For Koch Fertilizer, LLC (KF), growing a business requires the same basic approach as used on the farm – nourish, replenish, grow. Nourish the business with efficient assets, products, and distribution. Replenish by continuous investments and commitments that will create additional value for customers. Grow the business through expanding operations, global reach, and product portfolio. Koch Fertilizer continues making strategic investments to broaden and diversify its scope of products and offering a cost-effective distribution network to serve its growing global customer base.

A GROWING FORCE ON WORLD FERTILIZER MARKETS

For nearly 10 years, KF and its subsidiaries have steadily purchased, leased, upgraded and expanded its fertilizer manufacturing, supply and distribution capabilities worldwide. Building out from a strong position in North America – a position that was enhanced significantly by the purchase in 2003 of Farmland’s nitrogen fertilizer business – KF has become a far-reaching provider of fertilizer products to markets around the world.

For example, beginning in 2007, the company developed deepwater terminals and expanded operations in Sète, France; Avonmouth, U.K.; Paranagua, Brazil; Geelong and Brisbane, Australia; Topolobampo, Mexico; and Wilmington, N.C. and Charleston, S.C., U.S.A. During the past four years, KF has increased its customer base from 400 to more than 10,000 globally, and its marketing and logistics capability has grown exponentially.

MAJOR RECENT DEVELOPMENTS IN UK

Earlier this year, in one of its most significant recent actions, KF acquired the United Kingdom-based fertilizer blender and distributor J&H Bunn Limited. This acquisition included seven terminals strategically located throughout the U.K.

Another area of focus for KF is to bring enhanced efficiency fertilizer
maximize their return on crop inputs.

To provide additional benefits to growers, Koch Fertilizer has added new assets and capabilities to its portfolio. These include the acquisition of J&H Bunn, a leading fertilizer supplier in the U.K., and the creation of Koch Agronomic Services, LLC, to market enhanced fertilizer solutions and additional value to growers looking to further enhance their returns.

J&H Bunn Limited, the largest independent fertilizer supplier in the U.K., was acquired by Koch Fertilizer, Ltd., a subsidiary of Koch Industries, Inc., in March 2011. J&H Bunn, founded in 1816, has a long history of serving the U.K.-based fertilizer market with an extensive product mix that includes a combination of straight fertilizer grades as well as custom blended grades. In the acquisition, Bunn-related brand names will be retained, and Bunn will have access to KF’s portfolio of fertilizer products. Bunn’s operations are comprised of seven terminals throughout the United Kingdom, with approximately 95 percent of the U.K.’s arable area within 100 miles of J&H Bunn’s port-related facilities. Combining Bunn’s custom blending and agronomic capability with KF’s global sourcing and production strength will bring additional value to J&H Bunn customers.

Traditionally, Koch Fertilizer has been a commodity-based fertilizer producer, marketer, distributer and merchandiser. Now, we are expanding our footprint by also offering efficiency fertilizers, including Nitamin® and Nitamin Nfusion® slow-release foliar- and soil-applied nitrogen.

Koch Agronomic Services, LLC, was created to market enhanced fertilizer solutions for high-performance products and services. Koch Fertilizer, LLC, is a subsidiary of Koch Industries, Inc., a privately owned company which operates across diverse industry areas: refining and chemicals; process and pollution control equipment and technologies; minerals and fertilizers; polymers and fibres; forest and consumer products; commodities trading and services; and ranching. Koch companies enter into an industry with a long-term, customer-focused outlook of growing the market and creating additional value for its customers through increased efficiency, advanced technology, in-depth market knowledge and risk management services.

Creating value in the global marketplace

Koch Fertilizer, LLC and our affiliates are expanding terminal capacity and our fertilizer product offering to create one of the world’s largest and most diverse supply, storage and distribution systems of fertilizer products.

Koch Fertilizer, LLC is focused on lowering costs, managing risk, and improving efficiency for suppliers and customers around the globe.

Benefits Koch Fertilizer Brings to the Marketplace

Customer Benefits

- Risk Management Services
- Assured Supply of Product
- Flexibility in Logistics and Shipping
- Commodity and Value-added Specialty Products

Supplier Benefits

- Year Round Access to Global Customer Base
- Strong Financial Counterparty
- Global Market Coverage
Rapid Fertilizer Sector Growth Through Acquisition and Organic Growth

Koch first acquired interests in the fertilizer industry in 1988, through the purchase of the Gulf Central Pipeline and associated ammonia terminals in the Cornbelt of the United States. In 1989, Koch Nitrogen Company was formed to market ammonia. Throughout the next decade, the business continued to invest and expand its production assets and terminals in North America and the Caribbean. Within North America and the Caribbean, KF now owns or has investments in eight production plants and owns or leases 47 terminals.

Global Distribution System of Key Importance

Around 2006, the focus for KF grew to include distribution on an international level. Koch Fertilizer now owns or leases more than 90 terminals in locations situated throughout the world, from which the company markets a wide-array of products, including ammonia, urea, UAN solution, nitrates, ammonium sulphate, phosphates, potash, compound fertilizers and bulk blends.

In 2008, the business acquired the Usborne Fertiliser Limited business, a U.K.-based fertilizer import and marketing firm. The following year, supply and marketing offices in Marlborough, U.K. and Singapore were opened. Dry bulk terminals on the west coast of Mexico, in southern France and the U.K. were also developed. In addition, KF entered into an offtake agreement for urea from Oman and is developing dry bulk terminals in Paranagua, Brazil.

“Having terminal positions in ports around the globe allows our business to offer market alternatives for suppliers of all types of fertilizer and provide customers access to low-cost products and services. We have the capability to handle large and small vessel shipments and provide diverse products to agricultural and industrial customers in a

Koch Agronomic Services

Koch Agronomic Services, LLC, a newly formed subsidiary of KF, was created with the vision of bringing enhanced efficiency fertilizers and value-added technologies to the marketplace. The agronomic services platform is investing in a range of enhanced efficiency fertilizer technologies that can improve nutrient efficiency and boost yields, while reducing nutrient loss and protecting the environment.

Koch Agronomic Services currently markets Nitamin® and Nitamin Nfusion® slow-release foliar- and soil-applied nitrogen, which provide growers and turf professionals with safe and efficient slow-release nitrogen fertilizer. Other high-performance products available include KFyn® fertilizer, which reduces volatilization losses from urea. 

The Locations of the Major Koch Fertilizers Worldwide Operations
broad number of global locations," said Packebush. "We believe our terminal distribution system is one of the largest and most diverse of its kind in the world."

TRANSITION TO AGRONOMICS SOLUTIONS PROVIDER

With its efficient, low-cost distribution framework growing to meet global demand, KF began placing increased emphasis on providing value-added fertilizer products in markets across the globe. Koch Fertilizer’s commitment to grow its comprehensive portfolio of agronomic solutions drove the formation of Koch Agronomic Services, LLC, to market enhanced efficiency fertilizers.

"Having access to demand points year-round has been a priority for us. Our focus remains on creating value through a cost-effective supply and distribution network that serves and benefits our customers and suppliers," Packebush said. "We have now expanded from a commodity-based producer and marketer to an agronomics solutions provider with a global footprint."

With long-term fertilizer demand growing, KF continues to look for new opportunities to nourish, replenish and grow its business to create value for its customers and suppliers, and meet the diverse and growing demands on fertilizer.