INTREPID POTASH®

*Supplying a Growing America ®*

# Investor Presentation
# October 2012

# Cautionary Statements Regarding Forward Looking Information

Certain statements in this presentation, and other written or oral statements made by or on behalf of us, are “forward-looking statements” within the meaning of the federal securities laws. Statements regarding future events and developments and our future performance, as well as management’s expectations, beliefs, plans, estimates or projections relating to the future, including statements regarding our financial outlook, are forward-looking statements within the meaning of these laws. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, there can be no assurance that the expectations will be realized. These forward-looking statements are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially and adversely from such statements. These risks and uncertainties are detailed in our periodic filings with the U.S. Securities and Exchange Commission. Please refer to those filings for more information on these risk factors and uncertainties. All forward-looking statements are qualified in their entirety by such risk factors and uncertainties. Statements regarding our financial outlook speak only as of the date of our second quarter 2012 earnings release (August 1, 2012), and all other forward-looking statements speak only as of the initial release date of this presentation(October 5, 2012). Subsequent events and developments may cause our forward-looking statements to change, and we will not undertake efforts to update or revise publicly any forward-looking statements to reflect new information or future events or circumstances after this date. Unless the context otherwise requires, when we use “Intrepid,” “our,” “we” or “us” during this presentation, we are referring to Intrepid Potash, Inc. and its consolidated subsidiaries.

# Intrepid Potash®
# Geographically Advantaged, Potash-Only Company

Intense margin focus:

- Highest *margin* North American potash producer
- Strategic marketing and production *flexibility*
- Capital investment is focused on production *growth* through incremental low cost tons



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# Company Overview

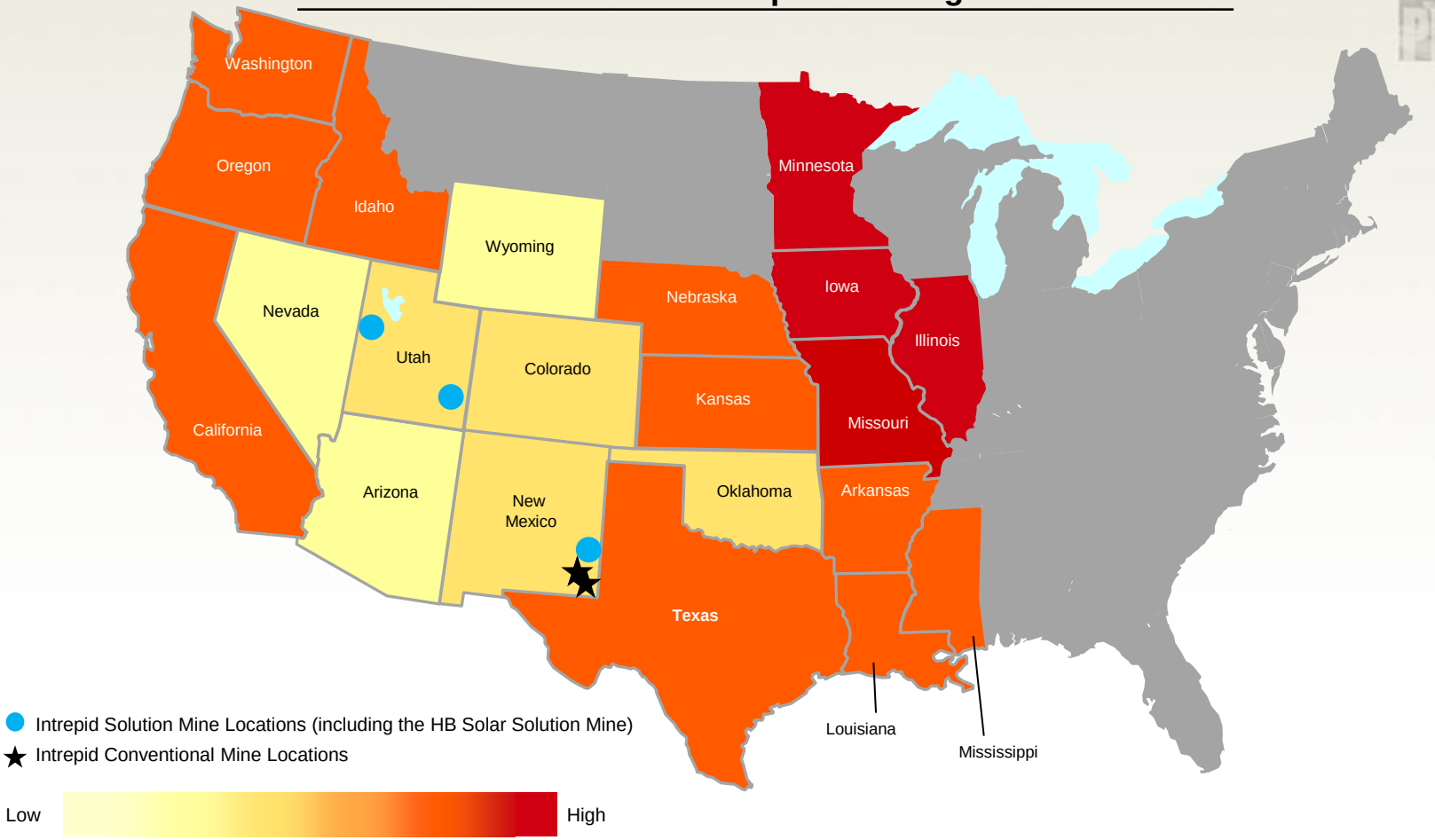
- The largest U.S. producer of potash
  - Only western world producer created and dedicated solely to potassium-related products
  - Supplies ~1.5 percent of global demand and ~9.4 percent of U.S. demand
- One of only two global producers of sulfate of potash magnesia, marketed as Trio®
- Five active production facilities – growing to six with the construction of the HB Solar Solution mine
- Balance sheet strength provides ability to execute on robust capital investment program and disciplined business development activity

