidation
 - Restricted supply & price volatility
- Plant/Mine Breakdowns or Turnarounds
- E.P.A. Restrictions
- Export Opportunities Leading to Inconsistent Supply
- Bias Market Intelligence



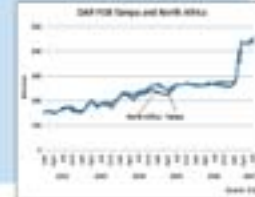
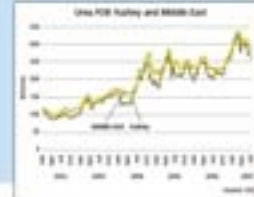
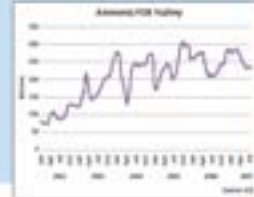
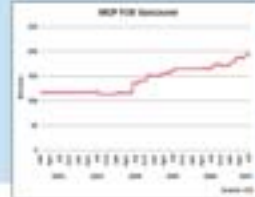
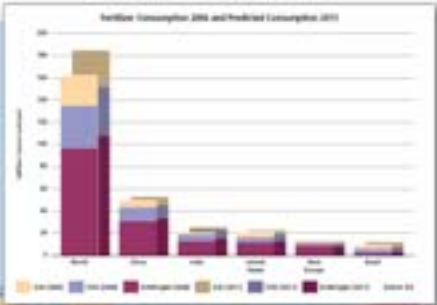
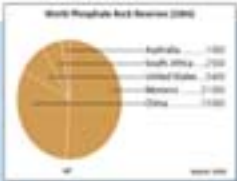
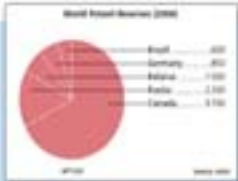
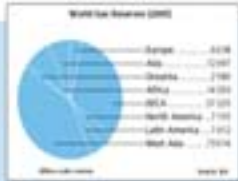
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Global fertilizer trade-flow map

produced by ICIS in partnership with IFA

For more information please visit www.icispricing.com

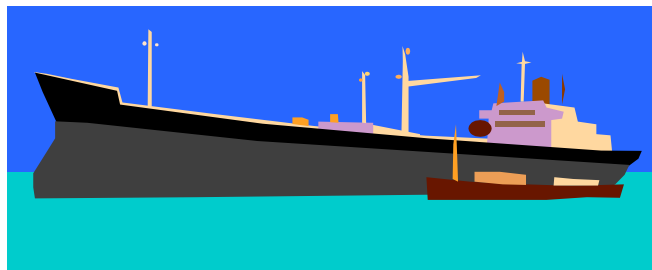




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Imports and Exports

- This data is through current year to date.
- Data is only through 10-30-10
- We need to look at Fertilizer year 2010 and compare to previous years historic values to get a better picture of where we are today.

