N, P & K OUTLOOK

Fluid Fertilizer Foundation
Fresno, California
December 7, 2011

Presenter: Jay Yost, Vice President Fertilizer

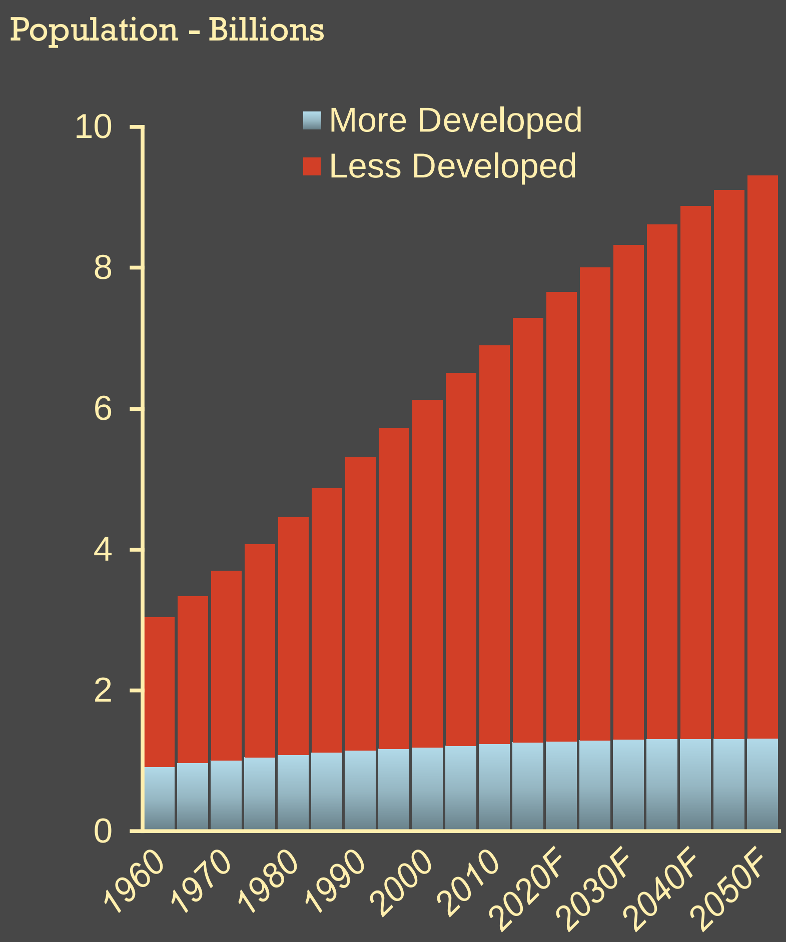
IAP

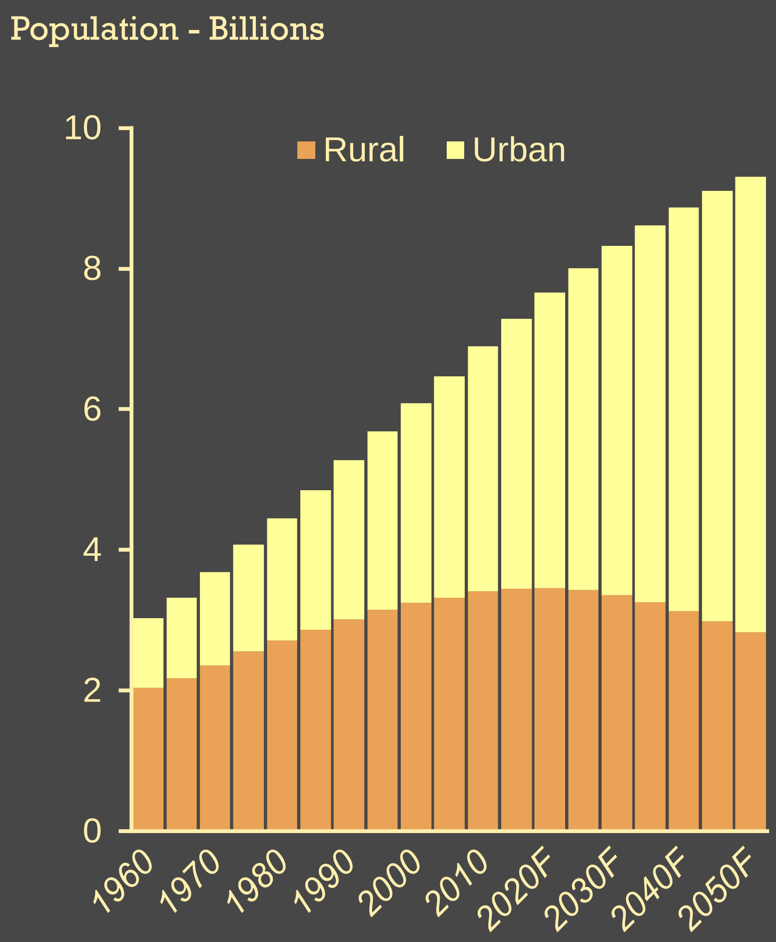
Fertilizer

Demand Drivers

World Population

Significant Urban Growth in Developing Countries





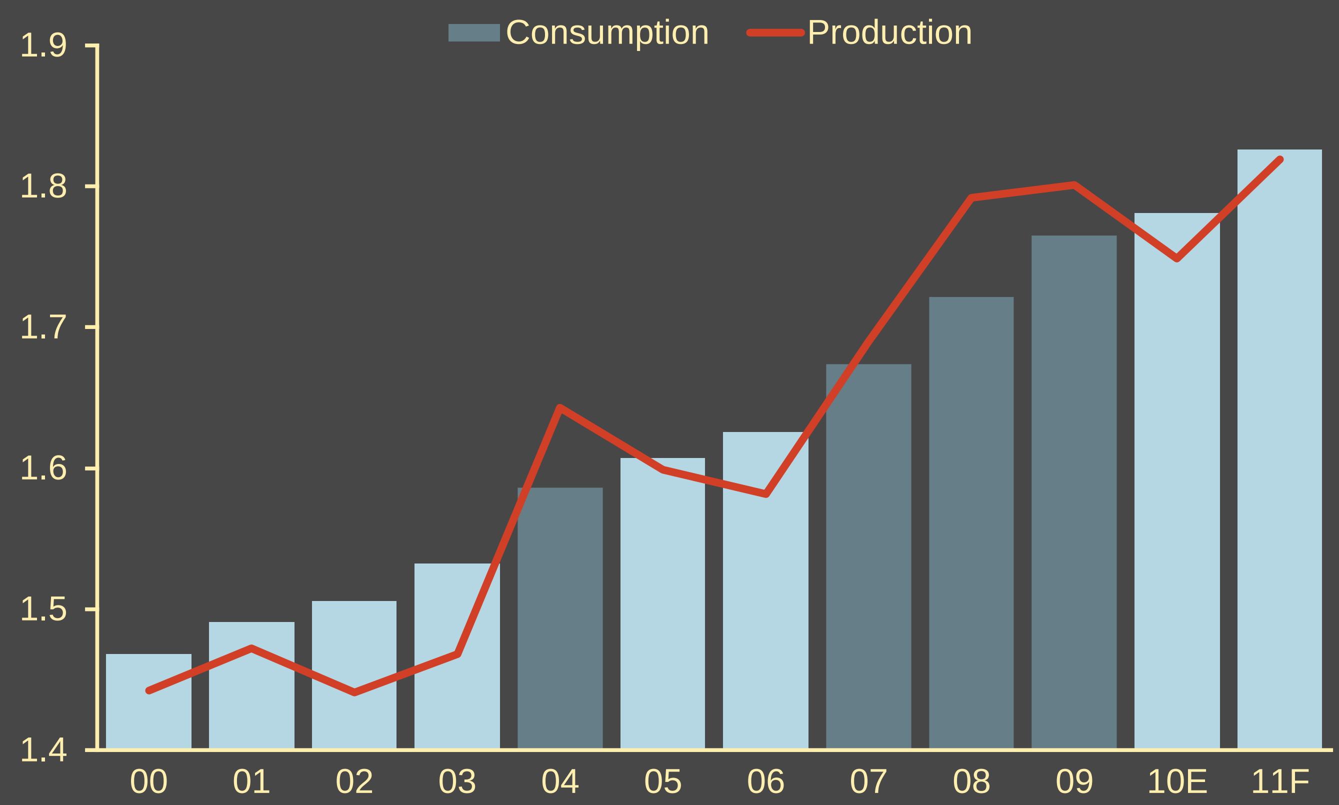
0.9

Source: United Nations

World Grain Production and Consumption

Grain Production Has Not Kept Pace With Rising Demand

Billion Tonnes



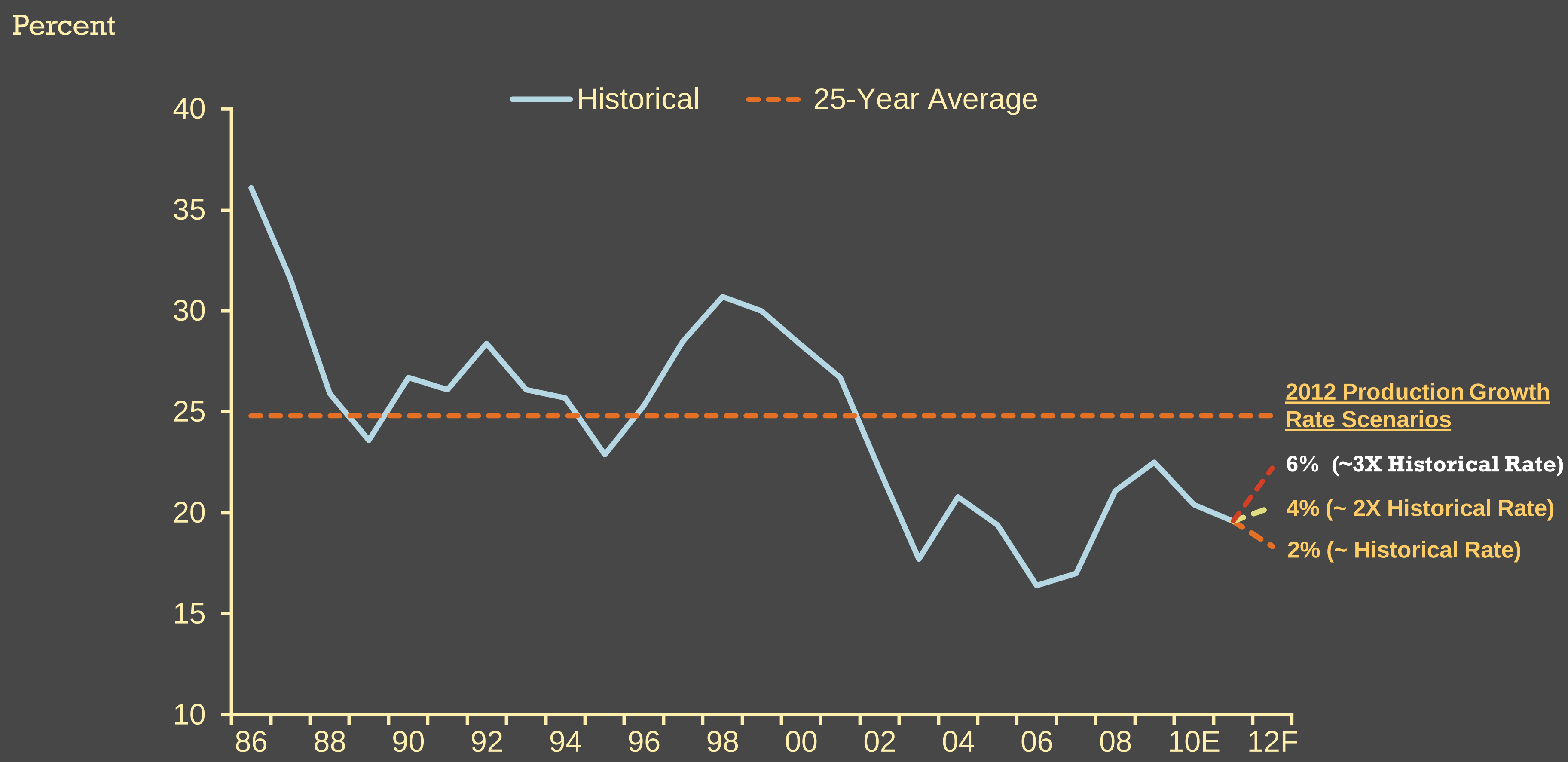
Based on crop year data. For example, 11F refers to the 2011/12 crop year.

Light bars reflect years when consumption exceeds production.

Source: USDA

World Grain Stocks-to-Use Ratio

Grain Inventories Expected to Remain Tight Beyond 2012



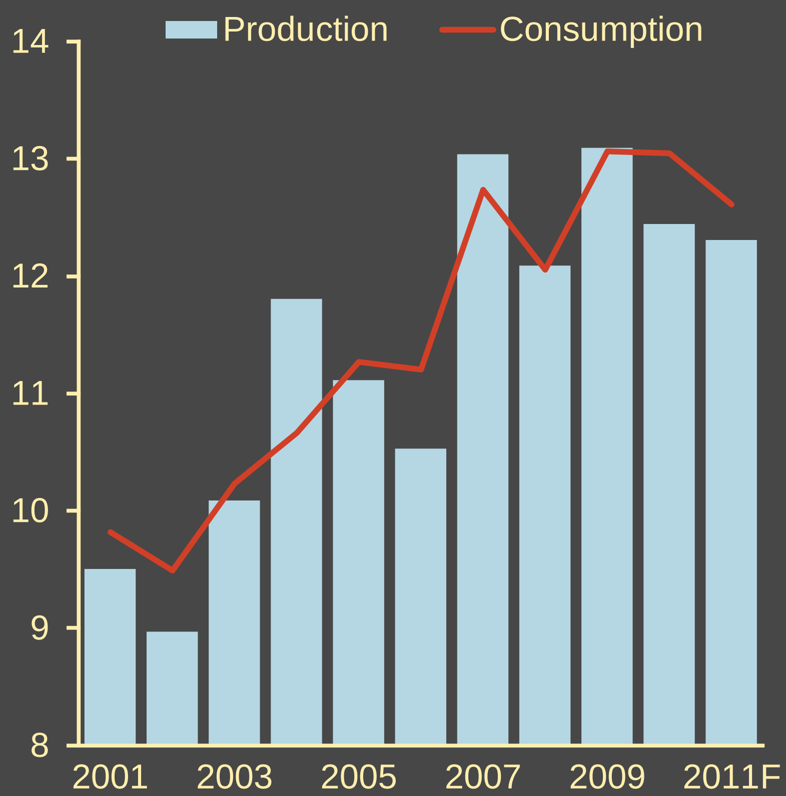
Based on crop year data. For example, 11F refers to the 2011/12 crop year.