# Current Potash Market

- Crop insurance programs should mitigate the impact from the drought conditions across the Midwest
- Market-by-market variability from weather impacts
- Summer fill purchasing activity progressing at a solid pace
- Tightening stocks-to-use ratio and decreased yields should drive global and U.S. planting into 2013
- Farmer economics should drive farmers to apply normal volumes of potash during fall application season and into 2013
- Industrial and animal feed demand stable
- Demand remains strong for all sizes of Trio® product

# Geographically Advantaged Assets

## Average Potash Consumption in Intrepid's Markets is Greater than 5x of Intrepid's Average Production




Sources: Association of American Plant Food Control Officials (AAPFCO), The Fertilizer Institute (TFI), Fertecon, USDA, Intrepid Potash.



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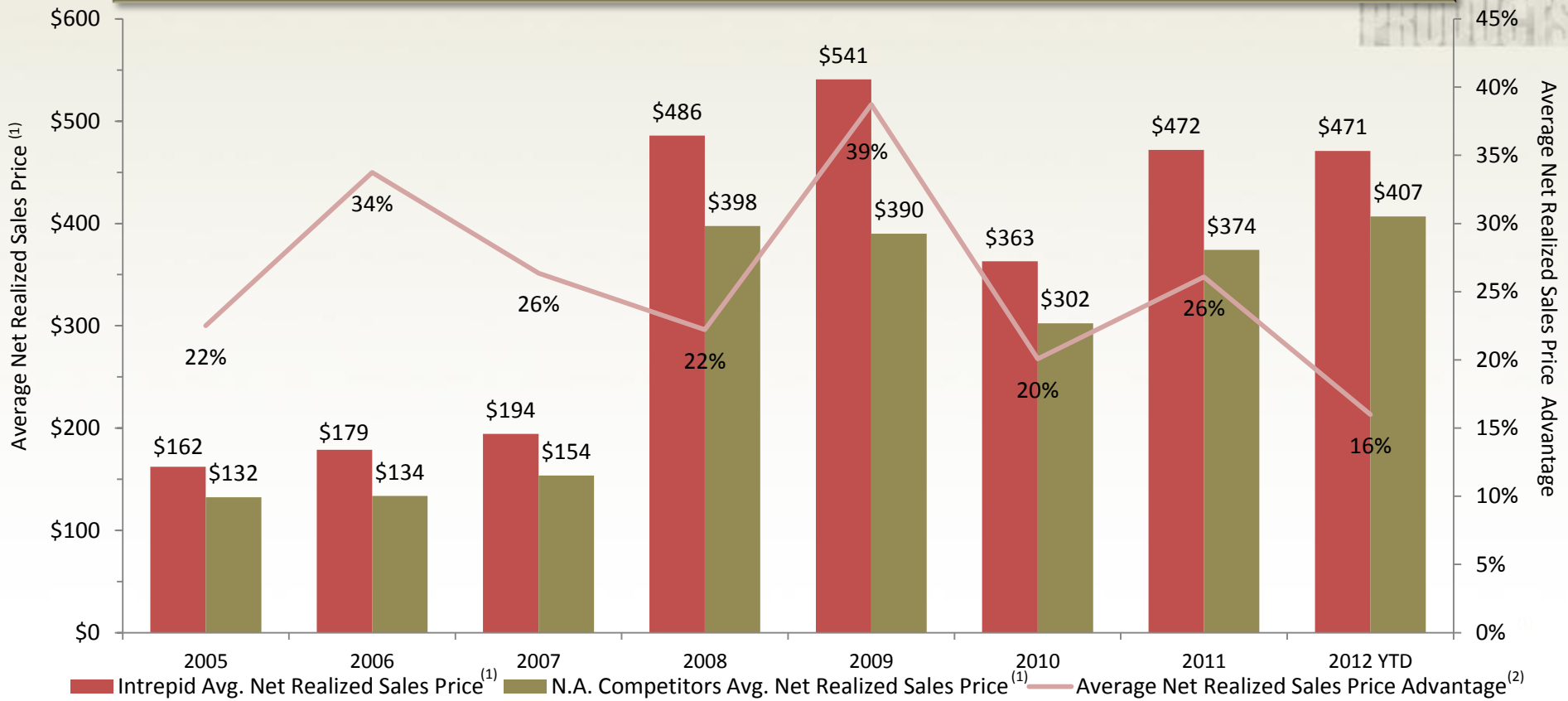
# Intrepid's Potash Sales Price Advantage vs. North American Competitors