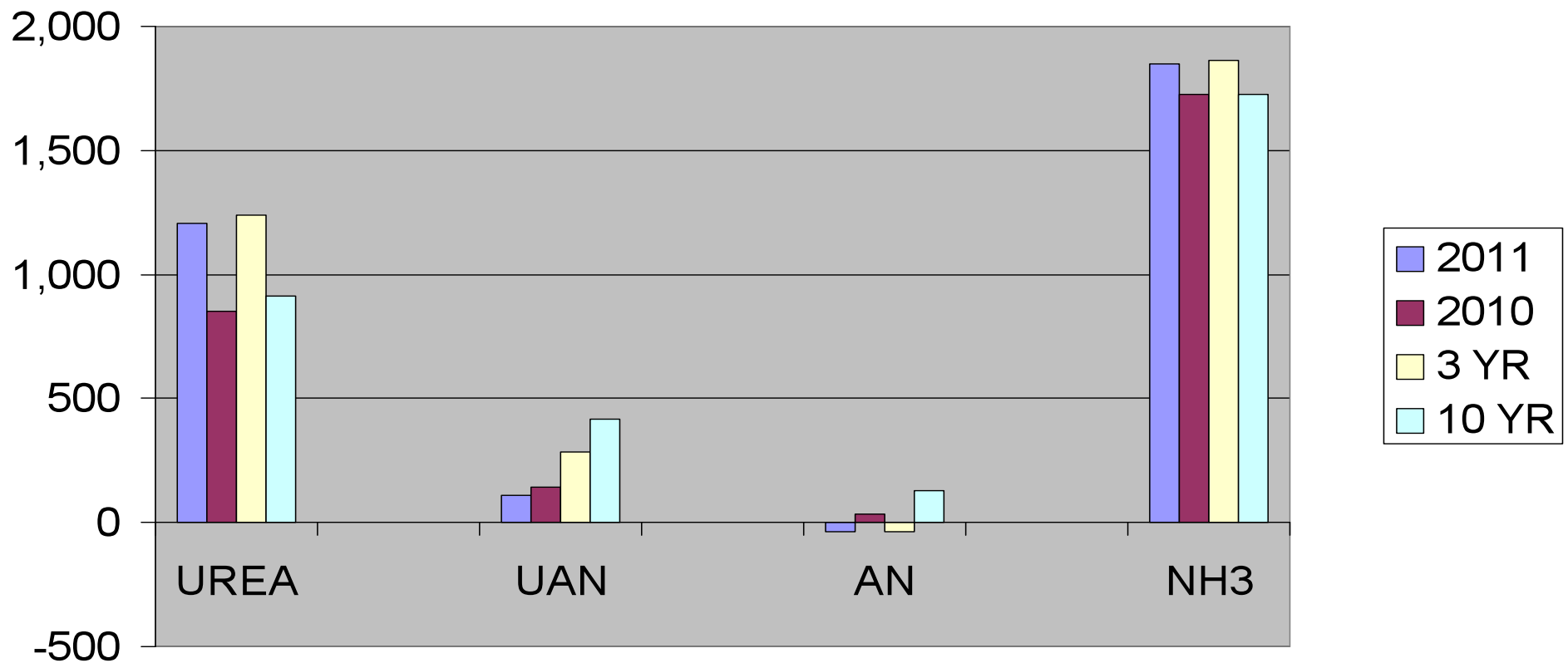




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What is the Net Effect of Imports/Exports Fert. Year to Date Through 10-30-10

Import / Export Net Effect



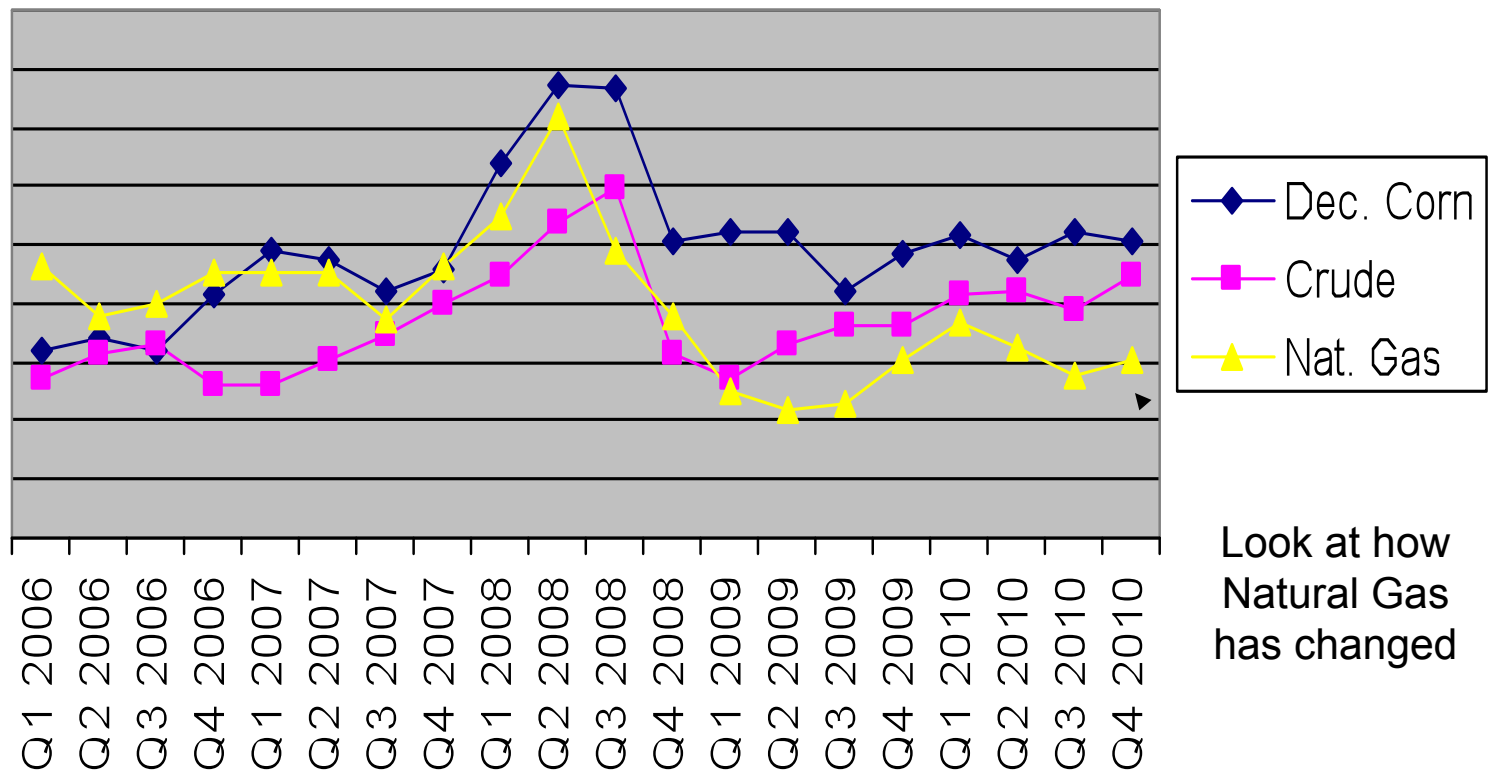
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ENERGY