Source: USDA, PotashCorp

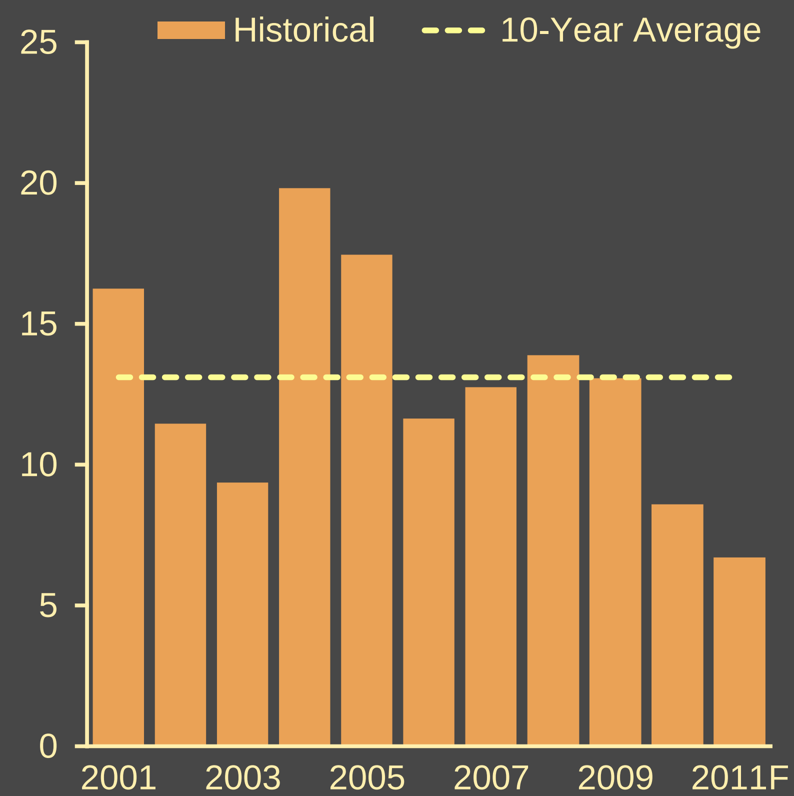
US Corn Supply and Demand

Corn Stocks Reduced to Historically Low Levels

Billion Bushels



Stocks-to-Use - Percent

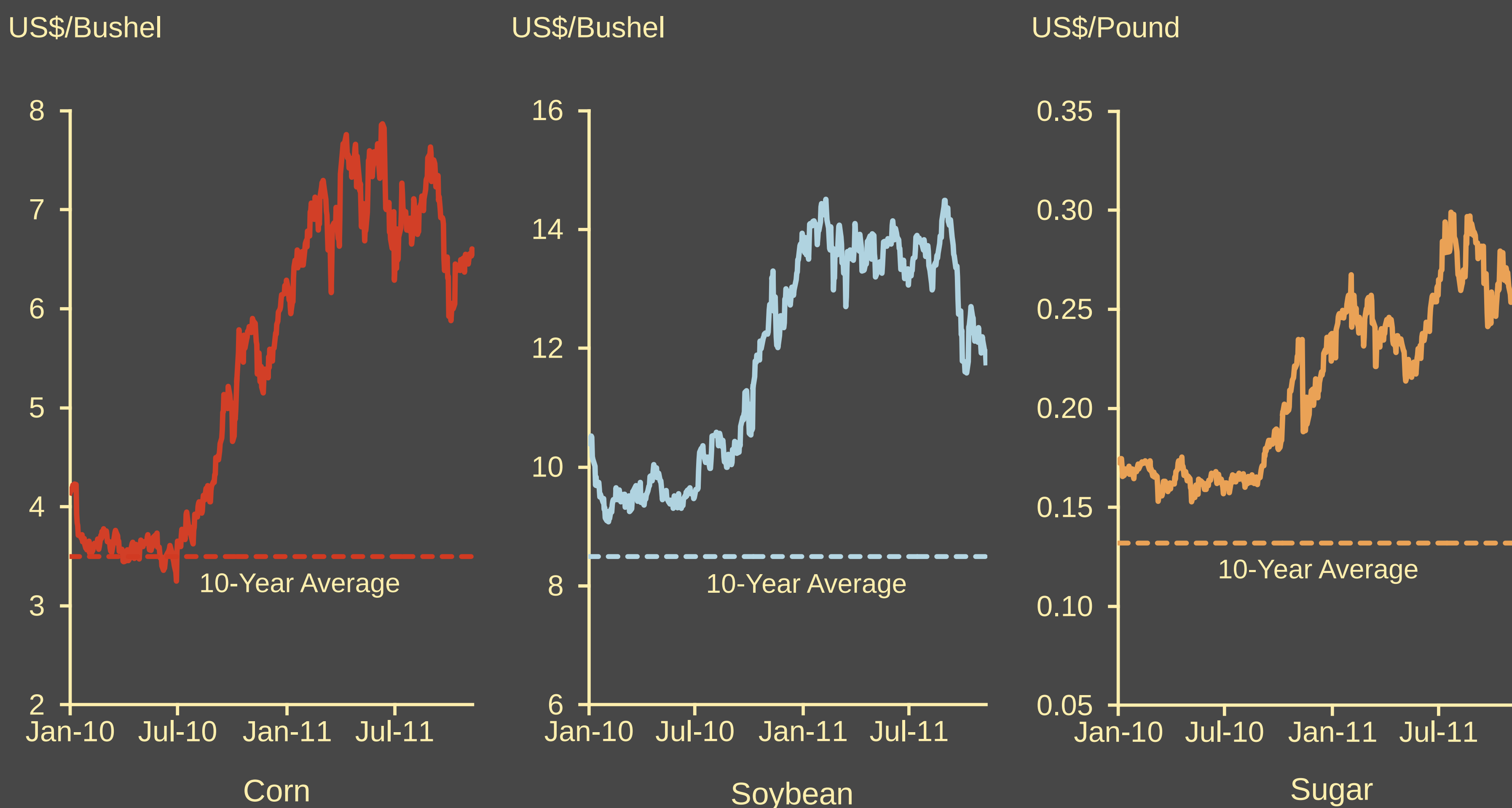


2011F refers to the 2011/12 crop year

Source: USDA

World Crop Prices

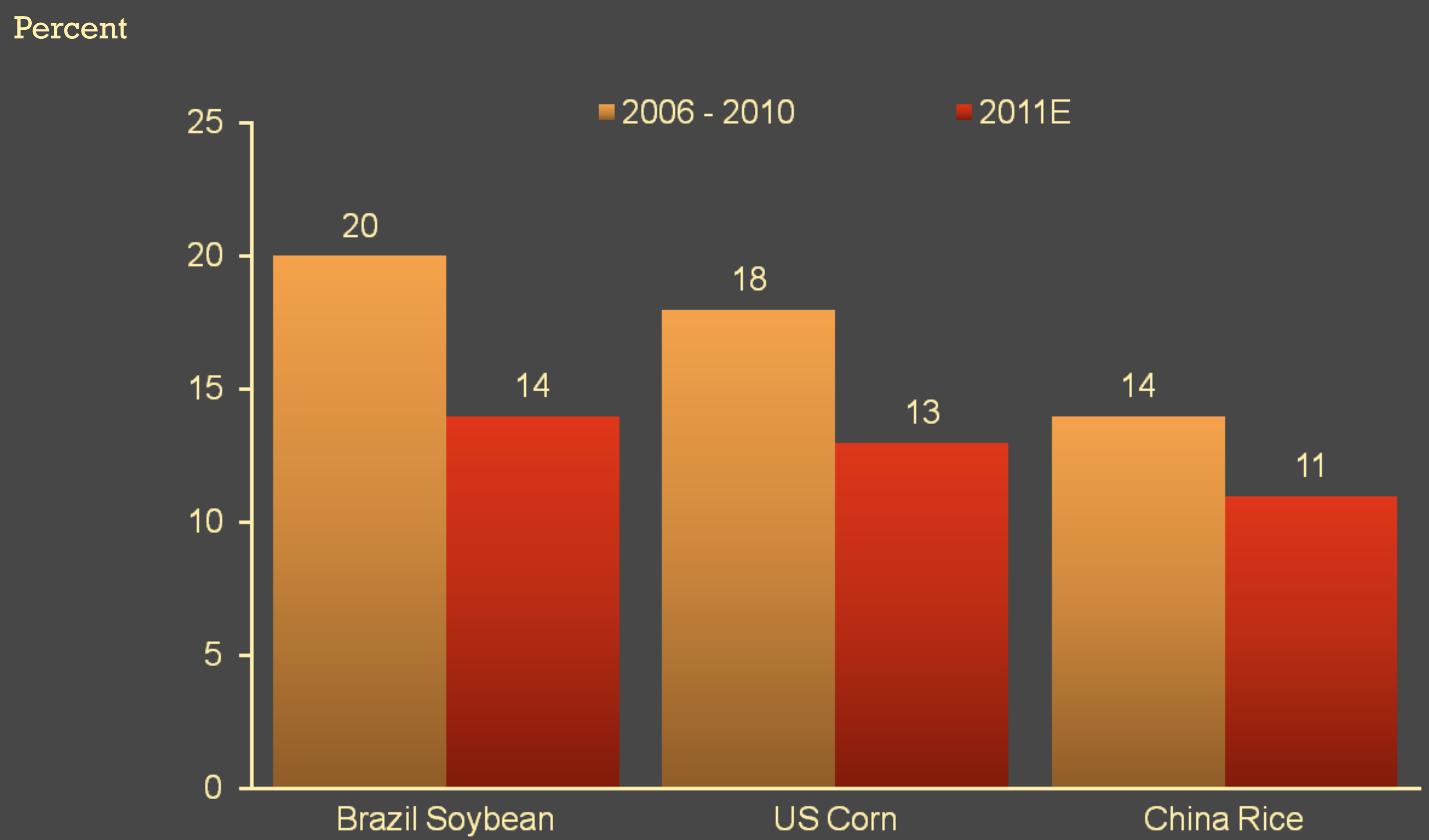
Prices Remain Well Above Historical Averages



Source: Bloomberg

Fertilizer Cost Percentage of Crop Revenue

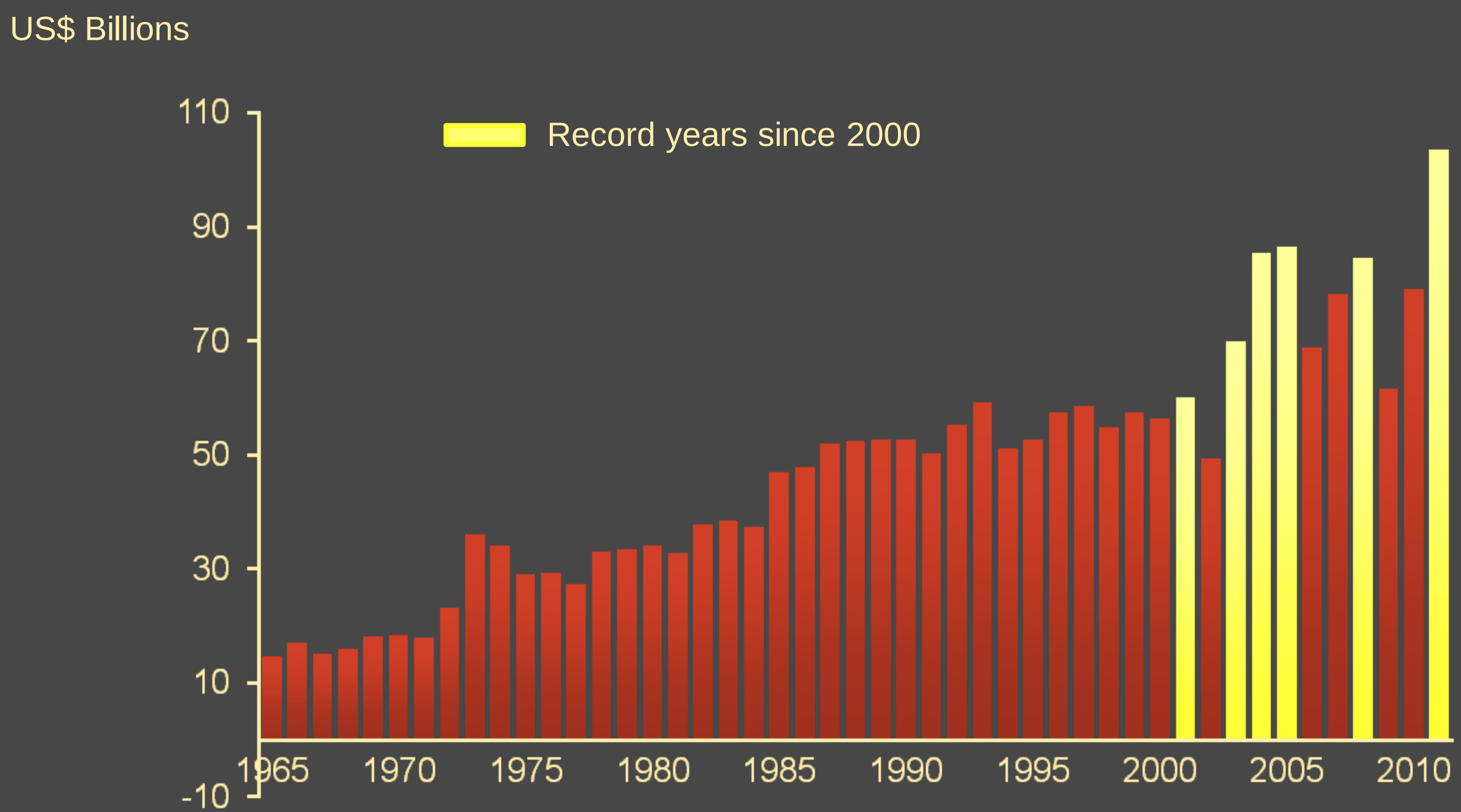
Expect Fertilizer Cost Percentage Will Remain Below Historical Levels



