

Is There Too Much Fertilizer To Go Around?

Description

It's no surprise that the global demand for food has been on the rise. The populations of developing nations are demanding access to grains and meat as their wealth increases, and environmental regulation forcing the use of corn- or soy-based ethanol in gasoline are adding to the demand already generated by organic population expansion. Recent market prices and inventory levels have prompted farmers to plant significant levels of nutrient-dependent crops around the world. Unfortunately, we are running out of arable land in a fairly rapid fashion compared to the not-so-distant past.

Due to the shrinking amount of land available to farmers, fertilizer's ability to increase yield has become increasingly important. There are three varieties of fertilizers that the vast majority of growers turn to: nitrogen, phosphate and potash. A small number of companies produce all three, while the rest tend to specialize in one or two. Motley Fool analyst Taylor Muckerman briefly walks through the industry dynamics and his opinions on a few key players in the following video.

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Fool contributors Joel South and Taylor Muckerman have no position in any stocks mentioned at this time. The Motley Fool owns CF Industries.

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