Corn, Crude, Natural Gas Corelation



Look at how Natural Gas has changed

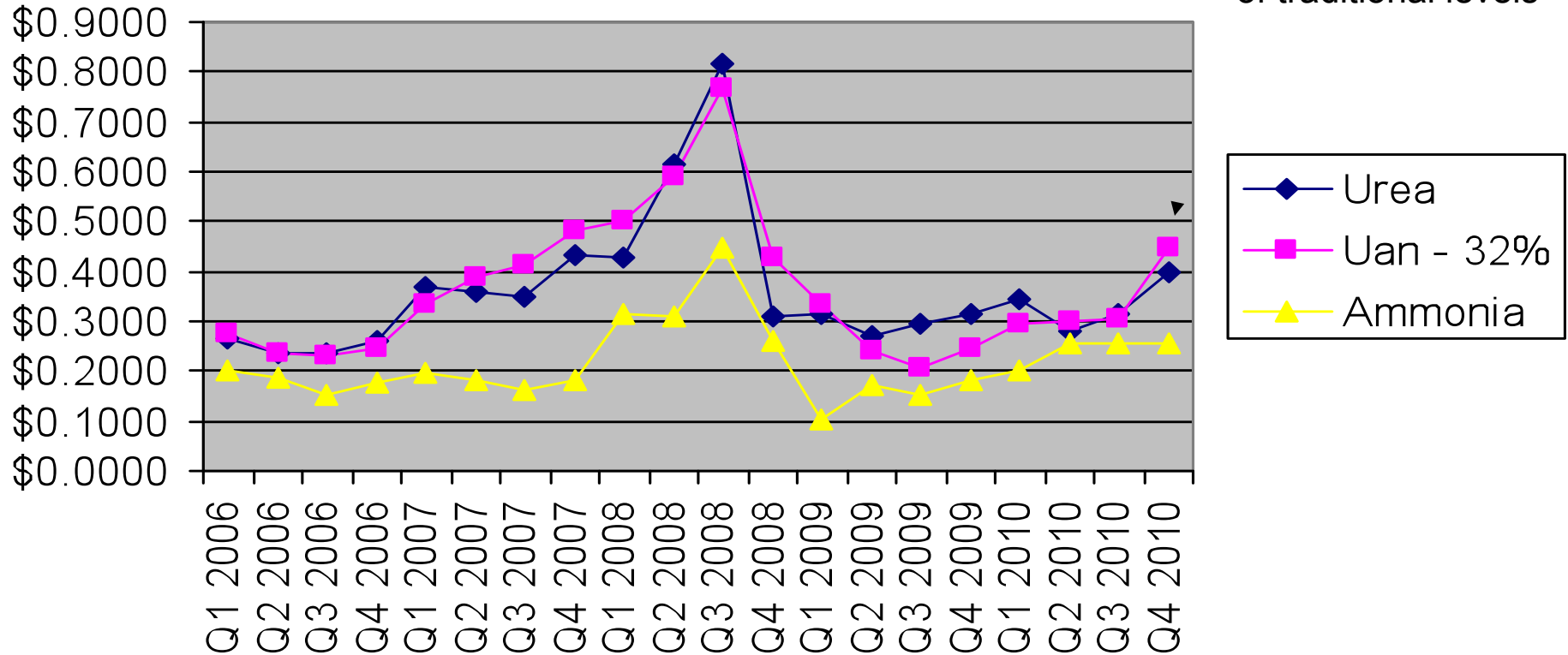


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Nitrogen Products

Value of N correlation by quarter

UAN is getting out of traditional levels

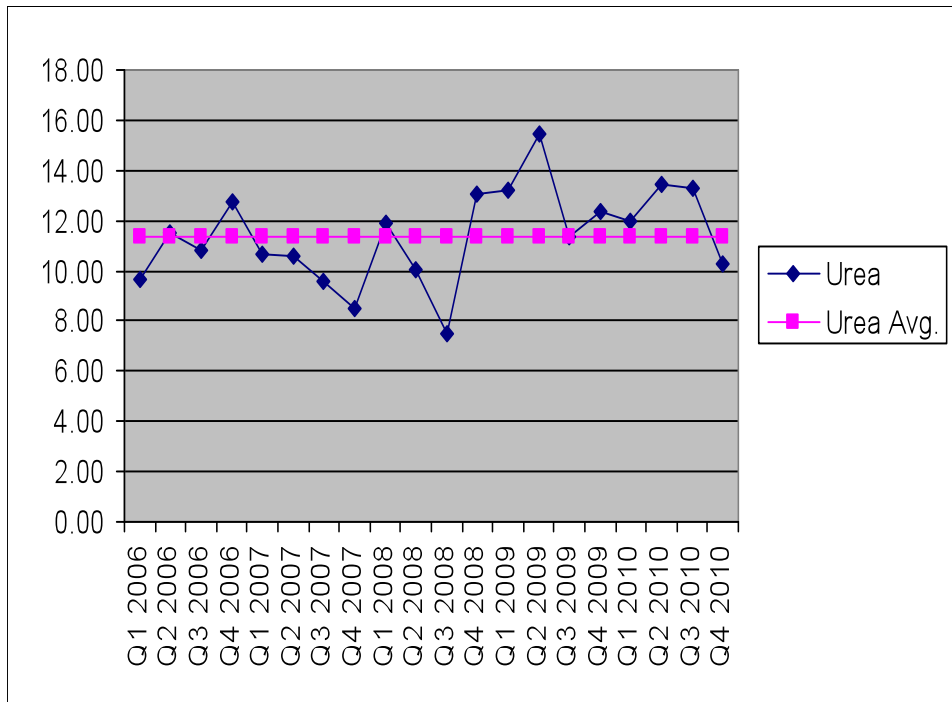