Source: USDA, IPNI, PotashCorp

US Net Cash Farm Income

Farm Income Growth Has Accelerated in Recent Years



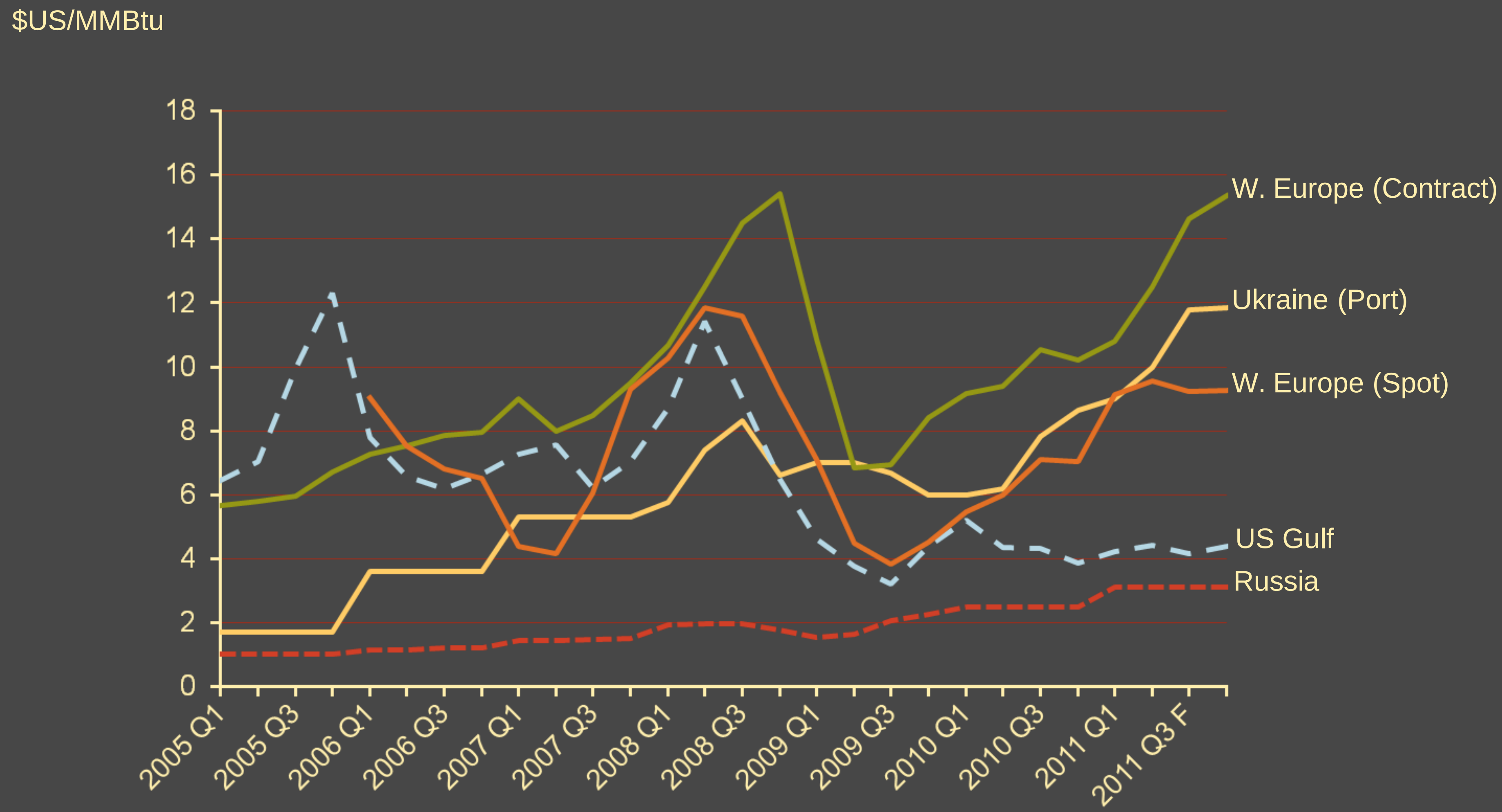
Source: USDA

Nitrogen

Overview

Natural Gas Prices in Key Producing Regions

US Gas Price Increasingly Competitive

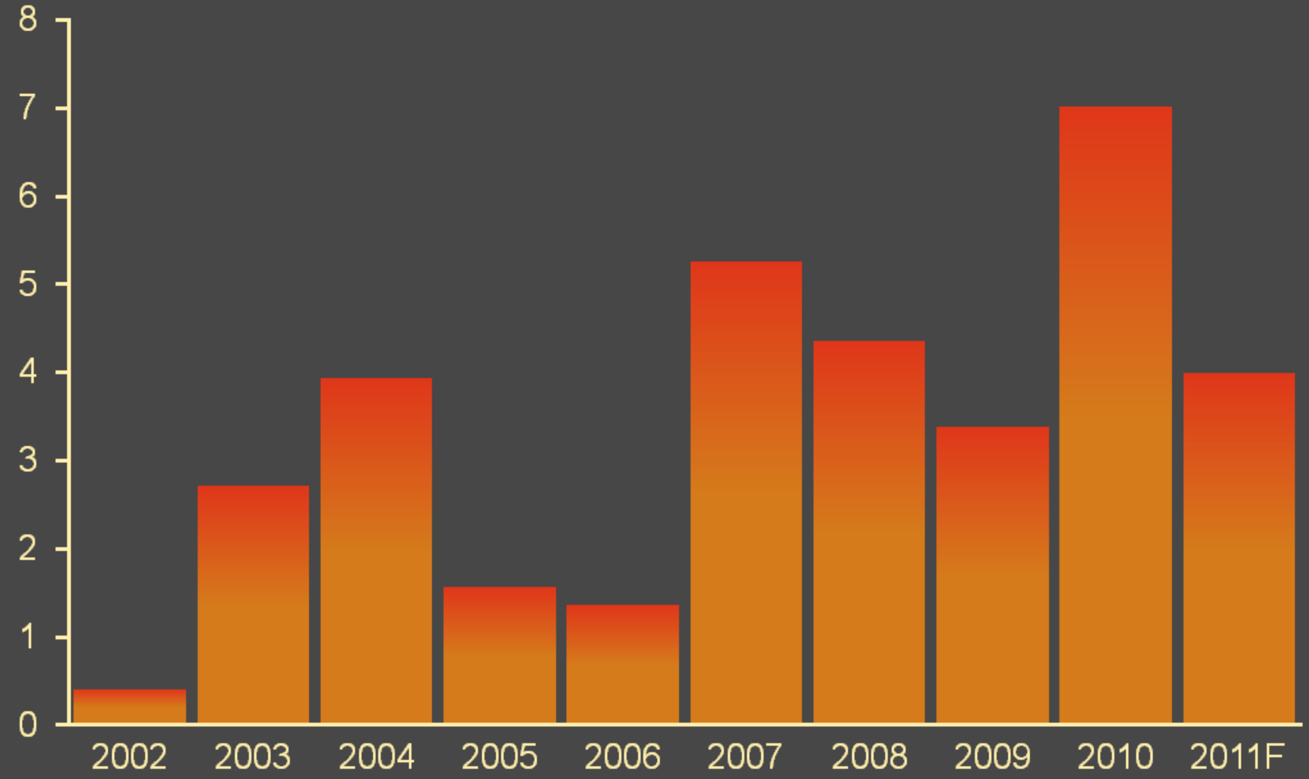


Source: Fertecon, PotashCorp

China Urea Exports

China Is Major Swing Factor For Global Urea Trade

Million Tonnes Urea

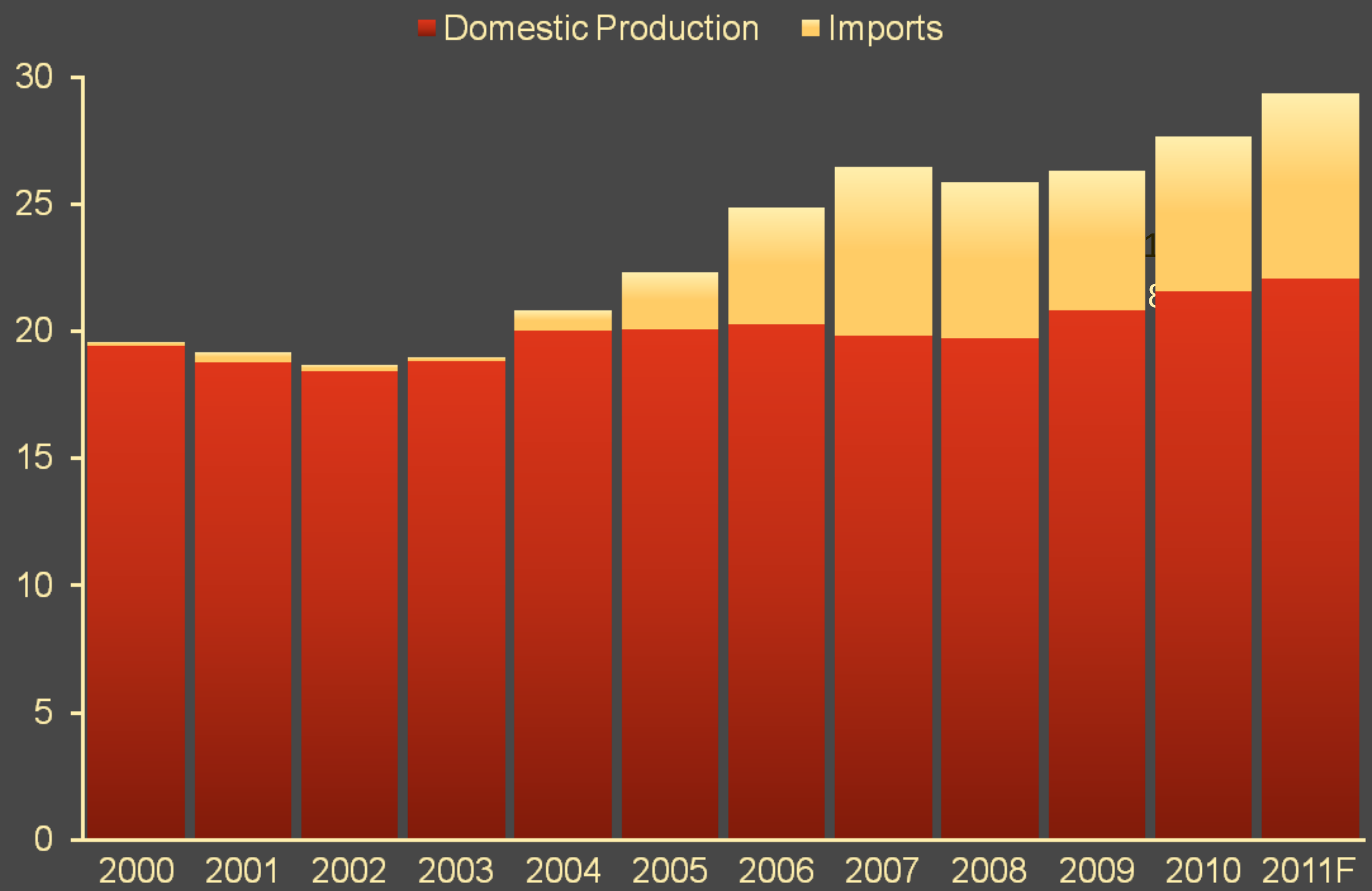


Source: Brilliant Pioneer Consultants, PotashCorp

India Urea Imports

India’s rapid import growth has tightened the global urea market

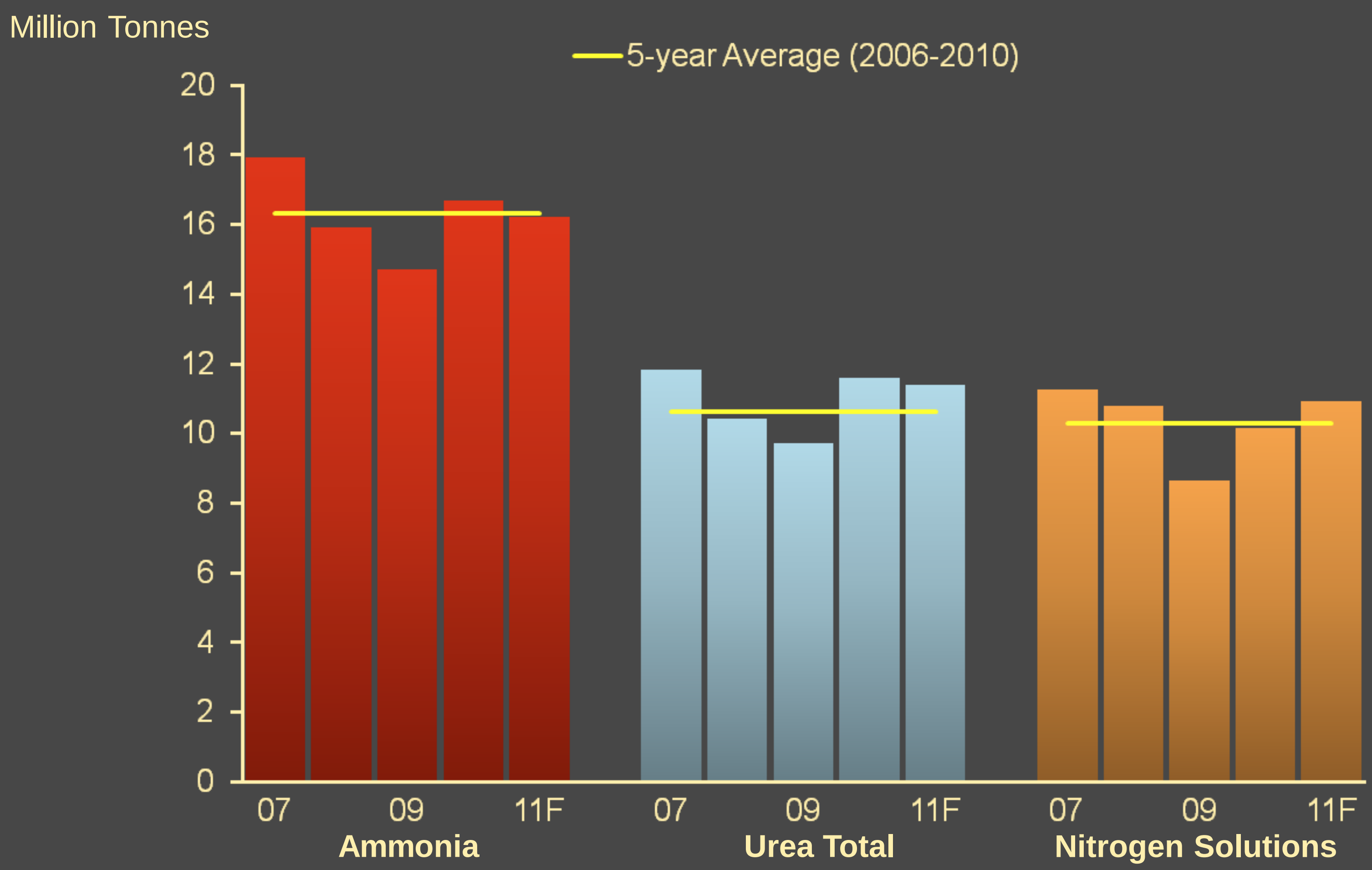
Million Tonnes



Source: Fertecon, PotashCorp

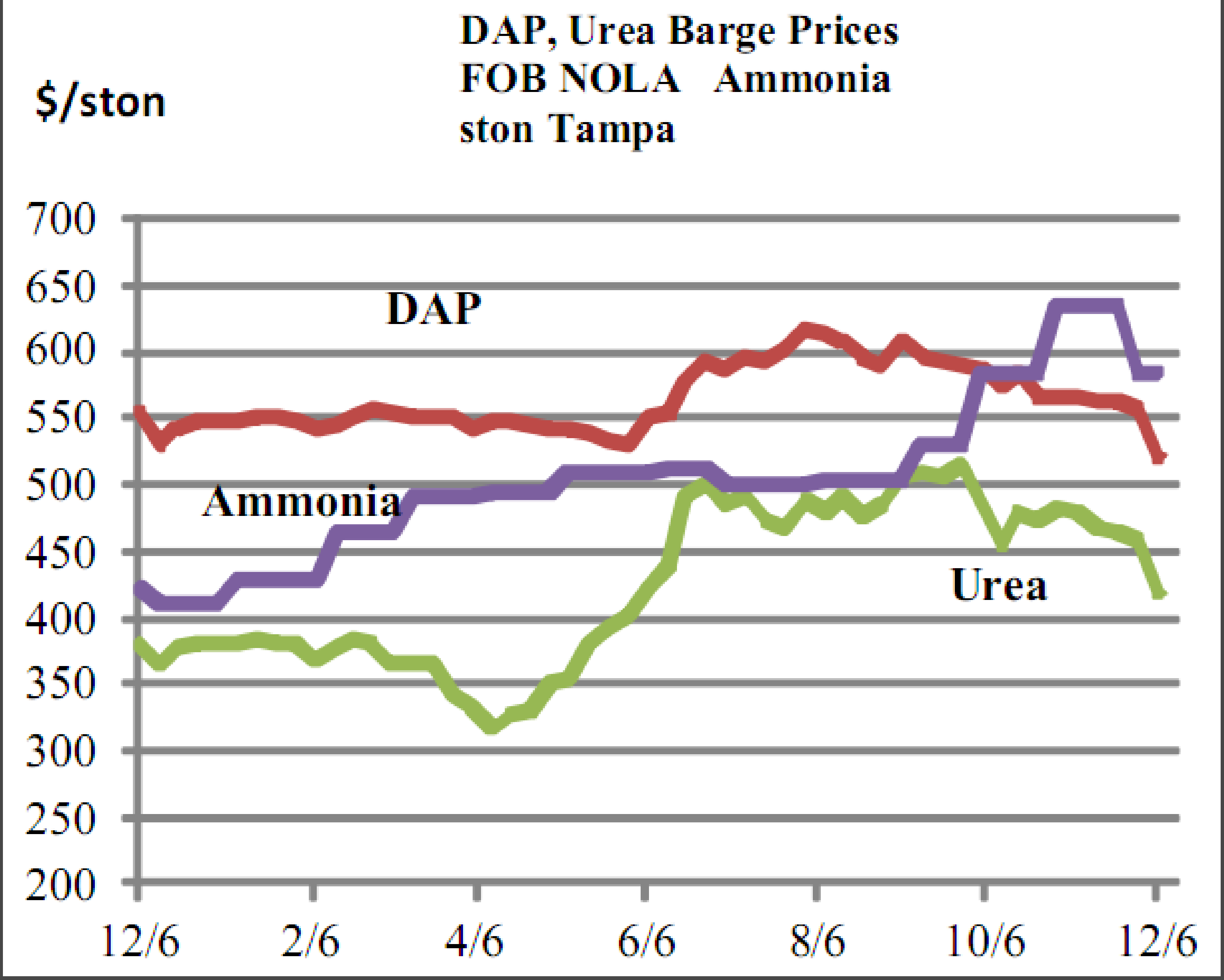
US Nitrogen Consumption

US Nitrogen Demand Expected to Remain Strong in 2011



Source: Fertecon, PotashCorp

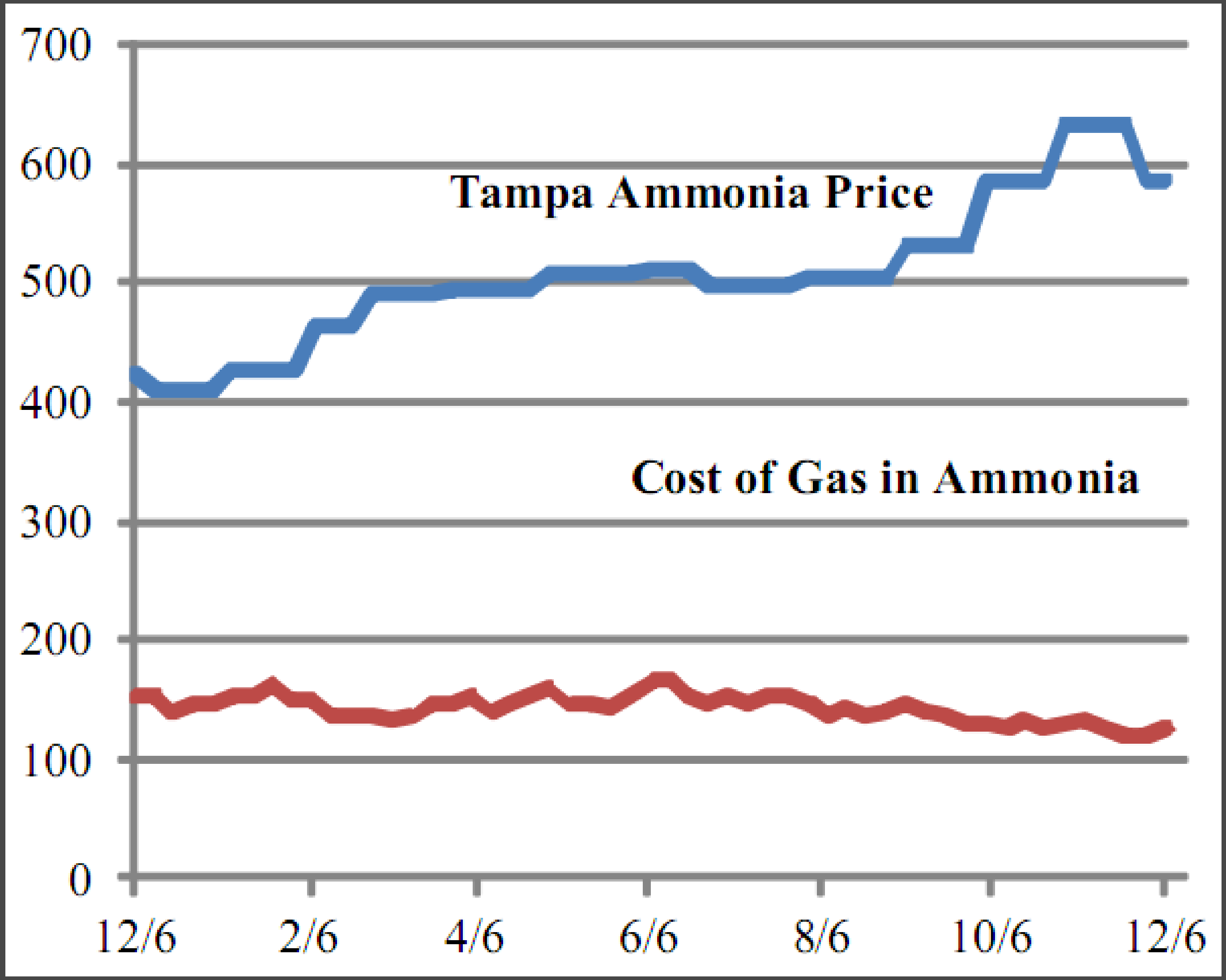
Urea, Barge Prices FOB NOLA Ammonia ston Tampa



Nitrogen

- Prices have pushed up due to increased demand and limited supply
  - Main Reason is Dramatic Increase in Crop Commodity Prices
  - Fill Large Dealer/Distributor Storage
- Gas Costs - $3.75 + producers in North America are in the drivers seat.

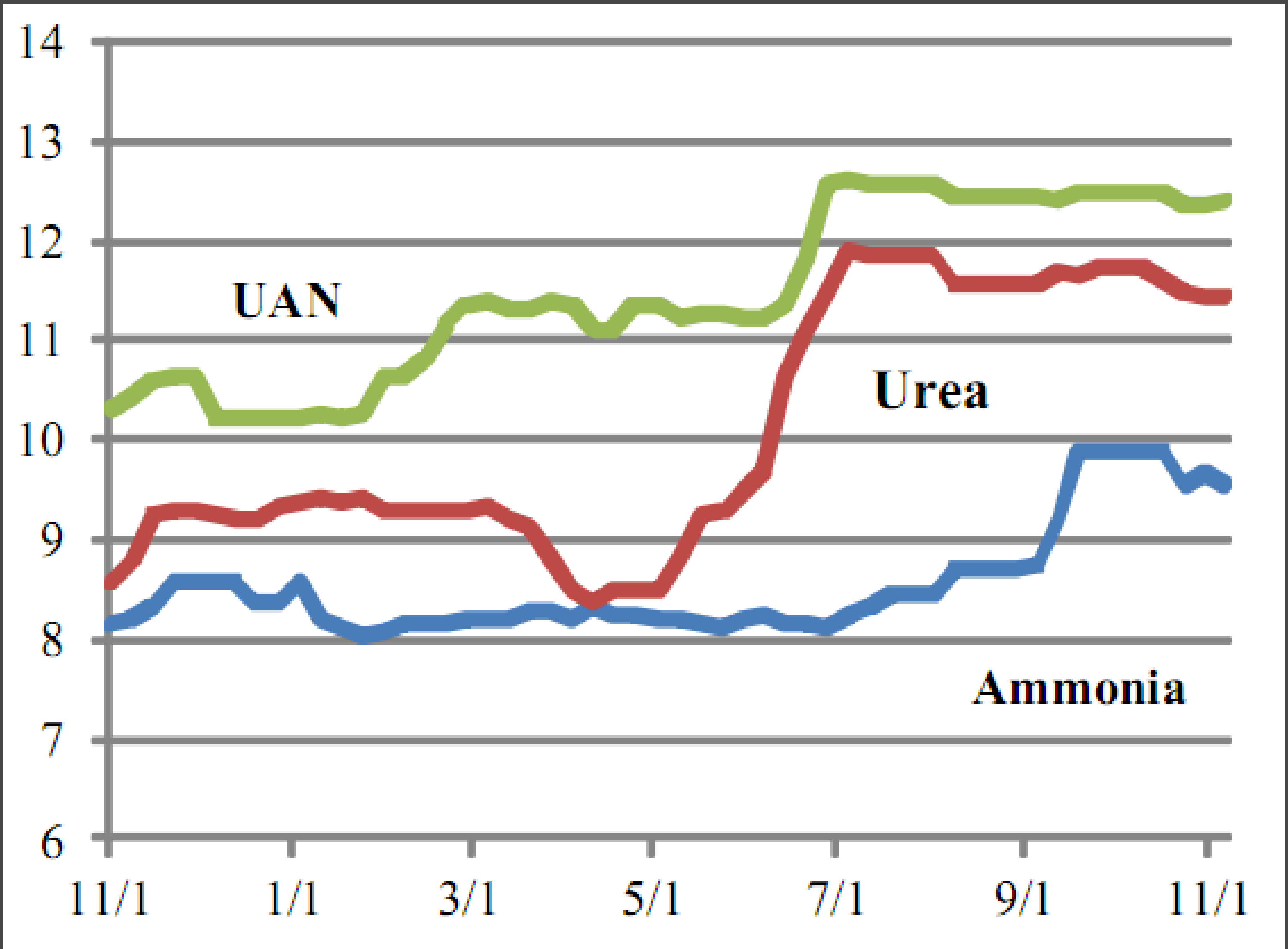
Cost of Gas in Ammonia vs. Ston Tampa Price



Ammonia: Gas cost in ammonia based on capacity weighted average efficiency for nine Louisiana ammonia plants x midweek close nearest natural gas future NYM exchange.

