Nitrogen Costs, Soybean Seed Challenge Crop Planters

JOYCE BUPP
York Co. Correspondent

YORK (York Co.) — Think rolling energy blackouts in California have no impact on the East Coast farming community?

Think again.

As natural gas prices have escalated across the country, energy producers are scrambling for supplies.

One place they reportedly obtained scarce natural gas is from firms which normally use gas to produce nitrogen fertilizers.

As a result, suppliers warn that nitrogen production is down this spring and costs have blasted sky-high.

Some area growers have already bought their spring needs of nitrogen. Some are looking at alternatives, such as sources of manure. Some are simply planning to use less, or none at all.

"Nitrogen is the bone in the craw of producers this year," said George Williams, owner of Codorus Fertilizer Service in southwestern York County. "Costs are being driven by energy, especially natural gas, which is the first item you start with in the nitrogen production cycle."

Williams concurs with recent news reports, that some large domestic producers of nitrogen fertilizer have resold their supplies of natural gas to help fill energy production demands.

"Worldwide, there is less nitrogen being manufactured because it was not real profitable in the past. A lot of plants were shut down and manufacturers need a couple of months lead time to gear them back up," said the fertilizer supplier.

While there has been some speculation among farmers that the nitrogen shortage is contrived to generate higher profits for manufacturers, Williams sees it as a genuine supply-demand problem. That crunch shows no signs of quick improvement, especially heading into the upcoming months when planting puts a heavy demand on nationwide stocks of nitrogen.

According to Williams, urea fertilizer price one year ago was running about $160 per ton. A ton of the high-nitrogen dry urea will cost growers upward of $265 per ton. Urea is a 46 percent nitrogen product, supplying 920 pounds of nitrogen per ton, or 2,000 pounds of material.

Liquid nitrogen, by comparison, is a 30 percent material providing 600 pounds of actual nitrogen per ton. Costs of liquid nitrogen have comparably climbed, from a February 2000 cost of $110-115 per ton to a recent quote in the $185-190 range.

Exploding nitrogen costs was an issue on the minds of growers attending the annual York County corn clinic earlier this month.

The father-son partnership of John Marstellar, Sr. and Jr., Stewartstown, who raise 800 acres of corn, got a little ahead of the cost curve on their spring supplies of nitrogen. Aware that the price was on a serious upswing, the Marstellars not only bought ahead, they also added extra on-farm storage for their nitrogen needs.

Fawn Grove area grower Bob Morris has also laid in his spring order of nitrogen. He related visiting with another producer who was on the search for supplies of poultry manure to replace high-cost nitrogen fertilizer.

"I'll cut back, probably about 25 percent, if prices stay high," said Don Glatfelter, Mount Wolf. Galtfelter, who raises about 125 acres of corn and 100 of soybeans, figures that is will take a better price for corn than the current level before he could justify upping his nitrogen use any more.

Rodney Eisenhart, Thomasville, plans to minimize nitrogen needs by growing his corn in former soybean fields. Not a new plan for Eisenhart, the rotation pattern just continues a program he has used in prior years. Like many York area farmers, Eisenhart has recently lost some rented acreage to urban sprawl, also cutting his cash layout for nitrogen in this high-cost year.

Dairyman Henry Dehoff, Dallastown, may cut back nitrogen use, but no more than 10 percent. He is concerned, however, that the short supplies may prevent their family dairy operation from getting all the nitrogen they might want for the 500 acres they normally plant, even with slightly reduced application rates.

Manure availability is a boon for farmers raising livestock or poultry since, such as Airville dairy producer Harry Bickel. They can supplement added nitrogen with applications of natural fertilizer. Brian Baer, across the county at Glen Rock, figures on doing the same with barnyard buildup from the family's beef cattle herd.

"We'll be pretty careful with it," said retired dairyman Bob Stewart, Airville, summing up the general feeling about nitrogen applications in the 2001 growing season voiced by most growers attending the crop clinic.

York extension agronomist Mark Goodson has encouraged corn growers, if possible, to split their nitrogen applications. Put some down as a seedling-starter boost, then come back in when corn is ready to make its big growth push in mid-summer with a sidedressing, if possible.

Since nitrogen very readily leaches out of the soil and into the environment, including groundwater, splitting applications is doubly beneficial. Not only does it give the crop a double-whammy of nutrient, it does it in smaller amounts, less likely to go to waste. Also, costs of nitrogen are expected to take somewhat of a drop once the spring planting season is past, allowing later applications at a lower impute cost.

"A lot of our clients say they may cut back in nitrogen application," said ag lender John Eaton of Peoples' Bank. "Levels of nitrogen in many fields in the area are pretty good, since it's been fairly inexpensive in the past. And, some say they'll switch to planting soybeans instead."

Even that plan, warns Cordorus Fertilizer's Williams, may have its pitfalls this year.

"There's a definite shortage of soybean seed this year," he said. "Seed beans would have been short this year, even without more farmers planting beans instead of corn."

Poor conditions at harvest, with prolonged wet weather in many cases, left the outer skin of soybean seeds more thin and delicate than usual. That thinness will cause the coats to crack and the seeds shatter more readily than normal, resulting in reduced germination rates. Those likely low germination rates, coupled with a short supply, are combining to aggravate the situation.

And, Williams said, soybean seeds are rated according to planting length, from the shorter-season beans used in Canada and New England to much longer-length season beans such as might be planted in Virginia. And the "Group 3" bean, probably the most-popular, season-length seed for the middle-Atlantic region, seems to be one of the shortest in availability.

While longer-season beans will grow and mature under normal middle-Atlantic growing conditions, Williams advises that they absolutely need to be planted early to take advantage of the entire growing season and mature completely.

Couple the lower germination rate with fewer seed beans to begin with, and farmers are looking at a shortage of the seed they might readily switch to in order to avoid the high nitrogen impute costs for corn acres.

With possible shortages of high-priced nitrogen and less abundant supplies of lower-germination soybeans, area farmers find their own ways to deal with the particular set of challenges the 2001 crop year offers.

"If the weather delays planting in the southern states and the whole East Coast opens up at the same time, we could have a real problem," said Williams. "If planting season is normal, we'll probably be okay. I'm afraid no one has a real handle on what's happening."