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UREA

Lbs of N/Bushel of Corn



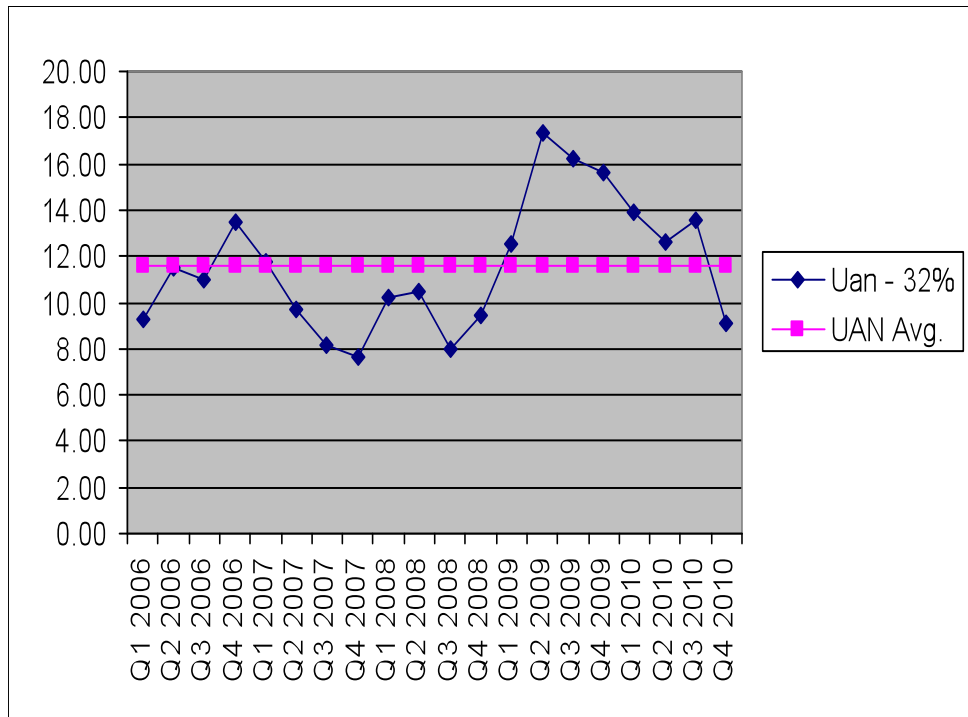
- Since 2006, 1 bushel of corn will purchase an average of 12.8 lbs of nitrogen using Urea.
- Today, 1 bushel of corn will purchase 13.5 lbs. of nitrogen using Urea