Relative Value of N in Fertilizers (Ill., Ia., Mo.)

$/Unit N

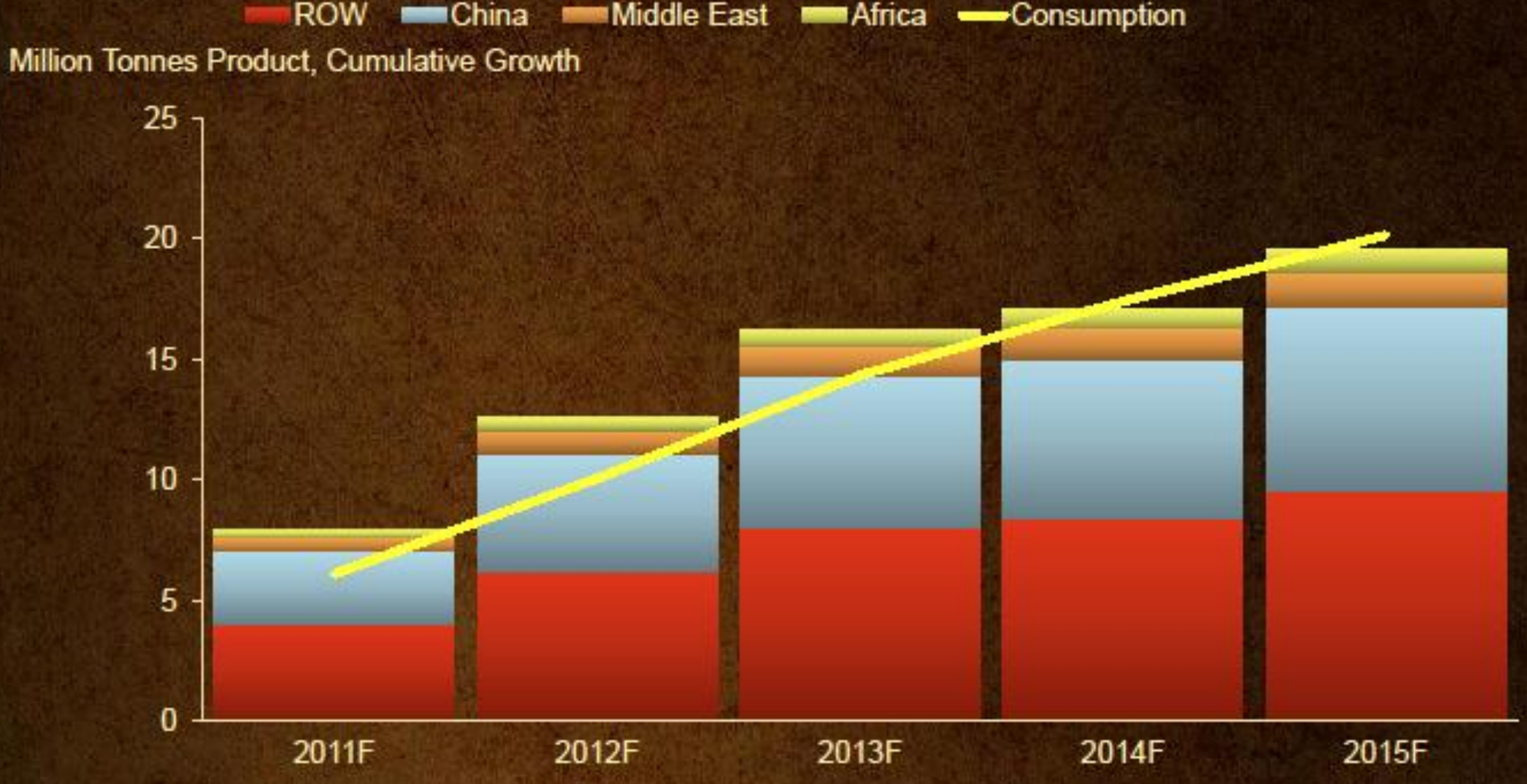


Nitrogen

- PCS to restart Geismar, LA plant – 1,135,000 tons of UAN 32% production
- Coffeyville now looking at completing their UAN 32% expansion at Coffeyville, Kansas 350,000 – 400,000 additional per year
- Gas curtailment in Trinidad – 30%
  - Production - 5,655 Mstpy
  - Curtailment – 1,696 Mstpy

New Ammonia Capacity* vs Demand

Medium Term Ammonia Market Expected to Remain Balanced to Tight



*Capacity includes several projects classified by sources as uncertain, and excludes projects classified as unlikely. Construction time for a greenfield nitrogen plant is 3 years.

Source: Fertecon, PotashCorp

Independent Agribusiness Professionals

New Urea Capacity* vs Demand

Near Term Urea Market Expected to be Balanced to Tight, Excluding China

*Capacity includes several projects classified by sources as uncertain, and excludes projects classified as unlikely. Construction time for a greenfield nitrogen plant is 3 years.

Source: Fertecon, CRU, PotashCorp

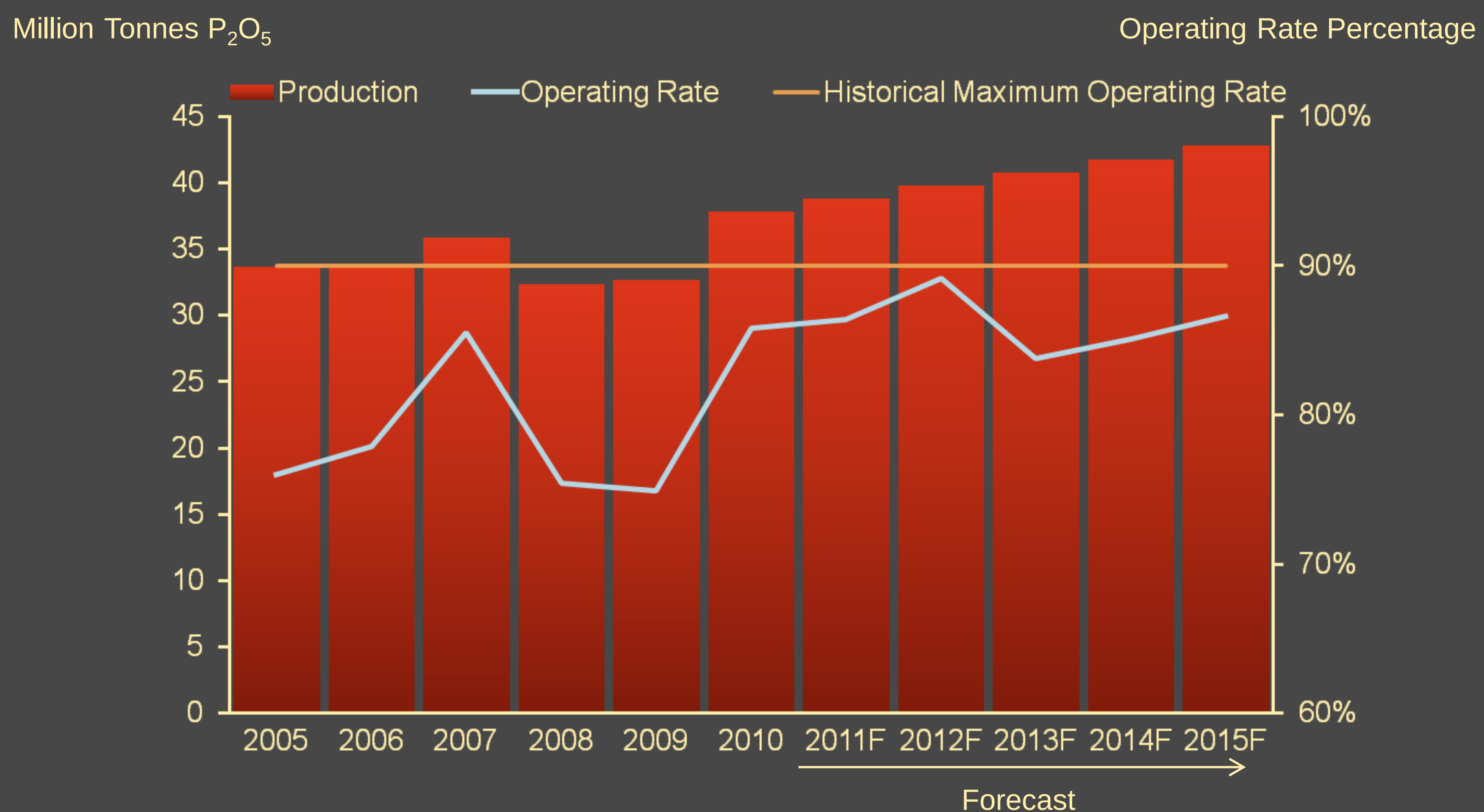
IAP Independent Agribusiness Professionals

Phosphate

Overview

Global Phosphoric Acid Production and Operating Rate

Expect Relatively Tight Market in the Short Term



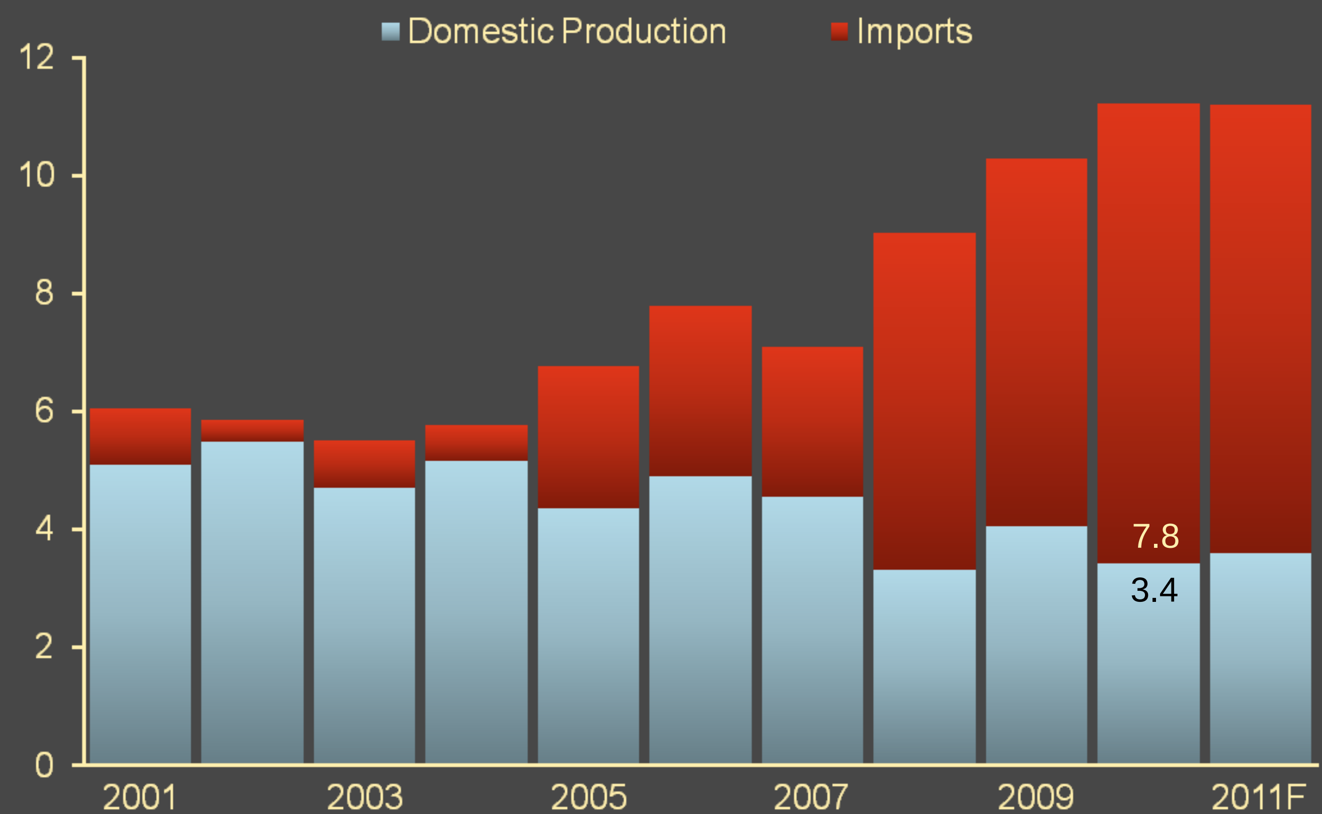
*Capacity includes several projects classified by sources as uncertain, and excludes projects classified as unlikely

