

FERTILIZER STILL PAYS



About 7 years ago I wrote an article titled “Fertilizer Still Pays...Even in Today’s Economy.” At that time crop prices were low, with soybeans at \$4/bu and corn at \$2/bu. Urea was \$0.30/lb nitrogen, phosphorus was \$0.25/lb P_2O_5 , and potash was \$0.14/lb K_2O . The gist of the article — fertilizer was a good investment, even with the low crop prices. Today, urea-nitrogen is about \$0.75/lb, phosphorus is \$0.70/lb P_2O_5 , and potash is \$0.64/lb K_2O . And today, more than ever, farmers are wondering if “Fertilizer Still Pays?”

Fertilizer prices are at historic highs, having increased 250 to 450% in the last 7 years. But corn and soybean prices are also higher; they have quadrupled. With \$8/bu corn and \$16/bu soybeans, the fertilizer-to-crop price ratio today is not that different from back then. Fertilizer is still a good investment. Applied at the proper rate, and used efficiently, returns of \$3 or more are still possible for each dollar invested in fertilizer.

The principles of fertilizer economics are just as applicable today as they were 50 years ago. Gordon Nance and John Falloon of the University Missouri, from an article they wrote on fertilizer economics in *Better Crops* in 1958, summarized it this way: “*The most promising way to increase volume of business, net profit per unit of production, and net income on most farms is to increase production per acre — and increased use of fertilizer is the most important factor in accomplishing this.*”

Now is not the time to cut back on fertilizer ... few farm investments pay greater dividends. My back-of-the-envelope calculations show that at recent prices, it would take 6 to 7 bu of soybeans and 24 bu of irrigated corn to pay for the fertilizer needed to grow the crop. As you make your fertilizer decisions this fall — sharpen your pencil and pay close attention to soil testing, fertilizer rate and placement, and other best management practices that will ensure fertilizers are used most efficiently — and I am confident your fertilizer will continue to be a good investment.

A handwritten signature in black ink, appearing to read 'Terry L. Roberts'.

Terry L. Roberts
President, IPNI

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