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UAN

Lbs of N/Bushel of Corn



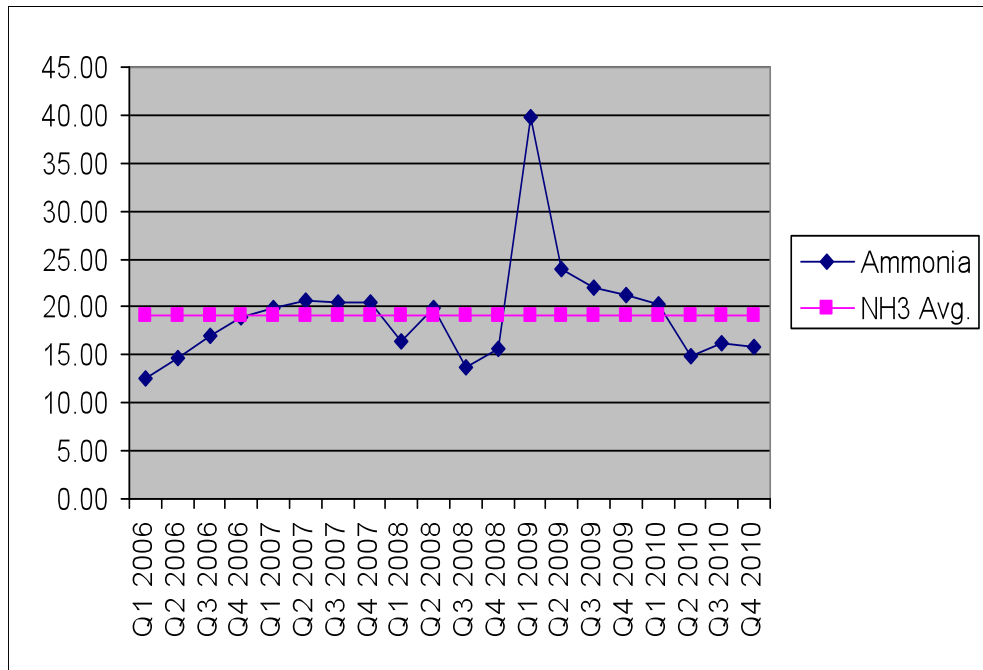
- Since 2006, 1 bushel of corn will purchase an average of 11.8 lbs. of nitrogen using UAN.
- Today, 1 bushel of corn will purchase 14.5 lbs. of nitrogen using UAN



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NH₃

Lbs of N/Bushel of Corn



- Since 2006, 1 bushel of corn will purchase an average of 21.8 lbs. of nitrogen using Ammonia
- Today, 1 bushel of corn will purchase 20.1 lbs. of nitrogen using Ammonia