Source: CRU, Fertecon, FMB, PotashCorp

India DAP Supply

India's Demand Expected to Remain Strong in 2011

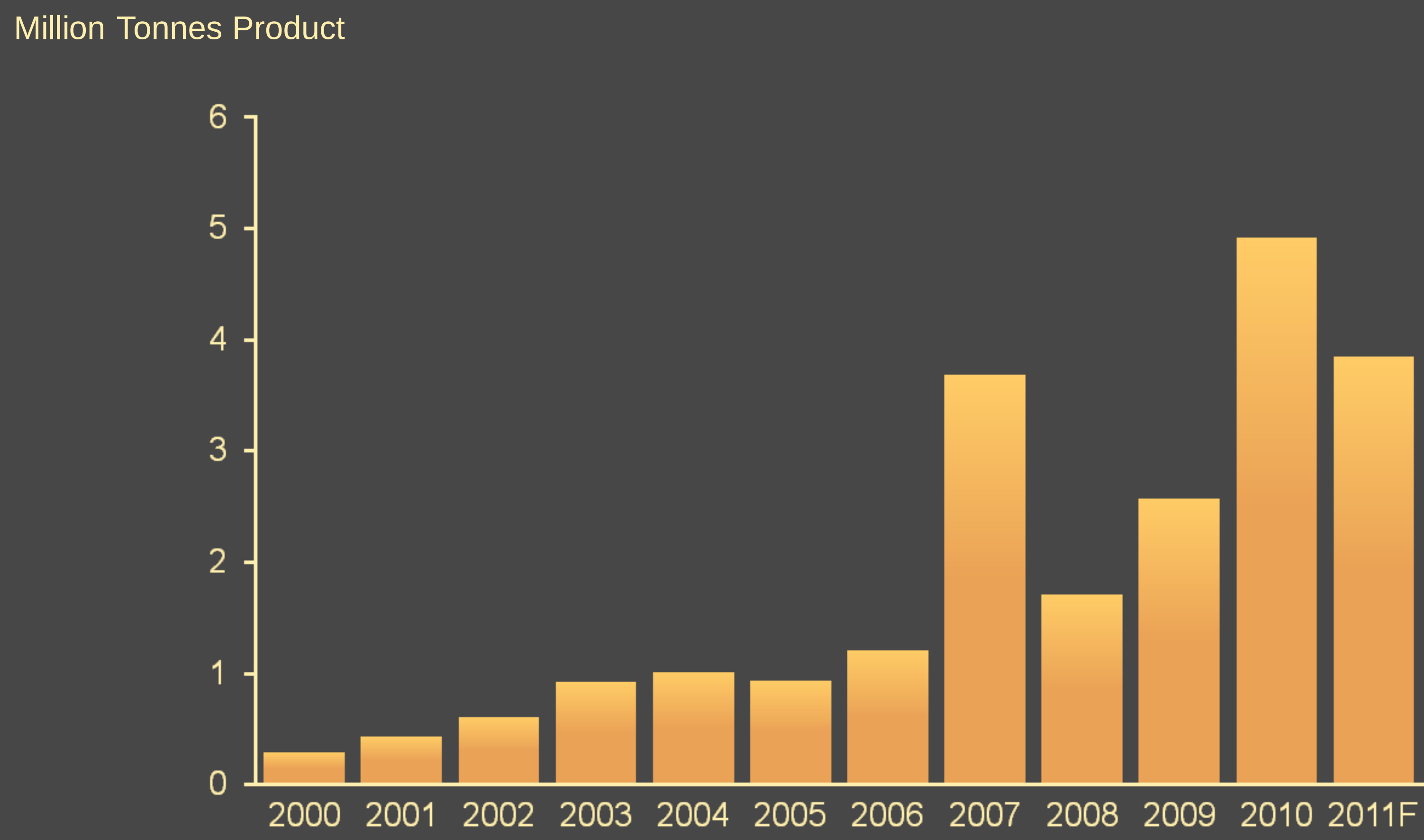
Million Tonnes DAP



Source: FAI, Fertecon, PotashCorp

China DAP and MAP Exports

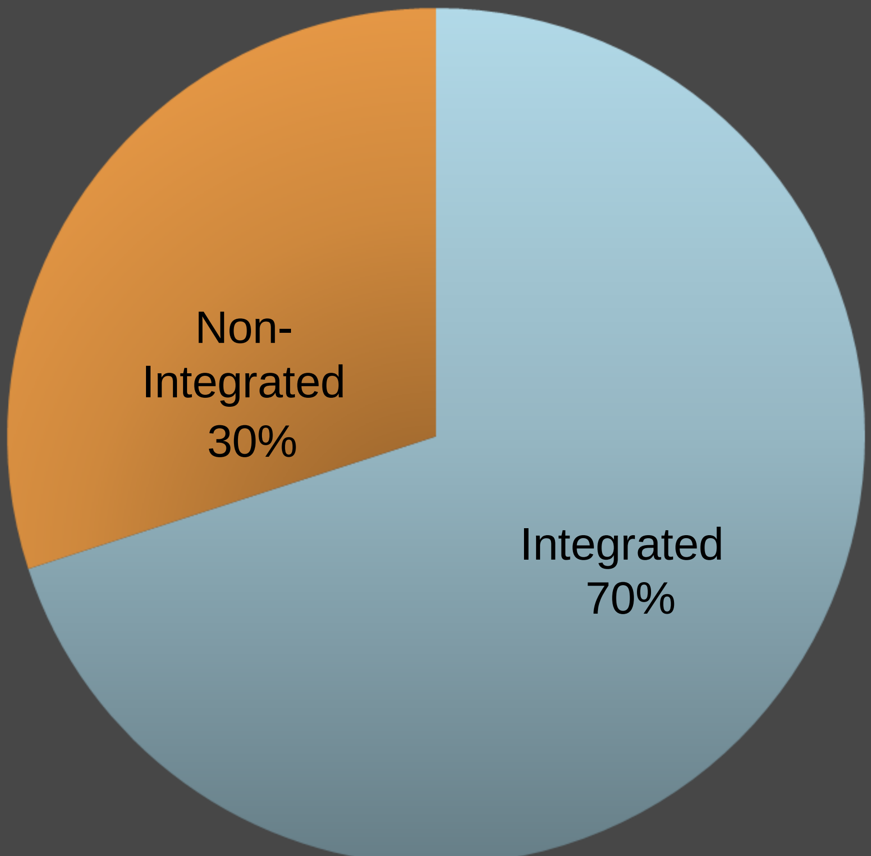
Domestic demand expected to limit exports



Source: Fertecon

Integrated vs Non-Integrated Phosphoric Acid Capacity

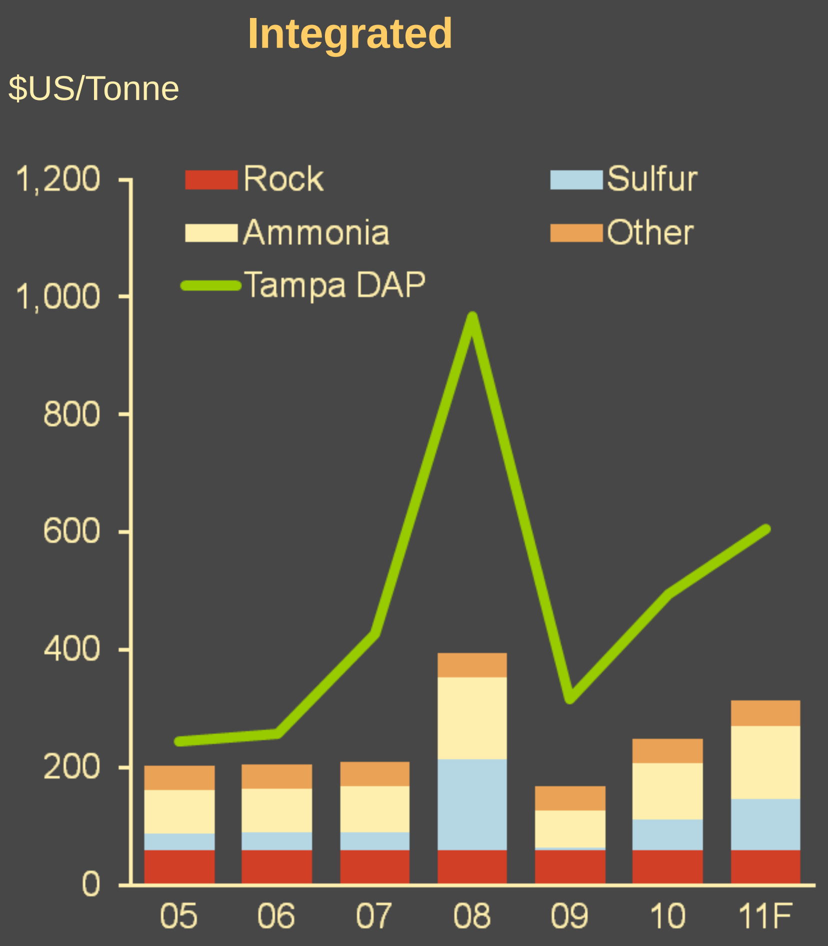
Approximately 70 percent of Global Phosphoric Acid Producers are Integrated

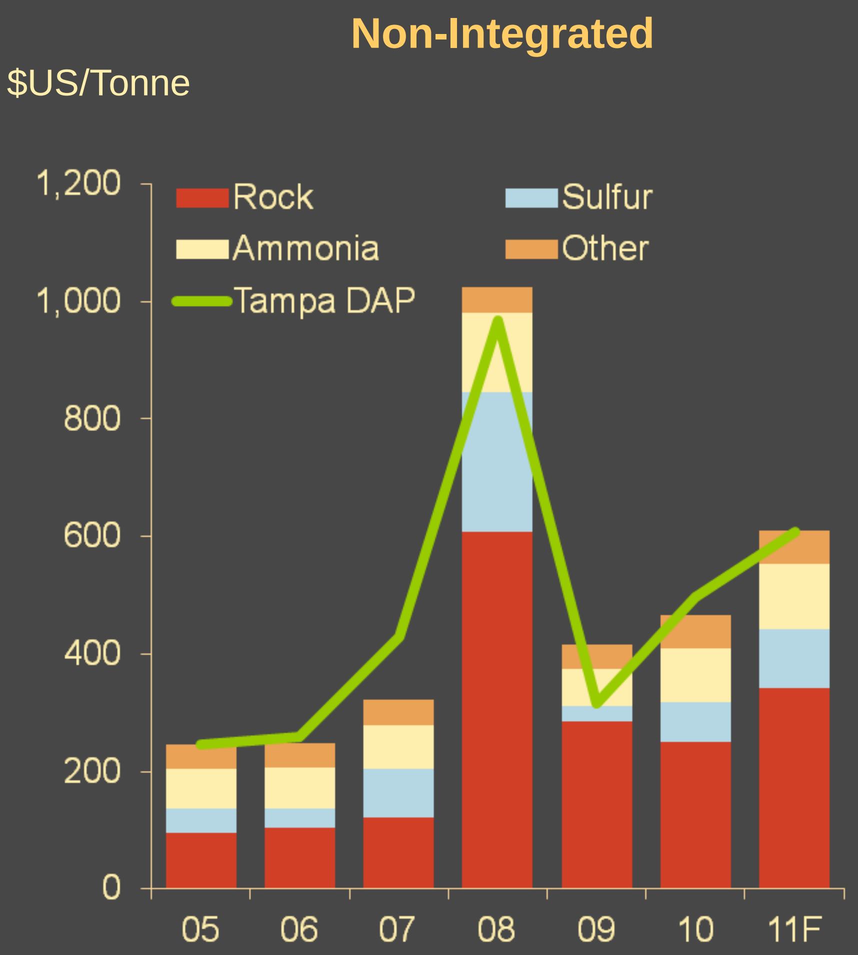


Source: PotashCorp

Integrated vs Non-Integrated Cost of DAP Production

Significant Advantage for Integrated Producers



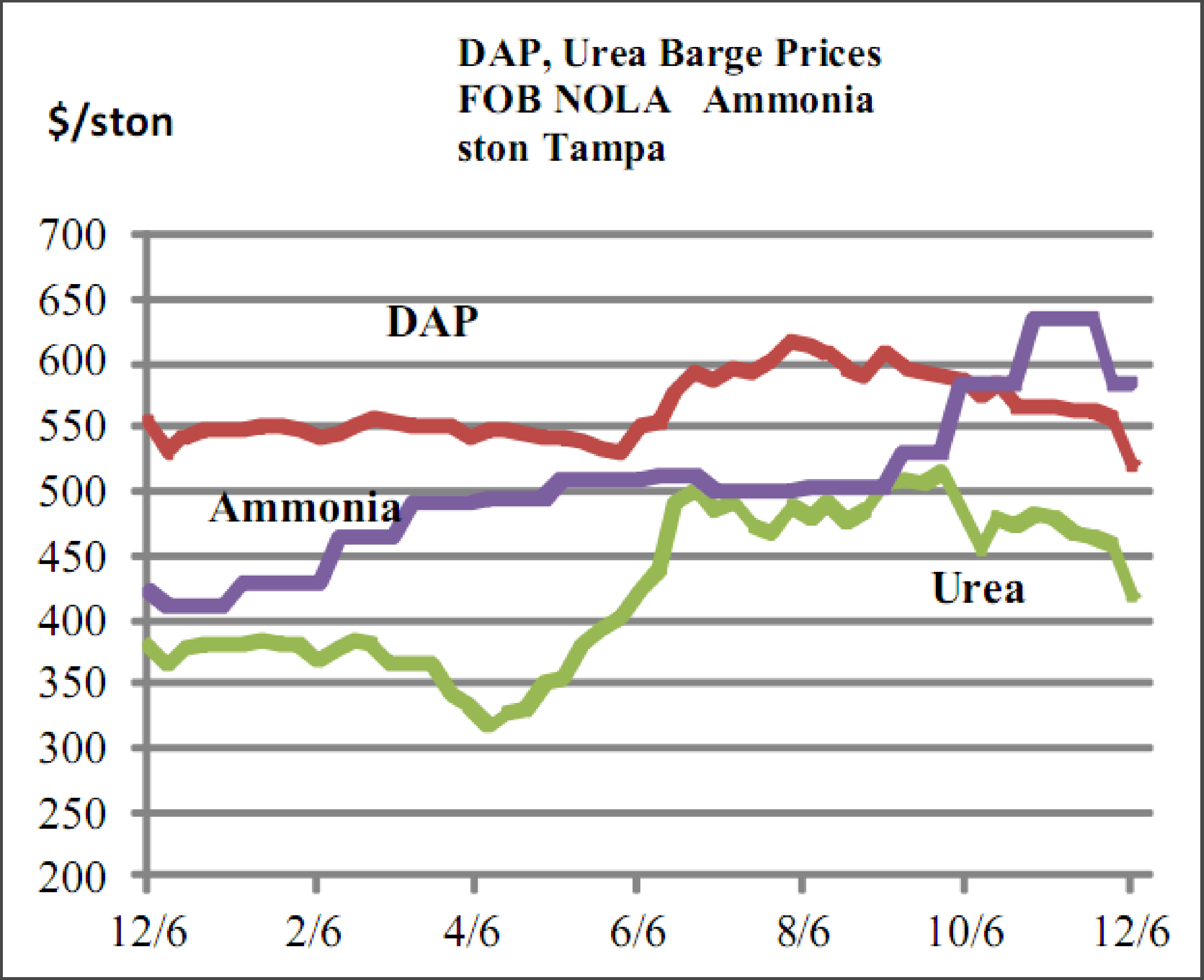


Integrated producers account for approximately 70 percent of production, non-integrated producers account for about 30 percent of production.

Source: Fertecon, PotashCorp

DAP Barge Prices FOB NOLA

$/ston



Phosphates

- Production Issues
  - Mosaic – Permitting Issues in Florida
  - Agrifos – 800,000 – Out of Production
  - New production coming on around the world
    - Saudi Arabia
    - Morocco

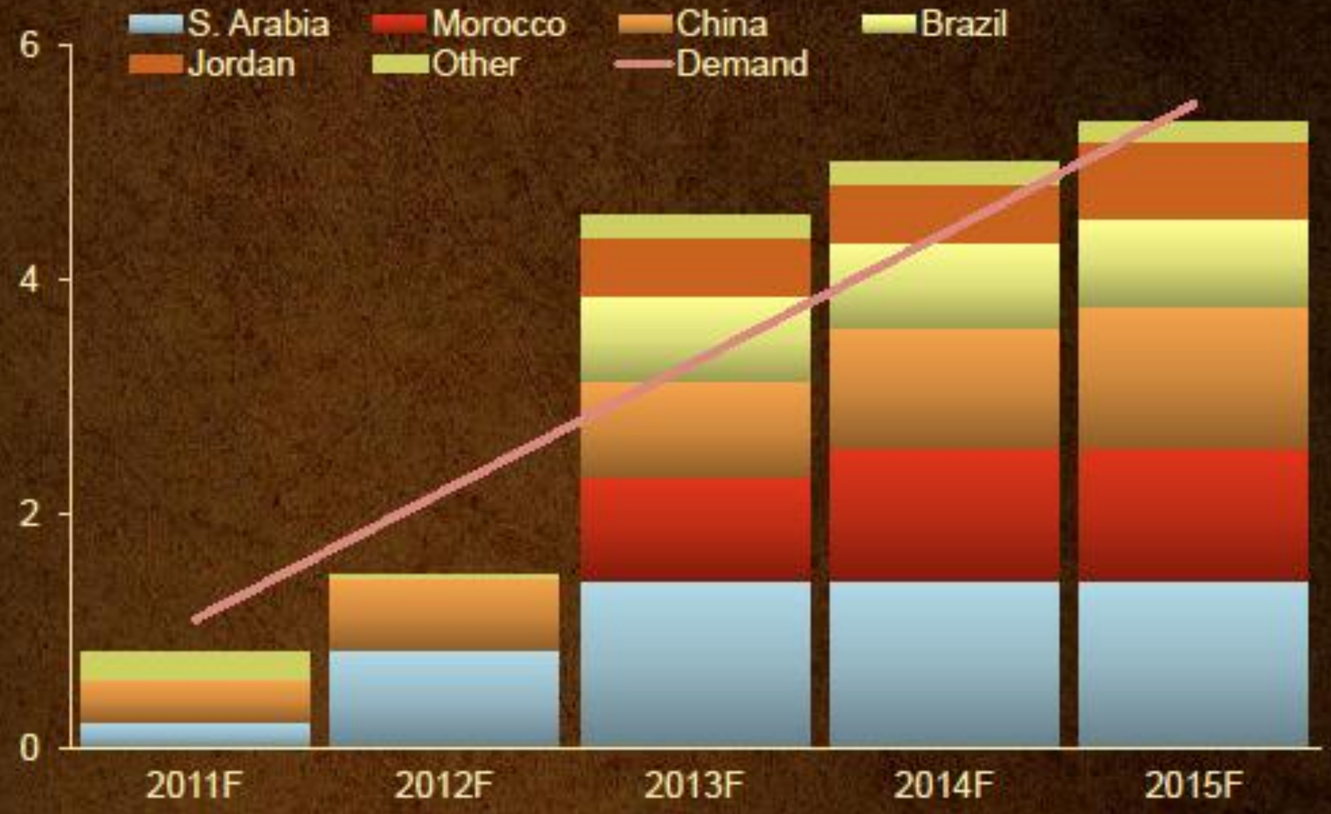
Phosphates

- Phos Acid / 10-34-0 supply and issue
  - Limited production in the US
  - No opportunities for imports
  - Reduced production in the US
  - Supplies are impacted in the shortrun

New Global Phosphoric Acid Capacity* vs Demand

Limited New Phosphoric Acid Capacity Expected Until 2013

Million Tonnes $P_2 0_5$, Cumulative Growth



*Capacity includes several projects classified by sources as uncertain, and excludes projects classified as unlikely

