



Urea Center could help stabilize nitrogen prices

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LM Direct!



The world uses about 130 million metric tons of urea for fertilizer each year, and most fertilizer watchers expect that number to rise.

The demand for more urea, especially in the face of rising prices for nitrogen sources derived from other ammonium compounds, was a crucial market condition that prompted Lange-Stegmann — parent company of Agrotain International — to undergo a \$20-million expansion project of its St. Louis Urea Center, a urea storage and handling facility uniquely poised on the northern-most lock-free, ice-free terminal on the Mississippi River.

The expansion project also includes upgrades to Agrotain's Stabilized Nitrogen Center, which produces nitrogen fertilizer with a proprietary falling-curtain process.



The St. Louis Urea Center's proximity to the Mississippi River, railways and roads makes it an ideal location to distribute products from abroad throughout the United States. Here, a fixed loader dumps urea seed onto a

conveyor system that leads to storage. Photo courtesy: Agrotain International

The St. Louis Urea Center, which can operate all year and has access to every major rail system in the United States in conjunction with river and road transportation, is crucial for the turfgrass and ornamental market because it provides access to affordable urea from international sources, says Mike Stegmann, president of Lange-Stegmann.

Urea made in the United States has become too expensive for many companies to produce because it is derived from hydrocarbons, mainly natural gas. As petroleum-based prices escalate in the United States, manufacturers must look abroad for the economically viable production of raw urea. Most of the urea imported through St. Louis comes from China, Russia and Saudi Arabia, Stegmann says.

"This is an important development because crop farmers can raise prices, but the turf and ornamental markets are incurring higher costs without any real mechanism to raise their prices," he told the media and distributors at the center's grand opening in September. "Fertilizer prices probably won't go back to the way they were, probably ever."

The urea center has output capacity of about 1 million tons each year. Other fertilizer makers, including Agrium Advanced Technologies, leases warehouse space and handling services from the urea center.

The company also expanded Agrotain's Stabilized Nitrogen Center, a manufacturing facility that produces the company's UMAXX and UFLEXX fertilizers. The upgraded facility can produce 125,000 tons of its falling-curtain products each year. Its proprietary process incorporates a urease inhibitor and a nitrification inhibitor to allow a more efficient and longer-lasting absorption process, according to the company.