***Intrepid's average net realized sales price advantage has averaged approximately 25 percent since 2005***




| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 YTD |
|---|---|---|---|---|---|---|---|---|
| **Intrepid advantage vs. N.A. competitors** | **$29** | **$43** | **$39** | **$88** | **$151** | **$61** | **$96** | **$64** |

Notes: (1) Average net realized sales price is an operating performance measure calculated as gross sales less freight costs, divided by the number of tons sold in the period.
(2) Average net realized sales price advantage is an operating performance measure calculated as the difference between our average net realized sales price and the combined estimated average net realized sales prices of Potash Corporation of Saskatchewan Inc.(PCS), The Mosaic Company (MOS), and Agrium Inc. (AGU) based on publicly available information.



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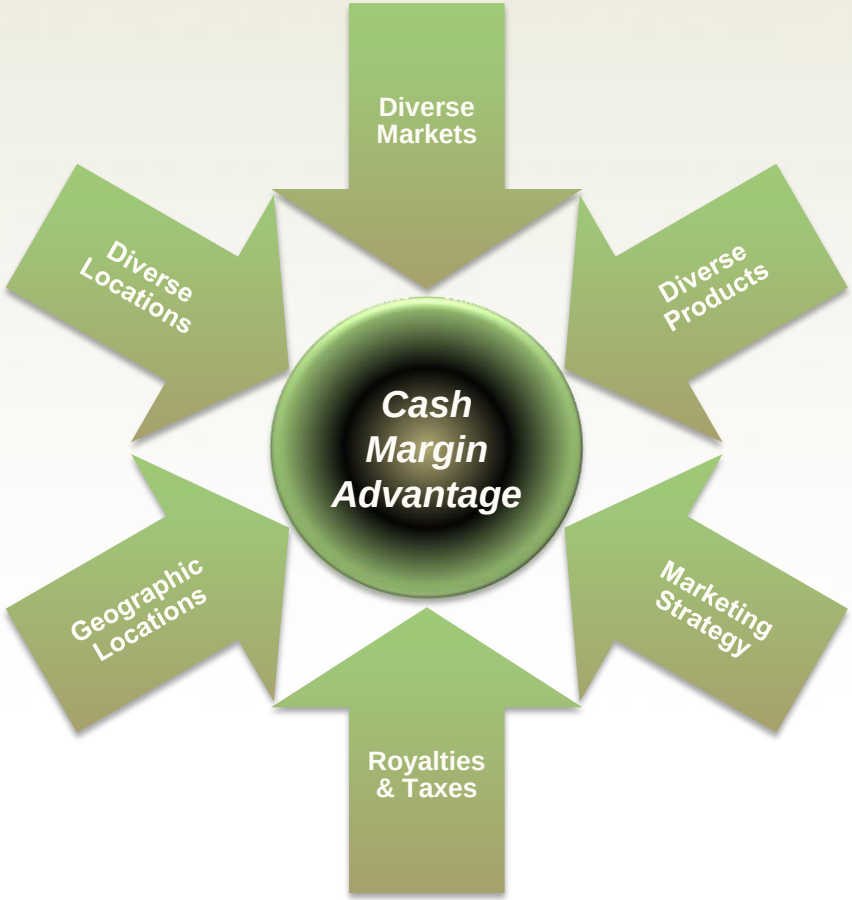
