

Applying fertilizers

Fertilizer consumption could reach record high in 2011, up 8% from the previous year

Brazil may reach a new record in fertilizer consumption in 2011, thanks to the good moment crops like soybean and corn are going through. The projection comes from the National Fertilizer Association (Anda), which foresees an eight-percent rise in the domestic market over the period. Demand is expected to soar from 24.5 thousand in 2010 to 26.5 million tons this year.

Currently, the Country is the fourth largest fertilizer market in the world, with a growth rate that surpasses the international average of 4.6%. Soybean fields utilize 34% of all fertilizers traded in the national territory. In 2011/12, the world will

demand 177.9 million tons of such nutrients as Nitrogen, Phosphorus and Potassium (NPK). China is the biggest consumer (31%), followed by India (16.2%), the United States (11.3%) and Brazil (5.7%).

Chief executive officer of Anda, David Roquetti, points out that, compared to the record sales January through July 2008, the shortfall in 2011 remained at only 16.113 tons. Traditionally, because of the summer crop, more fertilizer is used in Brazil in the second half of the year. In spite of the record volumes over the first seven months in 2008, the final result was not very expressive due to the onset of the financial crisis in midyear. Back then, fertilizer deliveries amounted to 22.429 million tons, a volume inferior to 2003, when the total reached 22.796 million tons. In 2009, still under the ripple effects of the crisis, sales did not exceed 22.400 million tons. Thanks the evolution in the prices of commodities in Brazil and the world, in 2010, sales amounted to 24.516 million tons, close to the sector's record, reached in 2007 with 24.608 million tons.

The soaring consumption trend is supposed to hold through the five final months in 2011, on account of the exchange relation, which continues favorable to the farmers. Higher fertilizer sales over the first half of the year were mostly driven by steady demand coming from corn and wheat farming operations. What also was a factor was the anticipation in the purchase of the inputs for the summer crop, which pushed up demand. A survey by the sector shows that in the Brazilian market soybeans are the leading consumers of fertilizers, with 34% of the total in the country, followed by corn (16%), sugarcane (14%), coffee (6%), reforestation (6%) and other crops (27%).



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Evolução do mercado brasileiro de fertilizantes (em milhões de t)

Ano	Consumo
2003	22,8
2004	22,8
2005	20,2
2006	21,0
2007	24,6
2008	22,4
2009	22,4
2010	24,5
2011	26,5*

Fonte: Anda - *Previsão NC Consultores/Anda