Source: CRU, Fertecon, FMB, PotashCorp

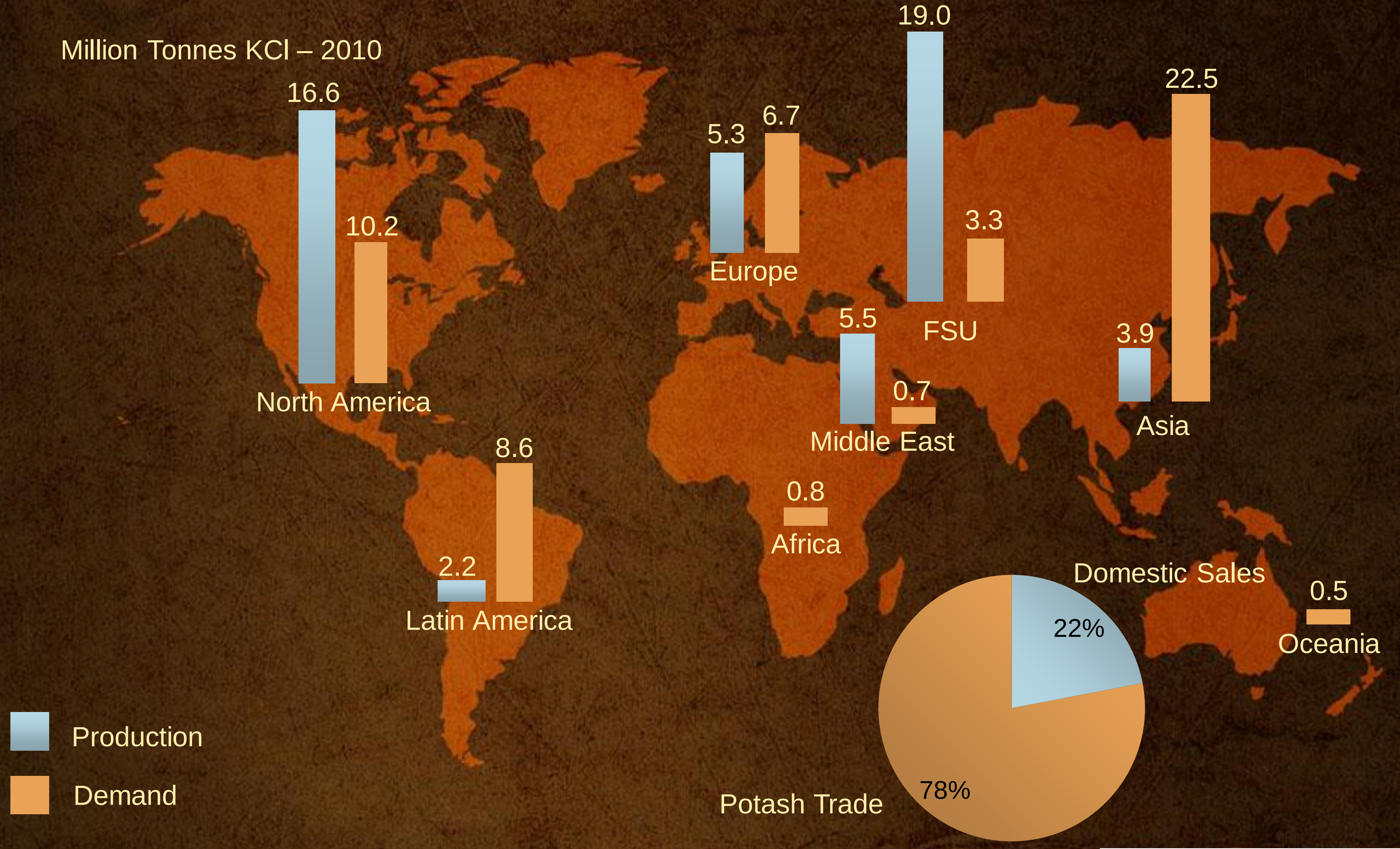
Independent Agribusiness Professionals

Potash

Overview

World Potash Production and Demand

Major Consuming Markets Are Heavily Dependent on Imports

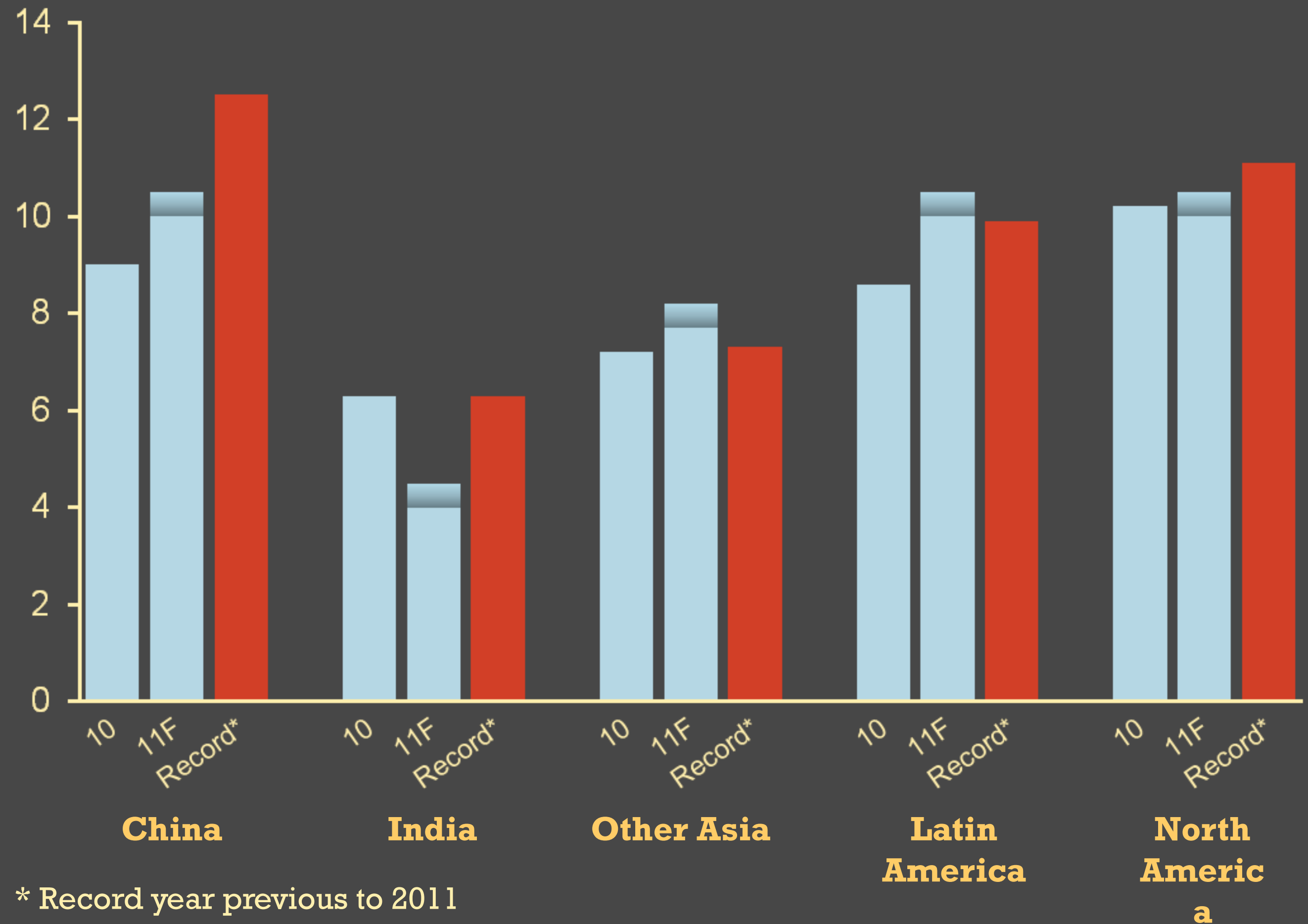


Source: Fertecon, PotashCorp

Potash Shipments by Selected Market

Expect Record Global Demand Despite Reduced Shipments to India

Million Tonnes KCl



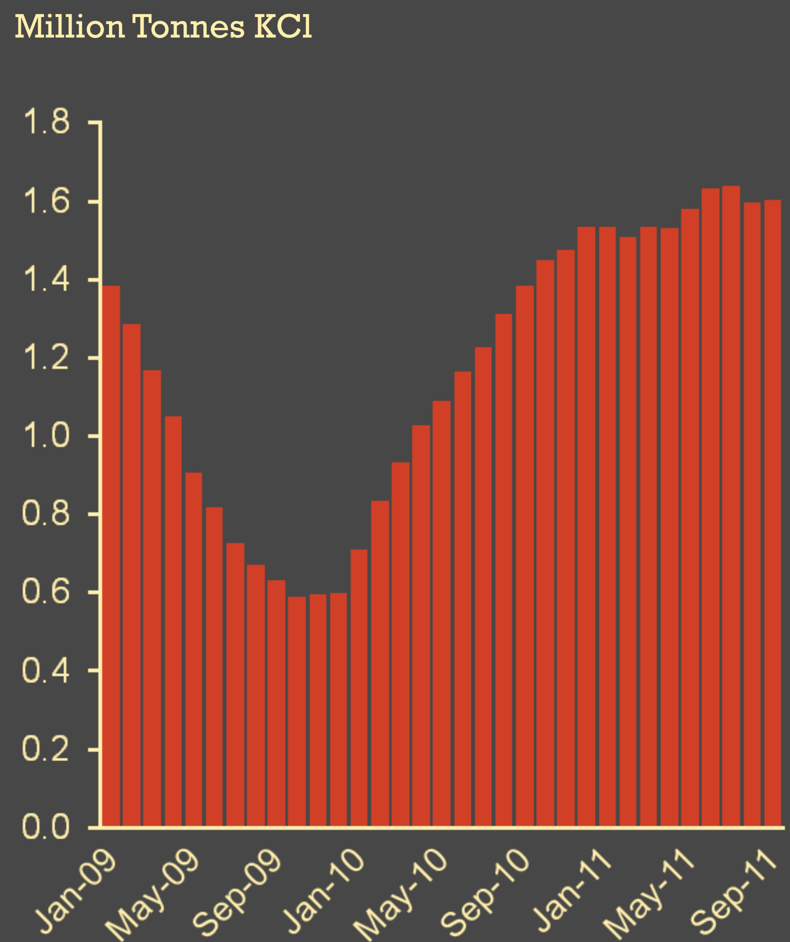
* Record year previous to 2011

Source: Fertecon, PotashCorp

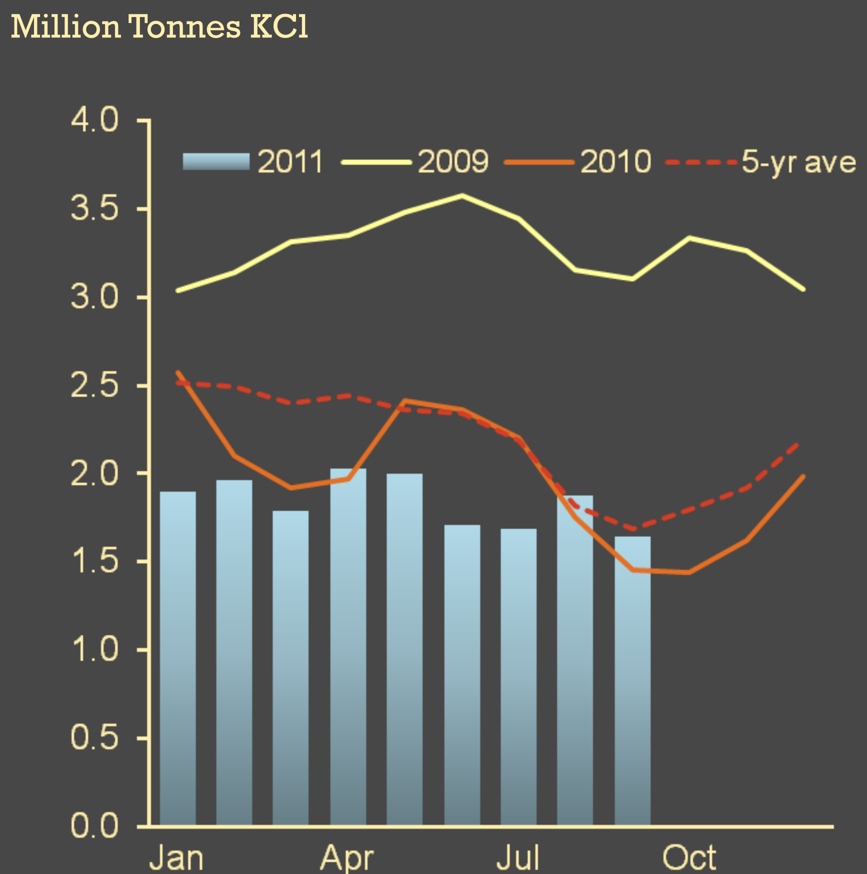
North American Potash Producer Shipments and Inventories

Strong Demand Has Tightened Inventory Levels

Shipments (12-Month Rolling Average)



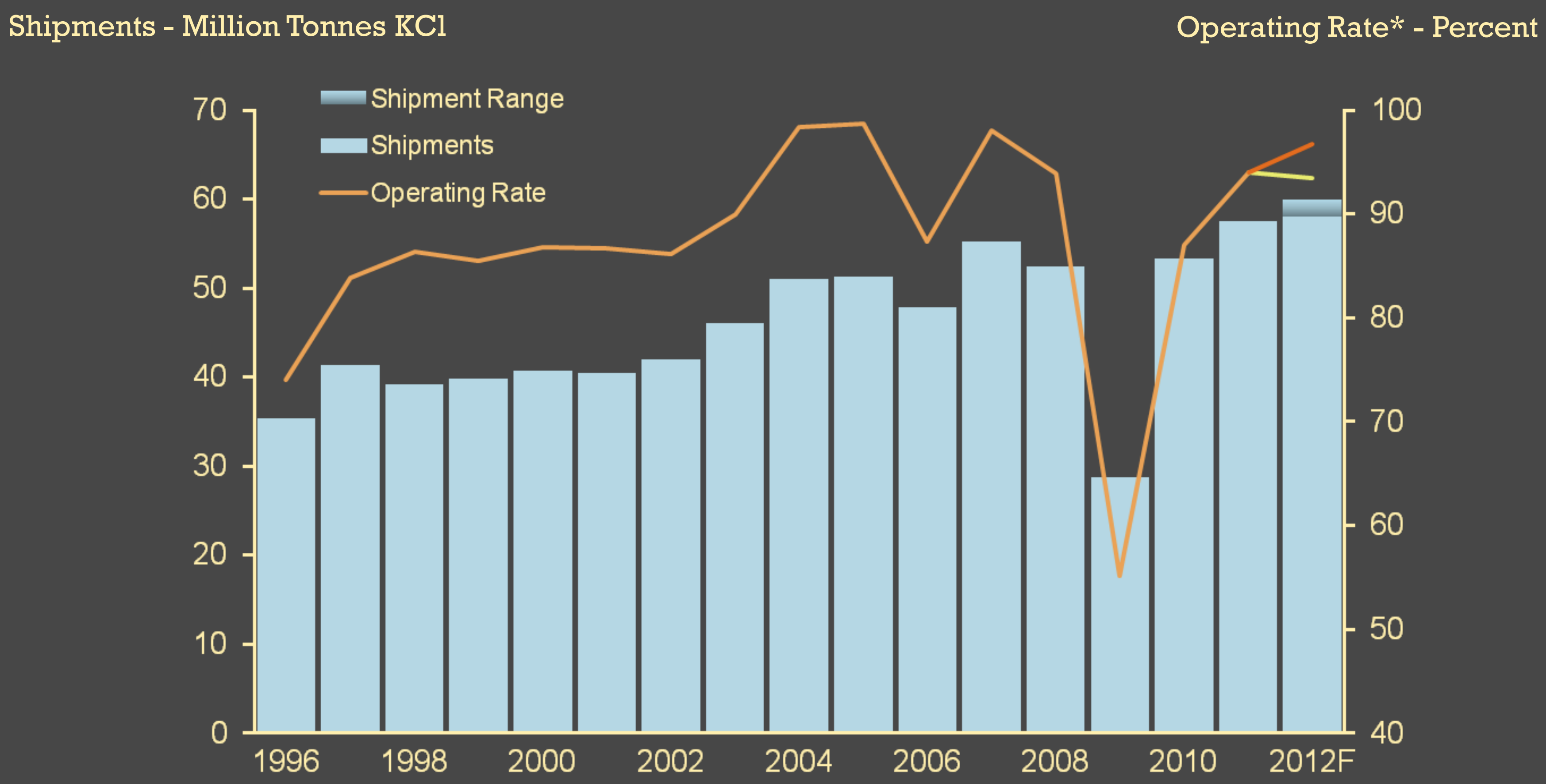
Producer Ending Inventory



Source: Fertecon, IPNI, PotashCorp

World Potash Shipments and Operating Rate

Expect Global Operating Rates to Remain at Historically High Levels



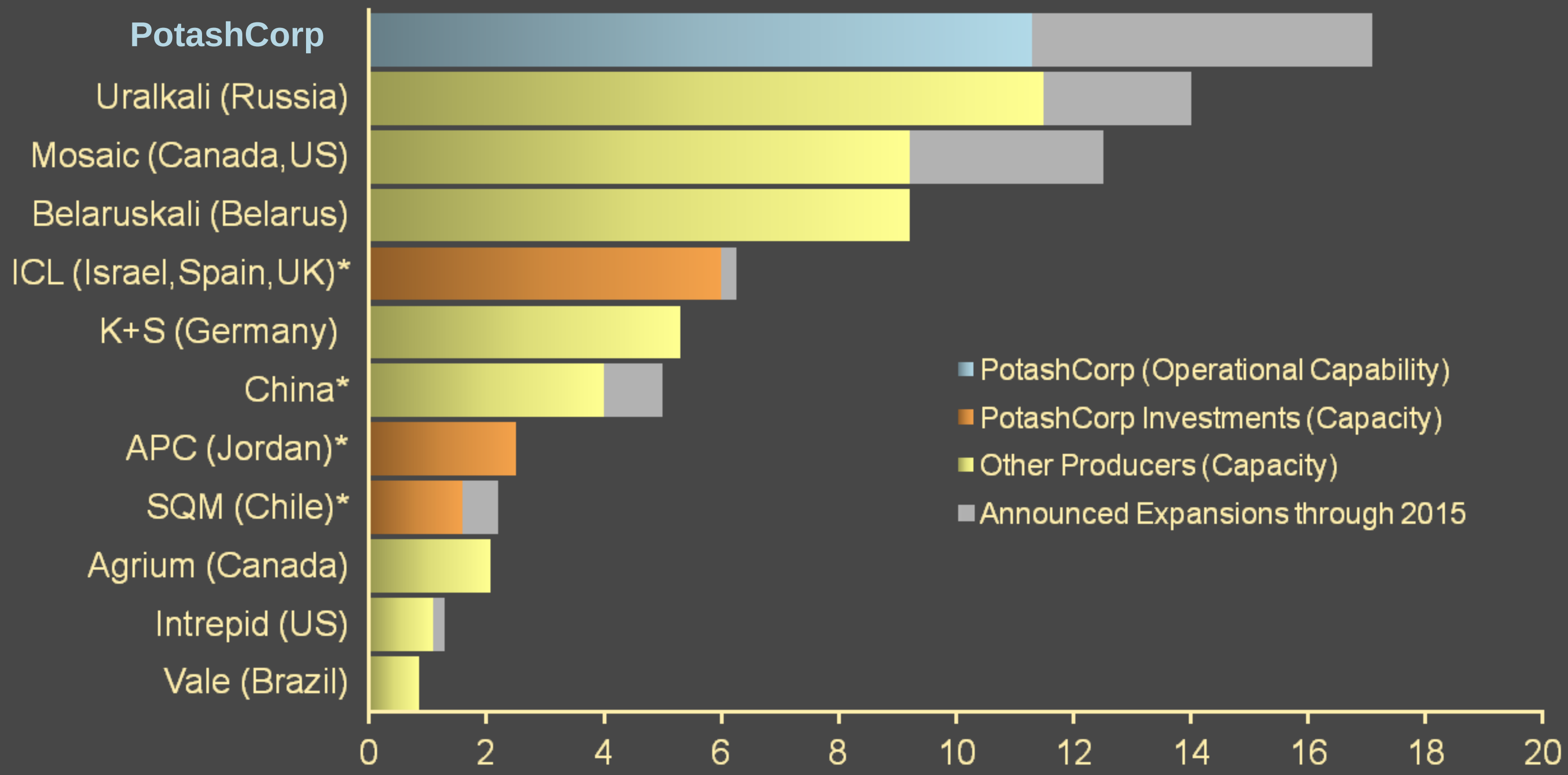
* Based on percentage of operational capability.
2012 operating rate scenarios based on global shipments of 58 to 60 million tonnes