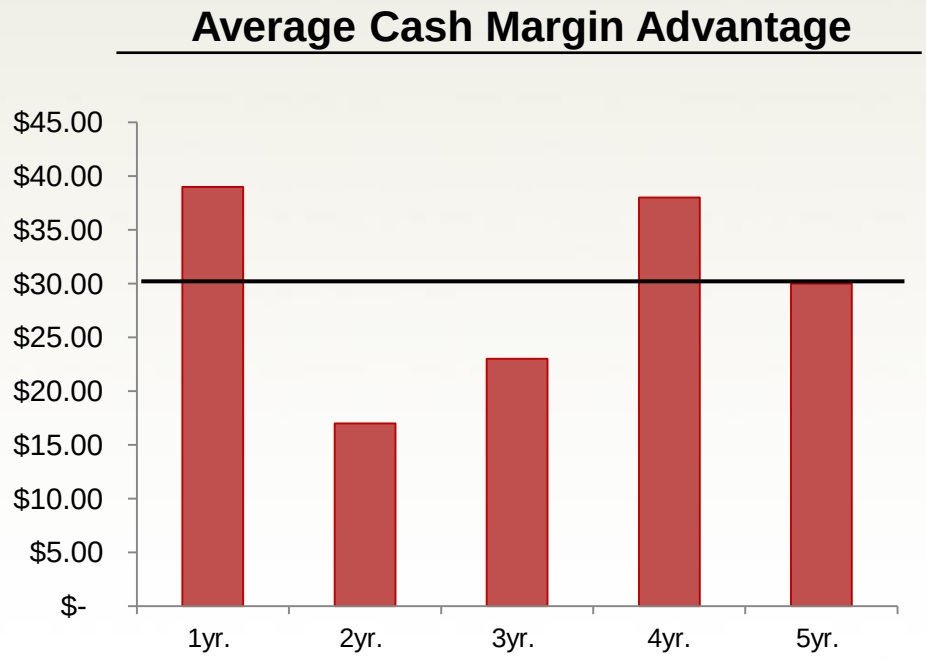
# Intrepid's Consistent Potash Margin Advantage

***Intrepid consistently generates more margin per ton sold than our North American competitors***




**Intrepid's potash cash margin advantage(1) has averaged *$30* per ton over the last five years**

Notes: (1) Cash margin advantage is calculated as average net realized sales price advantage plus cash COGS difference (calculated using the combined estimated average net realized sales prices and average estimated cash COGS of Potash Corporation of Saskatchewan Inc., The Mosaic Company, and Agrium Inc. based on publicly available information). Cash COGS, net of by-product credits, is an operating performance measure defined as total cost of goods sold including royalties, and excluding depreciation, depletion and amortization



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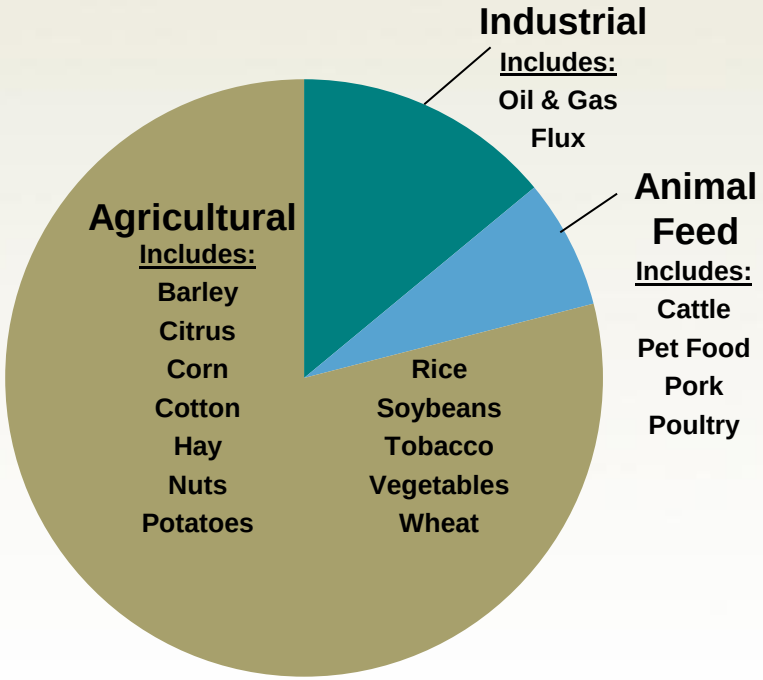
# Diversified Markets and Customer Base with Flexible Product Mix