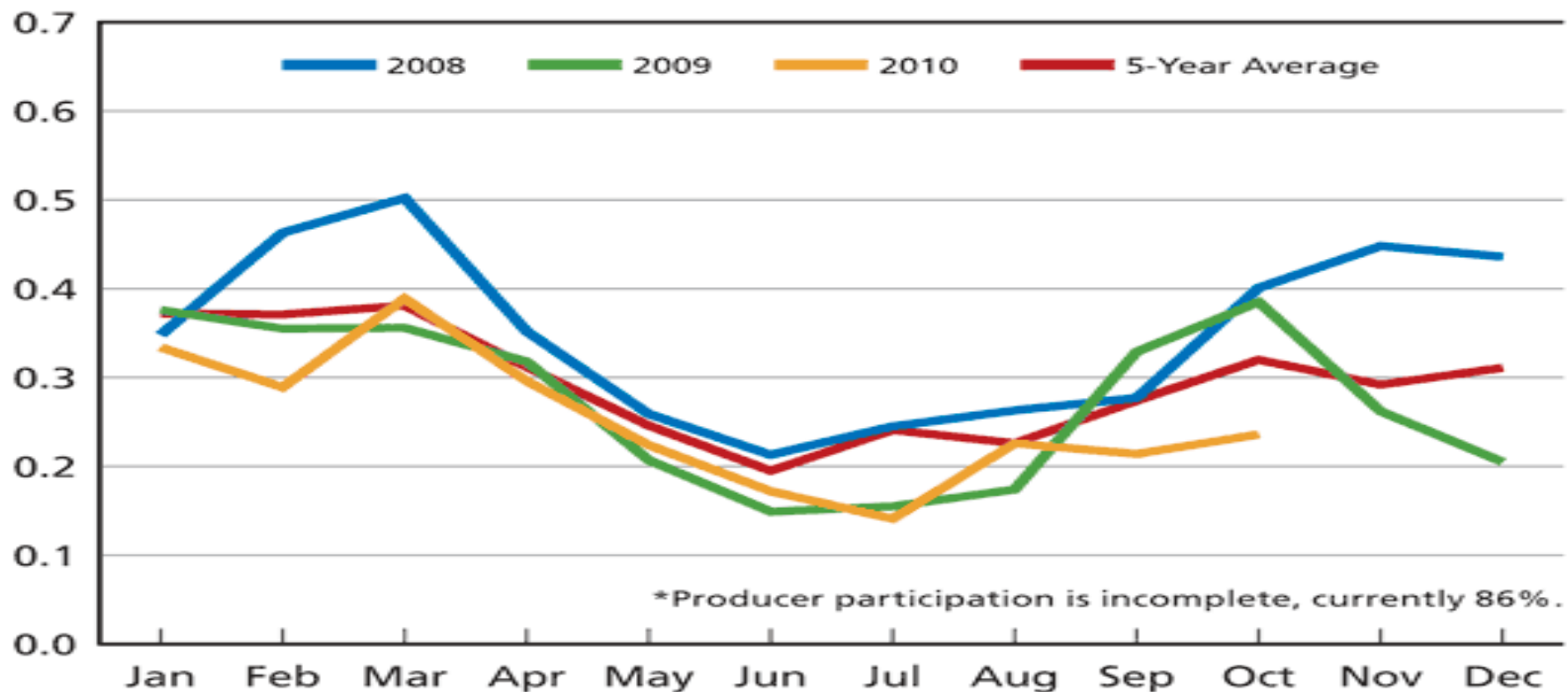


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UREA

US Producers' Urea Ending Inventory*

Million Short Tons Product



*Producer participation is incomplete, currently 86%.

Source: TFI

October ending inventory was up by 22,000 tons from the previous month and 26% below the previous 5-Year Average

