Union Pacific Rail Line Begins Restricting U.S. Fertilizer Distribution

April 17, 2022 | [sundance](#) | [367 Comments](#)

This is layers of odd. As many readers are aware, the prices of fertilizer have skyrocketed as supplies have been heavily impacted by increased energy costs and supply chain issues. Many people have worried if a shortage of fertilizer may impact farm yields this year.

Against this backdrop CF Industries, one of the world's largest manufacturers of hydrogen and nitrogen fertilizer, is warning its customers that Union Pacific Railway Lines is now restricting the amount of container tonnage they will permit. [[Press Release Here](#)]

CF Industries Holdings, Inc. (NYSE: CF), a leading global manufacturer of hydrogen and nitrogen products, today informed customers it serves by Union Pacific rail lines that railroad-mandated shipping reductions would result in nitrogen

fertilizer shipment delays during the spring application season and that it would be unable to accept new rail sales involving Union Pacific for the foreseeable future. The Company understands that it is one of only 30 companies to face these restrictions.

CF Industries ships to customers via Union Pacific rail lines primarily from its Donaldsonville Complex in Louisiana and its Port Neal Complex in Iowa. The rail lines serve key agricultural areas such as Iowa, Illinois, Kansas, Nebraska, Texas and California.

Products that will be affected include nitrogen fertilizers such as urea and urea ammonium nitrate (UAN) as well as diesel exhaust fluid (DEF), an emissions control product required for diesel trucks. CF Industries is the largest producer of urea, UAN and DEF in North America, and its Donaldsonville Complex is the largest single production facility for the products in North America.

"The timing of this action by Union Pacific could not come at a worse time for farmers," said Tony Will, president and chief executive officer, CF Industries Holdings, Inc. "Not only will fertilizer be delayed by these shipping restrictions, but additional fertilizer needed to complete spring applications may be unable to reach farmers at all. By placing this arbitrary restriction on just a handful of shippers, Union Pacific is jeopardizing farmers' harvests and increasing the cost of food for consumers."

On Friday, April 8, 2022, Union Pacific informed CF Industries without advance notice that it was mandating certain shippers to reduce the volume of private cars on its railroad effective immediately. The Company was told to reduce its shipments by nearly 20%.

CF Industries believes it will still be able to fulfill delivery of product already contracted for rail shipment to Union Pacific destinations, albeit with likely delays. However, because Union Pacific has told the Company that noncompliance will result in the embargo of its facilities by the railroad, CF Industries may not have available

*shipping capacity to take new rail orders involving Union Pacific rail
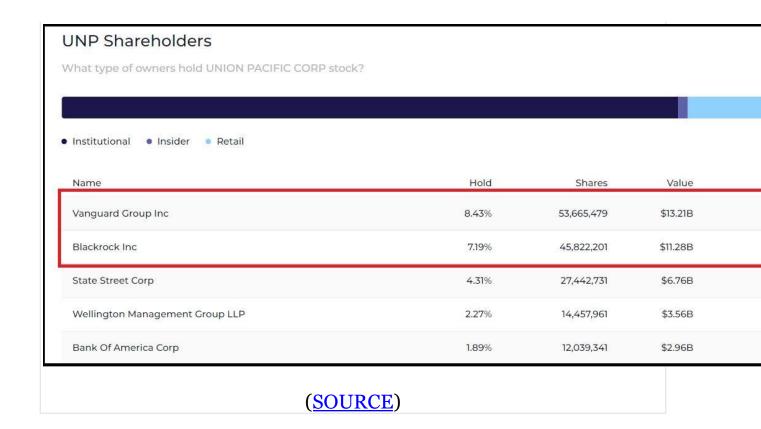lines to meet late season demand for fertilizer. ([read more](#))*

Things get increasingly curious when you look at who owns majority
stakes in CF Industries (manufacturer), and who owns Union Pacific
(distribution):

The top two shareholders of CF Industries
are **Vanguard** and **Blackrock**:

CF Shareholders

What type of owners hold CF INDUSTRIES HOLDINGS INC stock?

● Institutional   ● Insider   ● Retail

Name	Hold	Shares	Value
Vanguard Group Inc	12.37%	25,652,876	$2.78B
Blackrock Inc	9.90%	20,530,924	$2.23B
Fmr LLC	7.25%	15,032,792	$1.63B
Price T Rowe Associates Inc	6.92%	14,349,469	$1.56B
State Street Corp	4.53%	9,390,450	$1.02B
Bank Of New York Mellon Corp	2.56%	5,303,052	$574.90M
Invesco Ltd	2.54%	5,271,212	$571.45M
Glendon Capital Management LP	2.48%	5,133,222	$556.49M
Geode Capital Management LLC	2.43%	5,040,352	$546.42M

([SOURCE](#))

The top two shareholders of Union Pacific
are **Vanguard** and **Blackrock**:

UNP Shareholders

What type of owners hold UNION PACIFIC CORP stock?

● Institutional   ● Insider   ● Retail

Name	Hold	Shares	Value
Vanguard Group Inc	8.43%	53,665,479	$13.21B
Blackrock Inc	7.19%	45,822,201	$11.28B
State Street Corp	4.31%	27,442,731	$6.76B
Wellington Management Group LLP	2.27%	14,457,961	$3.56B
Bank Of America Corp	1.89%	12,039,341	$2.96B

([SOURCE](#))

https://theconservativetreehouse.com/blog/2022/04/17/union-pacific-rail-line-begins-restricting-u-s-fertilizer-distribution/