Source: Fertecon, PotashCorp

World Potash Producer Profile

Largest Producer by Capacity

Million Tonnes KCl – 2011F to 2015F



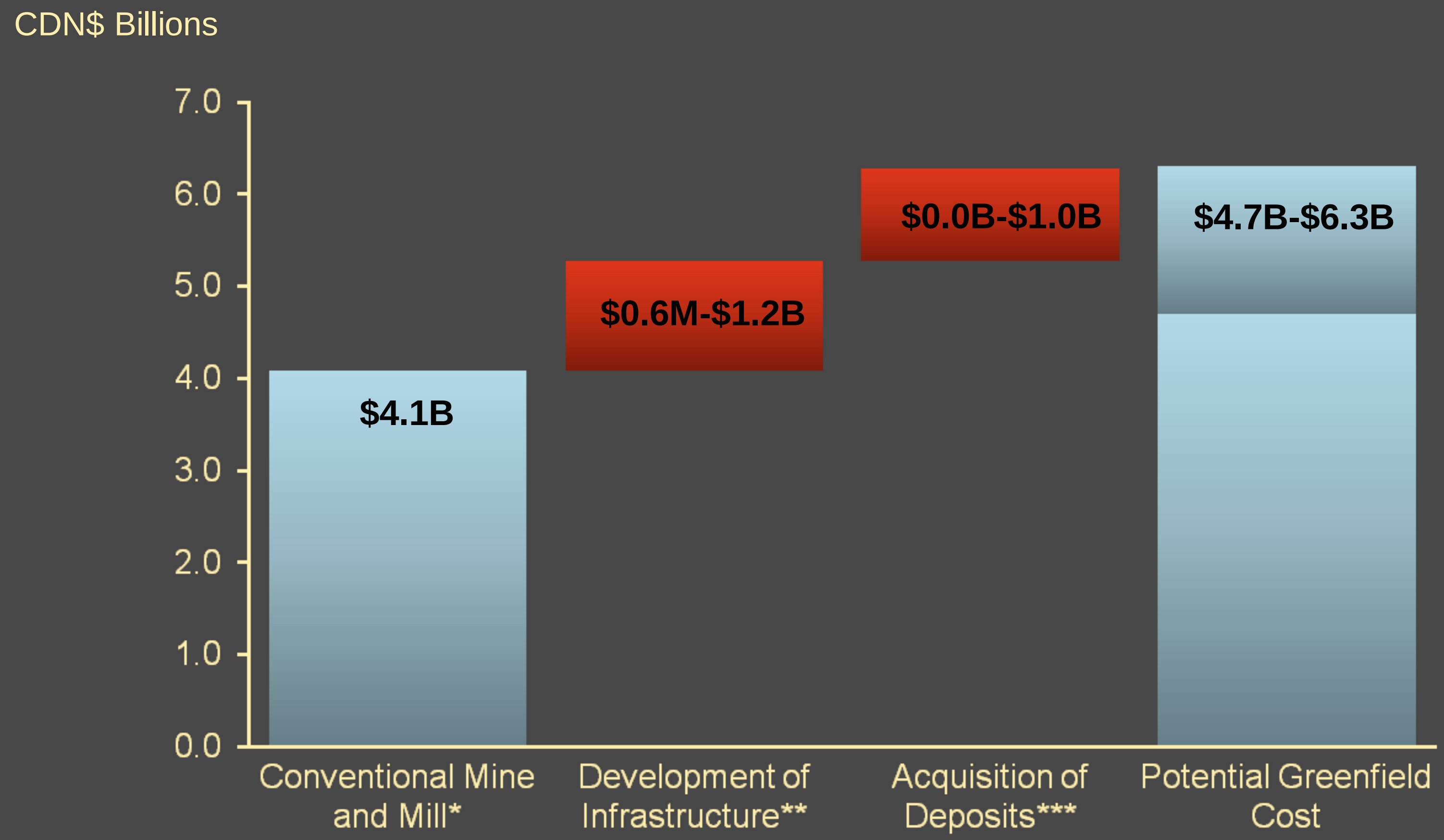
* PotashCorp investments: ICL (14%), APC (28%), SQM (32%) and Sinofert (22%)

Note: PotashCorp based on operational capability (estimated annual achievable production) while competitor capacity is stated nameplate, which may exceed operational capability.

Source: Fertecon, CRU, IFA, PotashCorp

Estimated Greenfield Potash Capital Costs

Greenfield Projects Require Significant Investment



* Based on 2mmt per-year conventional mine in Saskatchewan; costs could vary depending on conventional vs. solution mine, depth of ore body, geographic location, and other factors.

** Dependent on geographic location, access and distance to port. Includes railcars, utility systems, port facilities, etc.

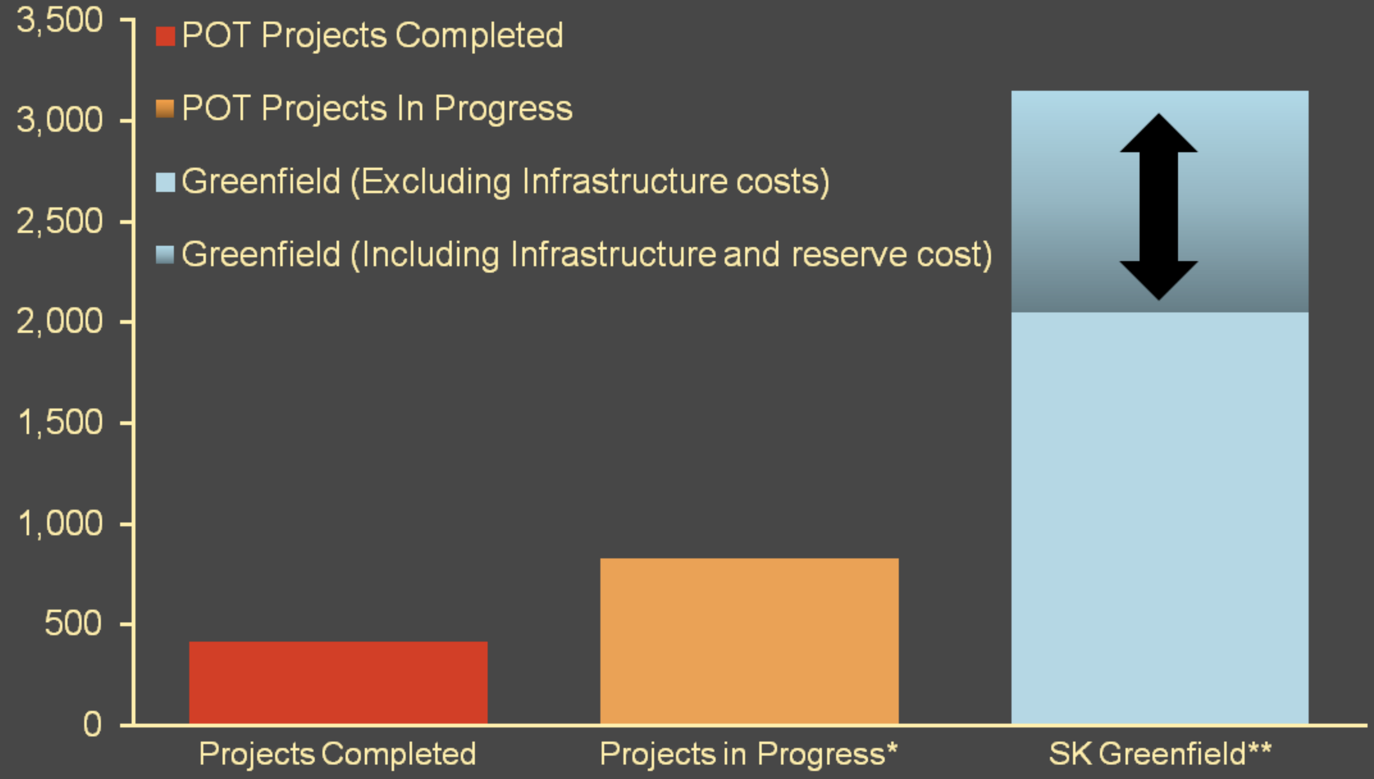
*** Based on publicly reported cost of recent purchases.

Source: AMEC, PotashCorp

Saskatchewan Brownfield and Greenfield Costs

Brownfield Expansion Advantage

Capital Cost per Tonne – (CDN$)



* New Brunswick cost per tonne based on new 2MMT mine (net addition totals 1.2MMT).

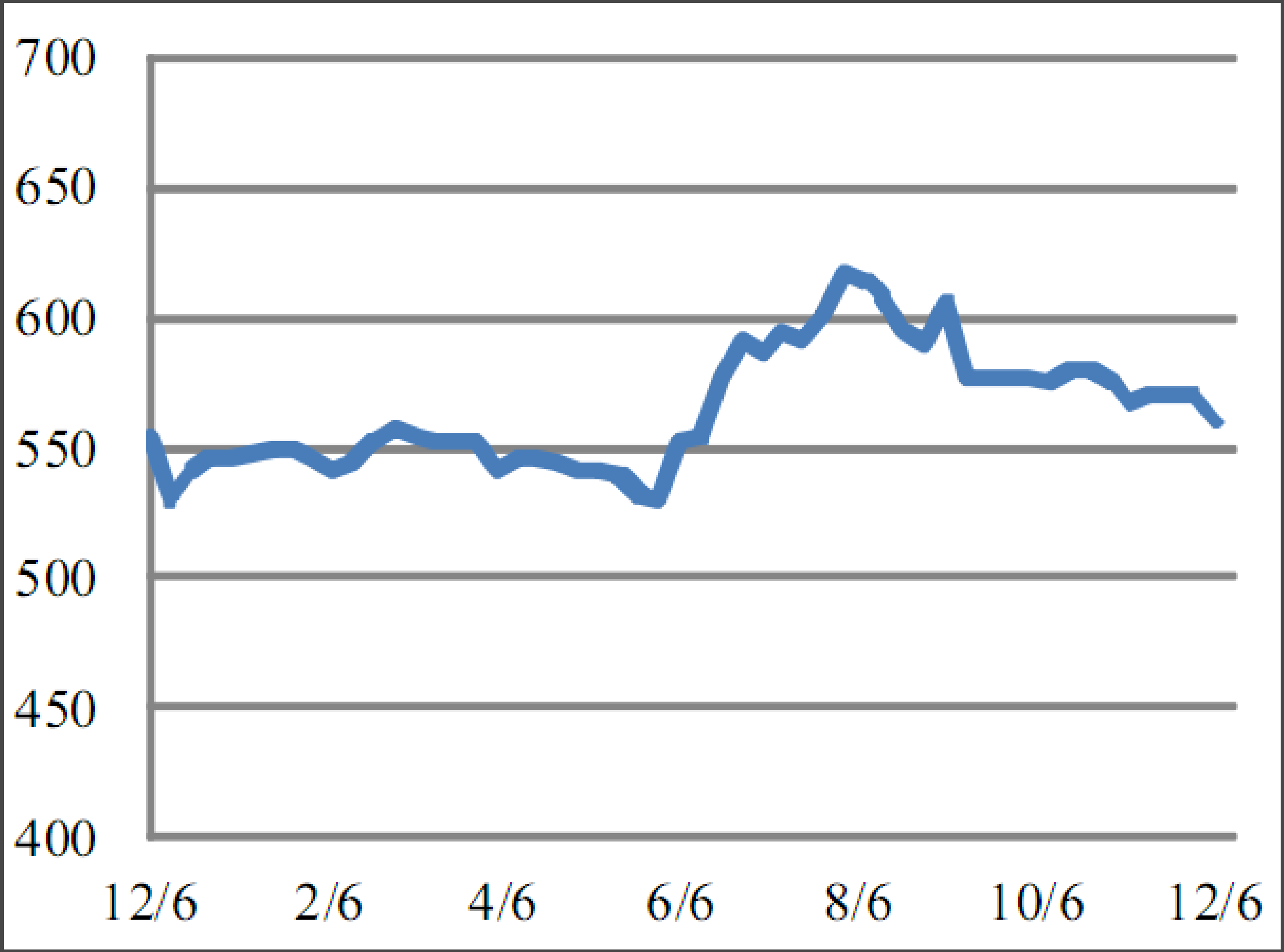
** Based on 2MMT conventional greenfield mine constructed in Saskatchewan.

PotashCorp project costs exclude infrastructure.

Source: AMEC, PotashCorp

Potash Price
FOB St. Louis

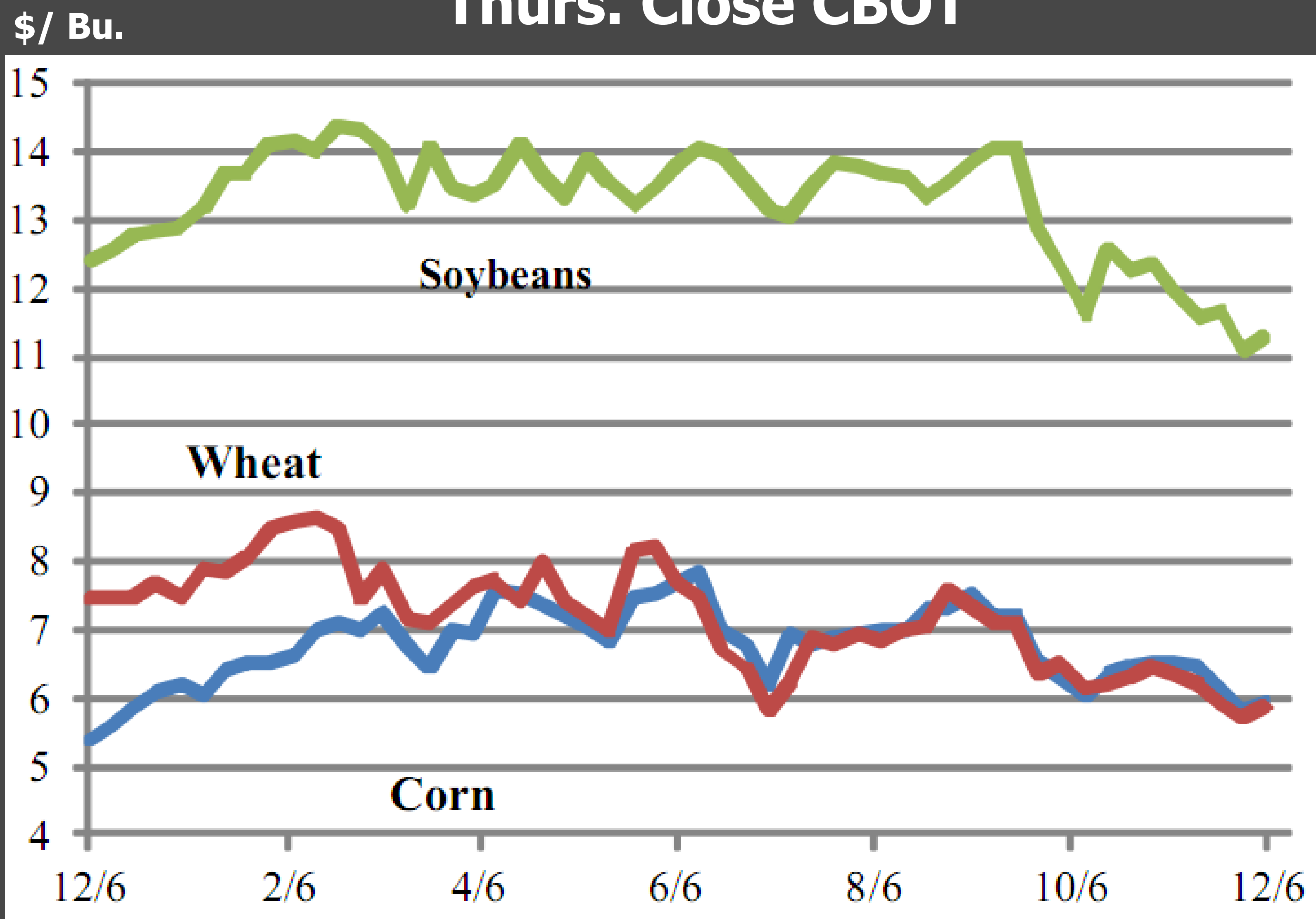
$/ston



Potash

- Fall Supply Issues
  - Producers are tying in new production causing outages at existing mines
- Producers moving prices up because they can
- Time will tell if higher prices have an appreciable affect on demand

