

Intratec Primary Commodity Prices User Guide

Introduction

Intratec Primary Commodity Prices deliver trustworthy numbers which allow users to assess commodities prices worldwide. The database includes monthly average historical price values and price forecasts covering a rolling 9 months forward in a set of locations recognized as relevant for international trade. Further details about Intratec Primary Commodity Prices and their methodology can be found at <https://intrat.ec/ipcp-methodology>.

Illustrative Cases

Intratec Primary Commodity Prices usage is straightforward. Commodities prices (historical data and forecasts) are presented in a handy tool through which users can easily compare trends, download price data and customize views. Each price specification is described in the 'Data Legend' topic below the chart.

You can find below some specific examples on how to correctly use Intratec Primary Commodity Prices.

Case 1

In March 2023, a multinational fertilizer company wants to evaluate Diammonium Phosphate (DAP) price forecasts around the world in November 2023. These data will be part of an investment evaluation to decide where it is going to build its new plant.

1. To see price forecasts. select "Price Forecast" under the option "View" (available in 'Pro' and 'Business' Plans).

2. The table below shows DAP price forecasts of 7 available locations in November 2023.

Location	South America	China	Europe	SE Asia	Africa	Middle East	United States
Price (USD cent/Nm ³)	566.7	523.41	704.88	662.59	658.9	672.15	551.35

Europe has the highest DAP price forecast, while China has the lowest.

Case 2

Between January and February 2022, an Indian company's DAP supplier corrected the price of the commodity from INR 62000 per ton to INR 70000 per ton, and this enterprise would like to verify if this increase actually occurred.

3. As the company desires to follow the price trend in Rupees, it is necessary to choose "INR" under the option "Currency".

4. Following the SE Asia price curve, you can see a clear increase of 12.25% from January 2022 (61583.35) to February 2022 (69212.87). This increase is in line with the increase of 12.9% in the price of the supplier.

Case 3

In February 2017, a Chinese farmer is considering which NP fertilizer to use on his plantation: monoammonium phosphate or DAP. To do this, he wants to know the prices of both commodities in USD per kilogram to compare his costs.

1. As the desired price unit is kilograms, it is necessary to change the price unit of the chart. Under the option "Unit", choose "kg".

2. **Monoammonium Phosphate** (MAP) NE Asia price will be used as reference.

3. In February 2017, the DAP price in China is USD 0.38 per kilogram, while MAP price in NE Asia is approximately USD 0.30 per kilogram.

Case 4

An agricultural producer would like to make an investment analysis to plant soybeans in Brazil for the year 2022 and needs a reference price to quote a contract to buy DAP, an important fertilizer, with nutrient grade at 18-46-0. In 2021, he budgeted with a local supplier for another business a contract whose commodity price would be at BRL 2800 per ton.

Since Intratec DAP Price in South America does not refer only to 18-46-0, in this case it should be used as an index to correct the specified price reference over time.

1. Since the price reference was estimated for a whole year, it is necessary to change the chart frequency. Under the option "Frequency", choose "Annual".
2. The currency also must be changed to match the price reference. Under the option "Currency", choose "BRL".
3. To convert DAP price from 2021 to 2022, you must multiply the price reference in 2021 (2800) by the ratio of Intratec price (in BRL) in South America in 2022 (4992.52) over the Intratec price in 2021 (2779.7), as expressed in the equation below:

$$\text{DAP Price}[2022] = \text{Reference Price}[2021] * (\text{Intratec Price}[2022] / \text{Intratec Price}[2021])$$

By applying this calculation, the price estimate of DAP in Brazil in 2022 would be approximately BRL 5029 per ton.

Case 5

In June 2022, a Mexican agribusiness company bought DAP at USD 1000 per ton to fertilize its land. The company would like to obtain a price estimate so that it can plan this purchase in December, when the stock will run out.

Since there is no available price for DAP in Mexico, the price data of the United States will be used as an indicator to correct the price in Mexico.

To convert the price estimate from June 2022 to December 2022, simply multiply the price in USD by the ratio of Intratec price of United States in December 2022 (625) over the Intratec price in June 2022 (784), like the equation above.

By applying this calculation, the DAP price in Mexico in December 2022 would be approximately USD 797 per ton.

Important Assumptions

Intratec Primary Commodity Prices show commodity prices in a set of locations around the world. Nevertheless, it cannot be applied unthinkingly; there are some considerations and limitations to its use, which were assumed in the 5 cases.

- Most available price series in the Intratec Primary Commodity Prices are transaction prices, which reflect monthly averages of the prices at which international trade transactions were effectively closed (as reported by countries custom authorities) weighted by the transaction volume.
- Prices may be representative of a single grade or include mixed commercial grades of a commodity. To avoid uncertainties, all price series in our database are clearly defined in the document “Intratec Primary Prices Assessments Basis” at <https://intrat.ec/assessments-basis>.
- When your commodity grade or price description does not match the one published by Intratec, Intratec Primary Commodity Prices are best used as indicators to track price trend over time. In this case, the price reference to be corrected must have the same currency of Intratec price data.
- If your location is not available for a particular commodity, it is recommended to use a nearby available location that is an important trading partner. However, the accuracy of your trend may be less than using the same location.