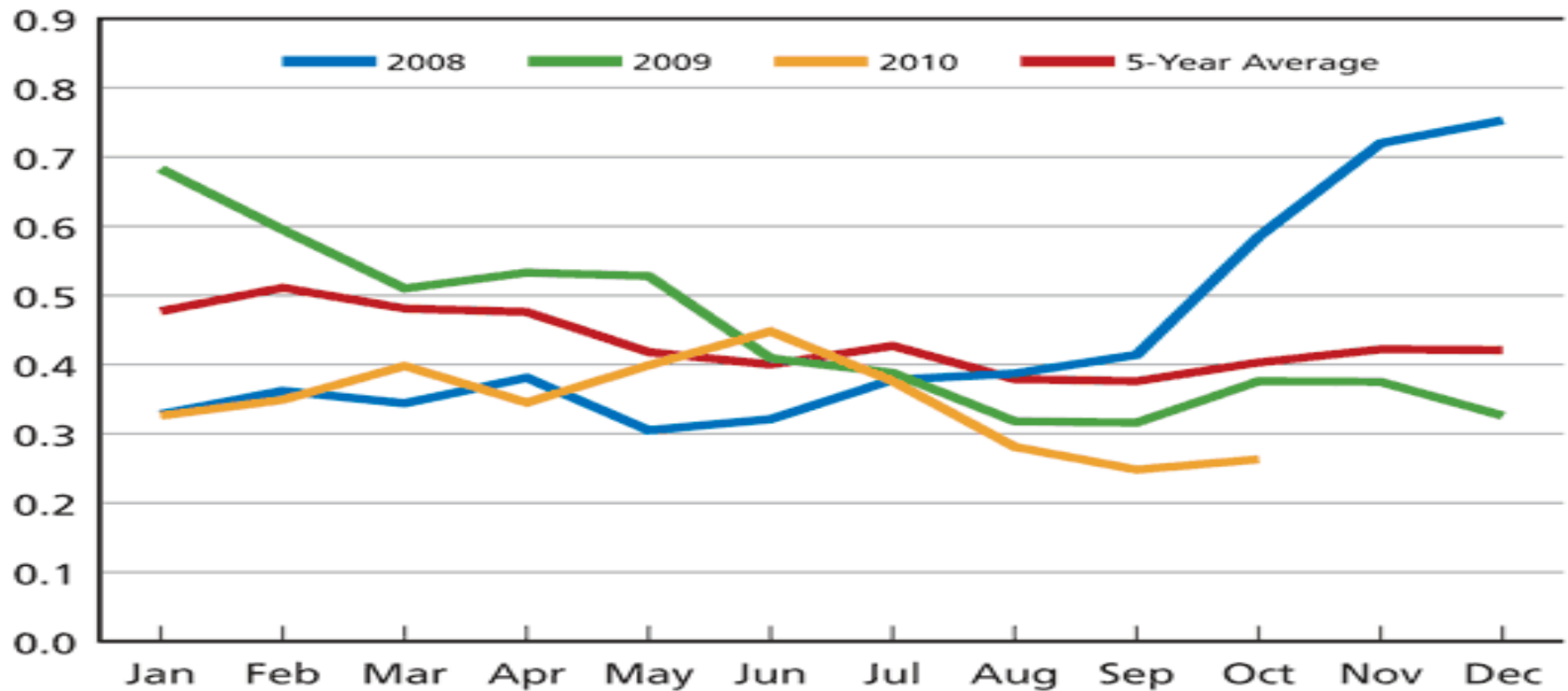


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MAP

US Producers' MAP Ending Inventory

Million Short Tons Product



Source: TFI

October ending inventory was up by 15,000 tons from the previous month and 35% below the previous 5-Year Average