Corn, Wheat, Soybean Prices
Thurs. Close CBOT



Fertilizer Market Direction for Spring 2012

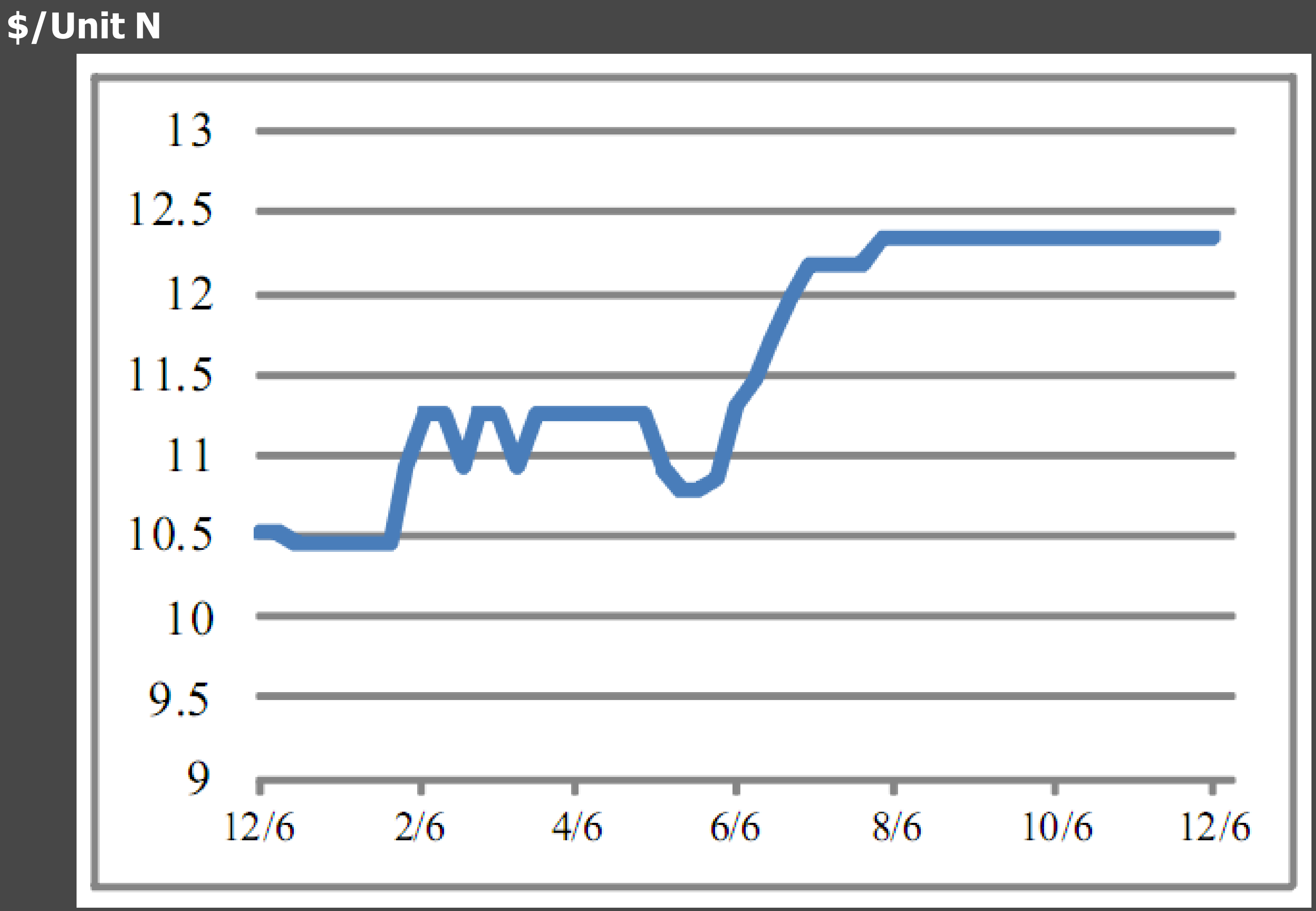
- Watch commodity prices – if commodity prices fall fertilizer will follow
- Falling commodity prices will cause buyers to be cautious and producers to be concerned
- Move from a demand driven market to a supply driven market

Questions?

IAP

Independent Agribusiness Professionals

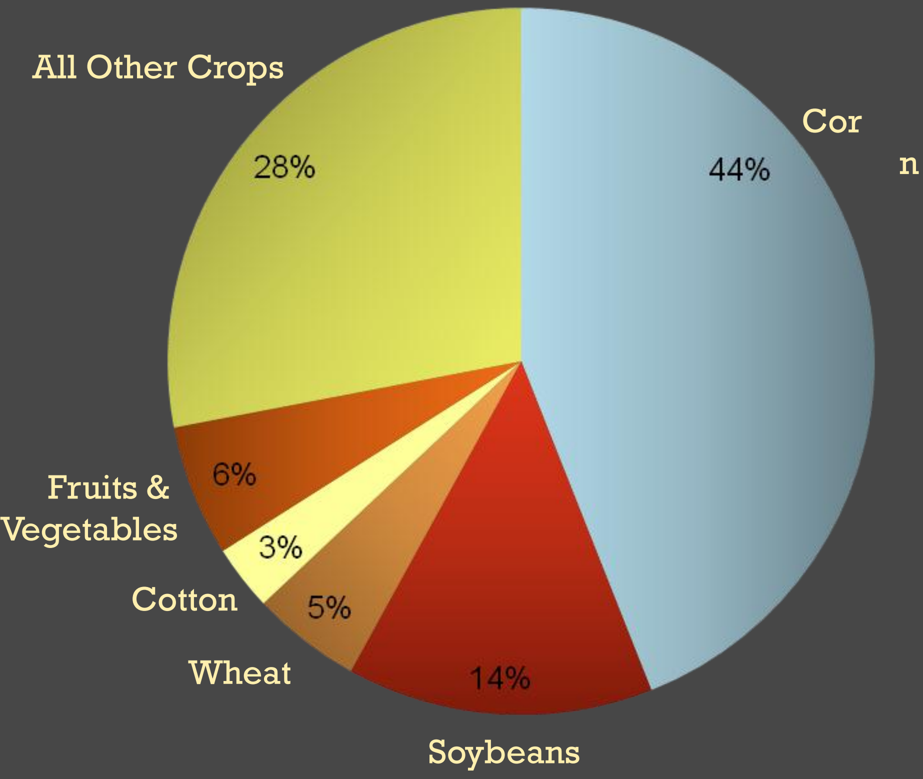
UAN Price
FOB St. Louis



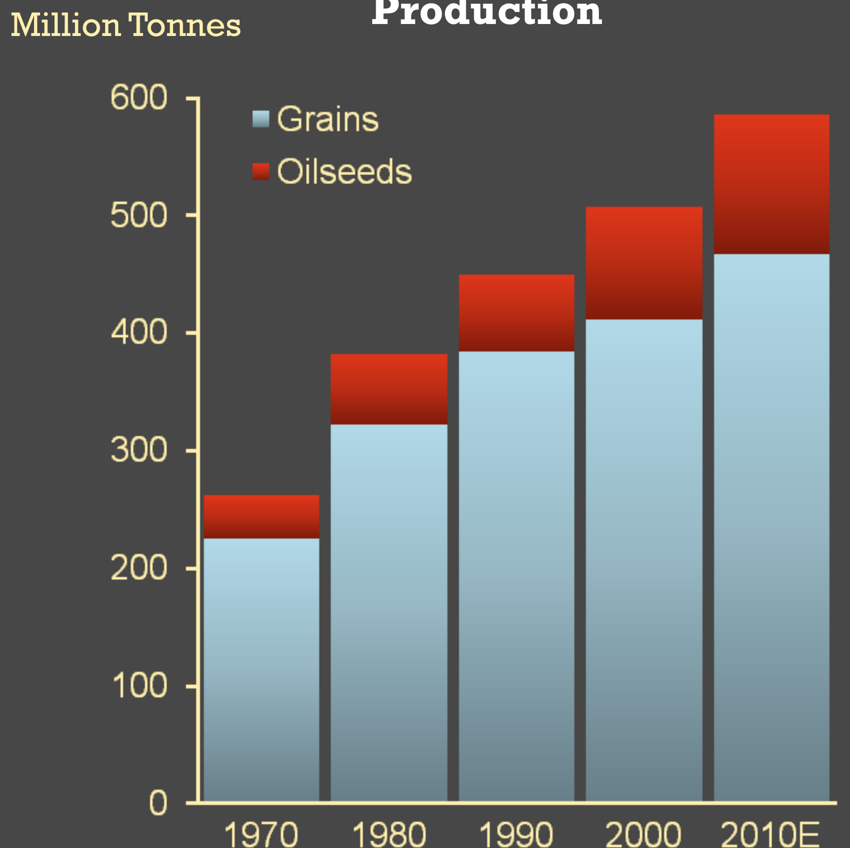
North American Potash Use and Crop Production

Corn Is the Largest Potash Consumer

Potash Use by Crop



Grain and Oilseed Production



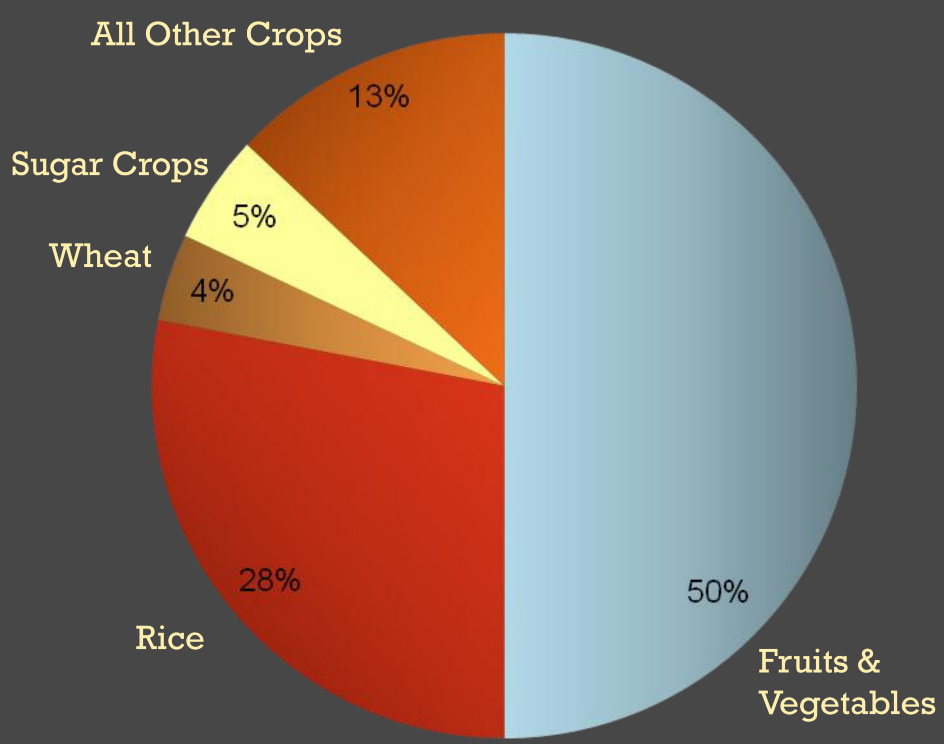
2010E refers to the 2010/11 crop year

Source: IFA, FAO, USDA, PotashCorp

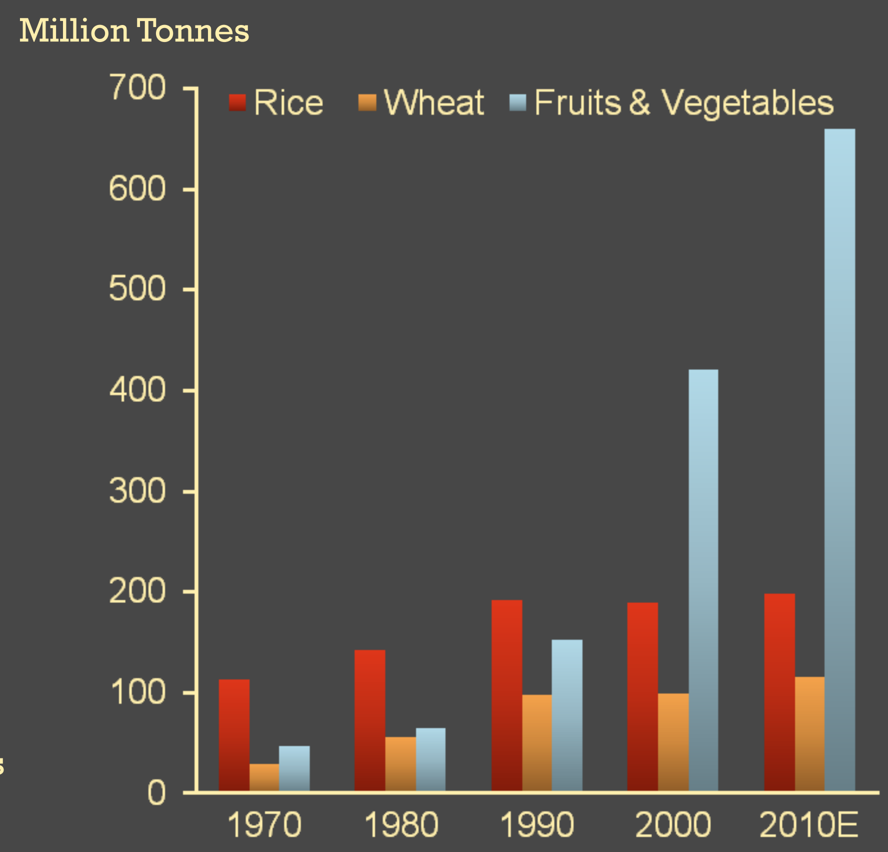
China Potash Consumption and Crop Production

Significant Growth in Production of Fruits and Vegetables

Potash Use by Crop



Major Crop Production

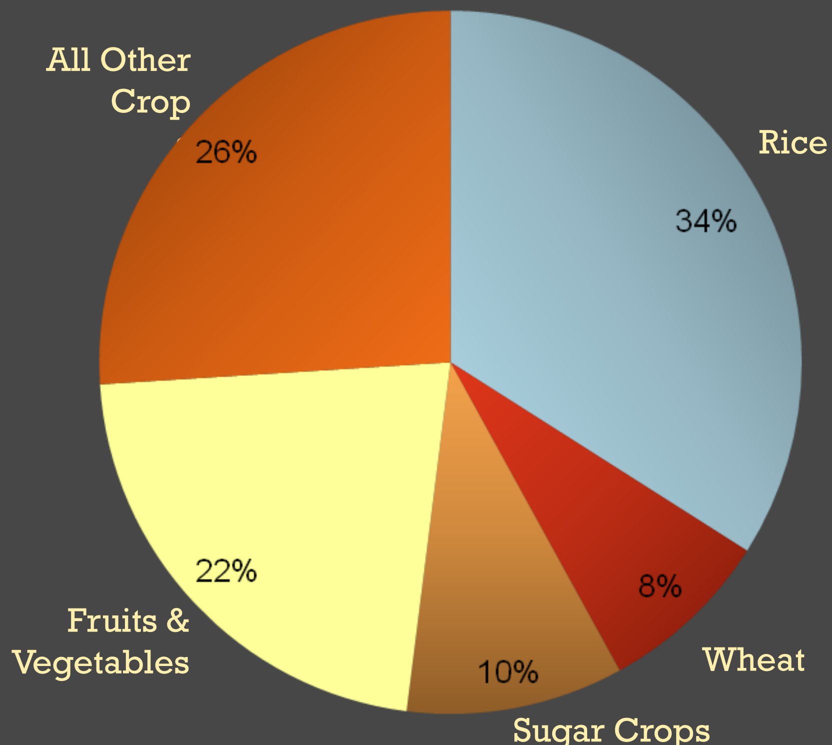


Source: IFA, FAO, USDA, PotashCorp

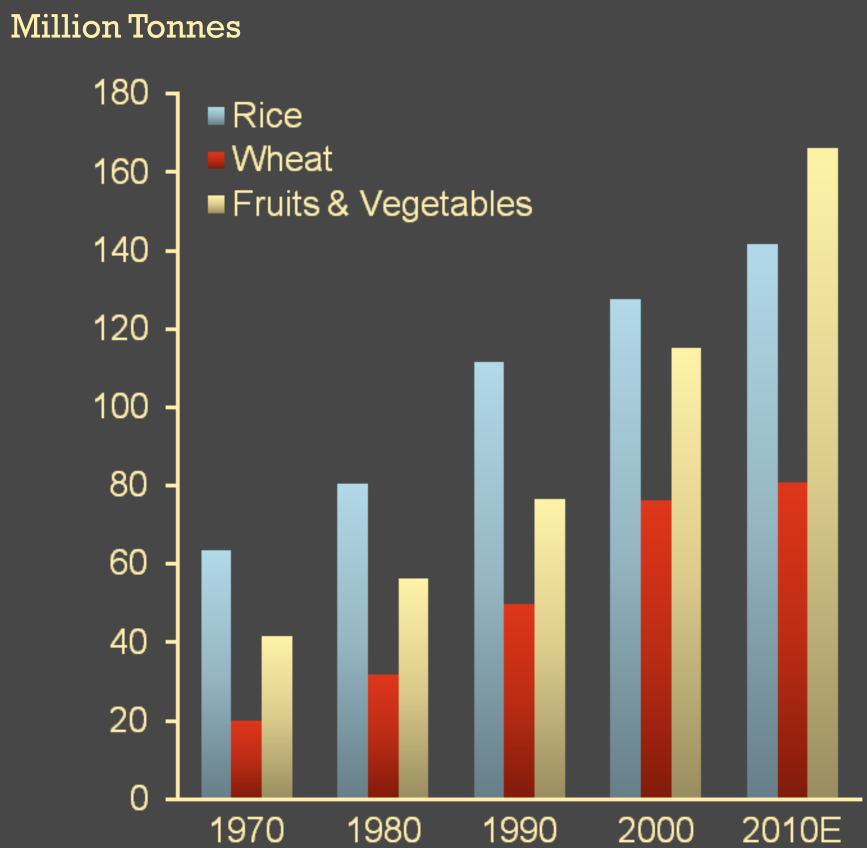
India Potash Use and Crop Production

Rice and Wheat Account for Nearly Half of Potash Consumption

Potash Use by Crop



Major Crop Production



Source: IFA, FAO, USDA, PotashCorp