



The Best TSX Fertilizer and Potash Stock to Buy Amid Russia-Ukraine War

Description

The shares of Canadian fertilizer and potash producers have started looking attractive lately. The recent Russian invasion of Ukraine has made investors worried that the war could hurt the supply of key fertilizers, including potash, in the near term. This has led to a recent rally in the prices of fertilizers, which could help the shares of some top fertilizer and potash stocks on the **TSX** keep soaring.

Before I highlight a top fertilizer stock to buy in Canada now, let's take a closer look at why fertilizers — especially potash — are important and why a rally in their prices could inflate food prices for consumers globally.

What is potash, and why is it important?

In general, multiple minerals and chemicals containing potassium are known as potash. Potash is widely used in agriculture to make plants grow healthier, making it one of the most important ingredients in fertilizers across the globe. According to [Natural Resources Canada](#), “Potash is used primarily in fertilizers (approximately 95%) to support plant growth, increase crop yield and disease resistance, and enhance water preservation.”

Why fertilizer and potash stocks could rally

Currently, Canada is the largest potash-producing country in the world, followed by other countries like Russia, Belarus, and China. As the Russia-Ukraine war continues to escalate, experts [see](#) the prices of potash to remain firm in the near term, as “escalating sanctions against Belarus as well as the military action in Ukraine by Russia” are likely to hurt potash supply from Belarus. Increasing the prices of fertilizers could also increase the agricultural input costs for farmers and lead to higher food prices for consumers.

Given these expectations, it could be the right time to add some fertilizer and potash-related stocks to your portfolio now.

The best TSX potash stock to buy today

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) could arguably be the best fertilizer and potash stock to buy on the TSX right now. The company claims to be the world's largest provider of crop inputs and services and has a market cap of around \$70.5 billion today. This Canadian fertilizer stock has already risen by nearly 31% in 2022 so far after posting 55% gains last year.

In 2021, [Nutrien](#) reported a 34% YoY (year-over-year) rise in its total revenue to US\$26.9 billion, exceeding analysts' estimates. Notably, the potash segment made up nearly 16% of its total revenue last year, while most of its revenue (nearly 64%) came from the retail segment.

Solid demand growth for its products helped Nutrien post an outstanding 246% YoY growth in its adjusted earnings to US\$6.23 per share, beating Street's estimate of around US\$6.07 per share. To add optimism, its adjusted net profit margin also massively expanded to 13.2% last year compared to just 5.1% in 2020.

As the prices of potash and other fertilizers continue to rise amid the ongoing Russia-Ukraine conflict, you could expect Nutrien stock to continue soaring. Apart from its positive short-term outlook, the company continues to focus on its long-term strategy targets and key sustainability priorities, which also make this fertilizer stock worth considering for the long term.

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Date

2025/07/07

Date Created

2022/03/15

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