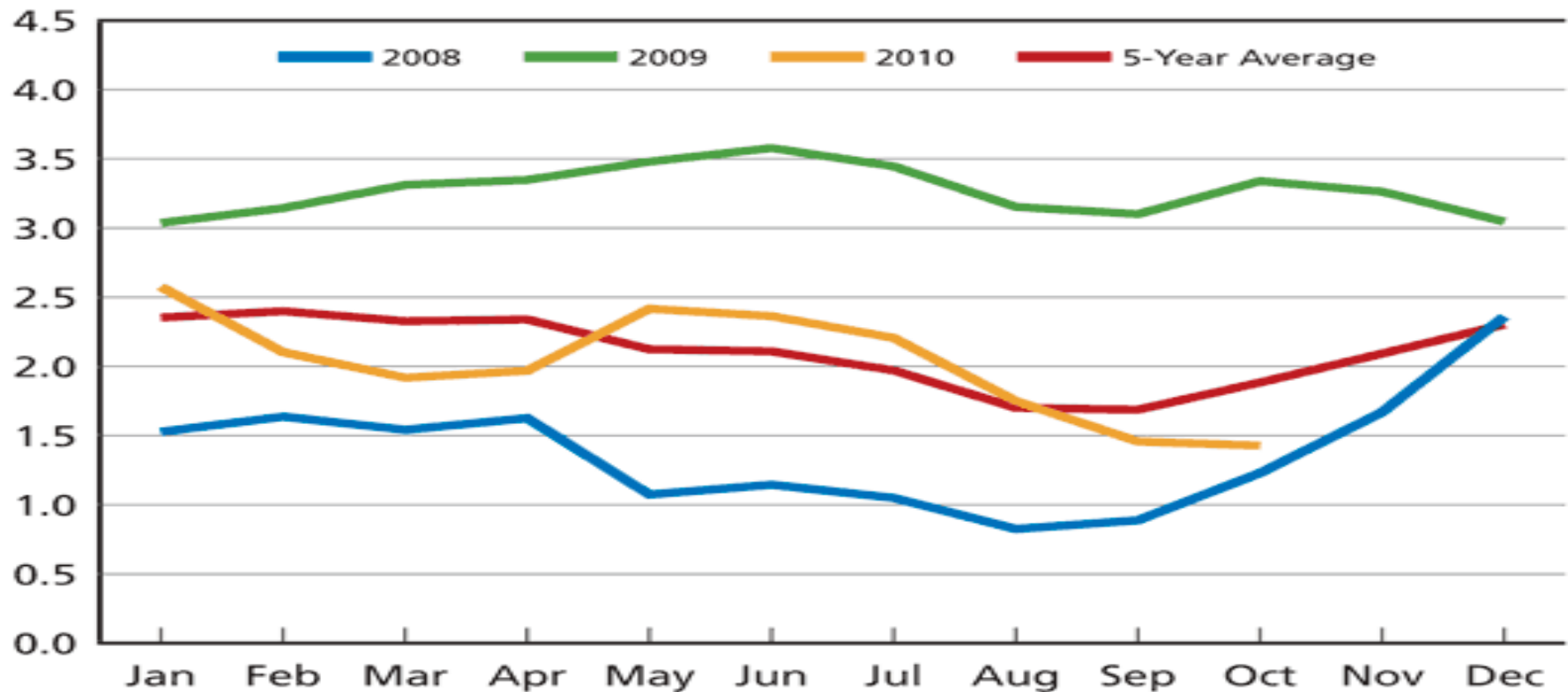


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Potash

North American Producers' Potash Ending Inventory

Million Metric Tonnes Product



October ending inventory was down by 29,744 tonnes KCI from the previous month and 24% below the previous 5-Year Average

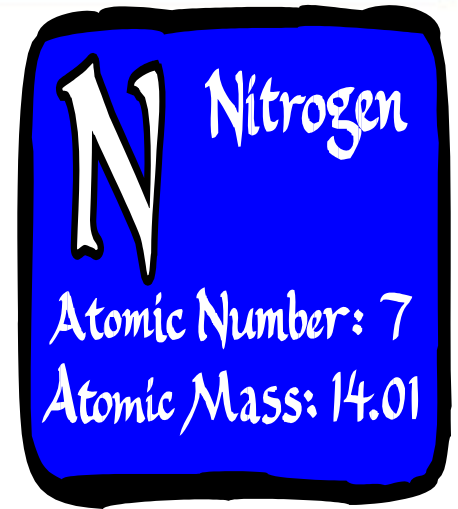
Source: TFI (IPNI data) and PotashCorp



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Nitrogen Comparison

- UAN = \$0.66/Lb.
- Urea = \$0.52/Lb. (\$0.11/lb. < UAN)
- NH₃ = \$0.46/Lb. (\$0.18/lb. < UAN)
- Normal Spreads
 - Urea normally is \$0.03/lb. less than UAN
 - NH₃ normally is \$0.09/lb. less than UAN
- Something has to Change this Winter
- Urea Should be \$575/Ton & NH₃ \$925/Ton





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Future Predictions

- Corn is Current Driver, but Unforeseen will be the Game Changer (i.e. natural disaster, etc.)
- Tie Your Grain Sales to Fertilizer Purchases
- UAN should Remain Flat Pricing Wise
- NH₃ could have Upside Pricing Potential
- Urea has Flat to Upside Pricing Potential
- MAP has Upside Pricing Potential
- 10-34-0 is Going to Continue to Rise in Price
- Potash is Going to Continue to Rise in Price





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Fertilizer Efficiency

- Four R's of Fertilizer
 - Right Rate
 - Right Time
 - Right Place
 - Right Product
- Products to Help Increase Your Efficiency & Yield
 - Starters/10-34-0
 - Nutrisphere & Avail
 - Agrotain Products
 - SuperU & ESN
 - Humic & Fulvic Acids
 - Crop Plex
- There are a lot of products to chose from in these areas





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Fertilizer Purchases

- What to Look for in a Retailer for Fertilizer
 - Future Pricing Options
 - Can they match your grain sale to a fertilizer price for the same cropping year
 - Proven Fertilizer Efficiency Products
 - Data, professional approach, local results
 - Aligned with a strong domestic wholesaler
 - Near-by storage, international presence, unbiased/real-time market intelligence
 - Efficient Facilities or Access to Facilities
 - Unit train and/or barge access



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Conclusions

- When You Sell Grain, Buy the Respective Amount of Fertilizer Products
- Utilize New Technologies to Increase Your Fertilizer's Efficiency & Effectiveness
- Soil Testing is Still Important Tied to Application Technology Options
- Efficient Fertilizer Infrastructure
 - Between you and your chosen retailer
- Continue to Utilize Opportunities to Attend Conferences/Summit's for Information