**Potash Sales for 2011**




- Trio® markets further diversify crops and customers
- Industrial market primarily consists of oil and gas drillers
- Potash used as a nutritional supplement in animal feed

- Ability to granulate ~80% of current production, providing flexibility to meet end market demand

| | Product Size | 2011 | 2012 YTD |
|---|---|---|---|
| Agricultural | Granular | 79% | 79% |
| Industrial | Standard | 14% | 14% |
| Animal Feed | Standard | 7% | 7% |



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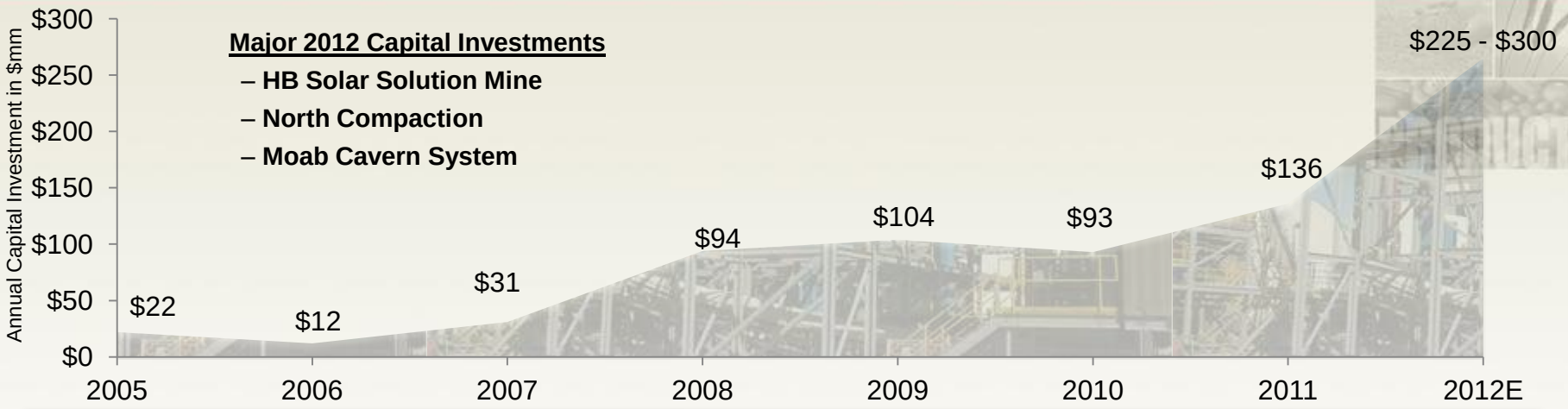
# Capital Projects are Focused on *Growth, Flexibility & Margin*

| | Growth | Flexibility | Margin |
|---|---|---|---|
| **Project Benefits** | ■ Incremental low cost tons<br>■ HB will represent an estimated 25 percent increase in potash production volumes | ■ Capability to respond to changing market and customer demands<br>■ Produce products with best margin profile | ■ Increased recoveries from langbeinite ore<br>■ Lower per ton operating costs |
| **Major Capital Projects** | ■ HB Solar Solution Mine<br>■ Langbeinite Recovery Improvement Project<br>■ Expansion and creation of Moab horizontal potash caverns | ■ Langbeinite granulation<br>■ Moab compaction<br>■ North compaction<br>■ Wendover compaction | ■ Langbeinite dense media separation plant<br>■ Modernization of plant assets<br>■ Focus on cash cost component of production |

***Our 2012 Capital Investment Budget of $225 - $300 million***
***Represents the Highest Level of Capital Investment in Our History***

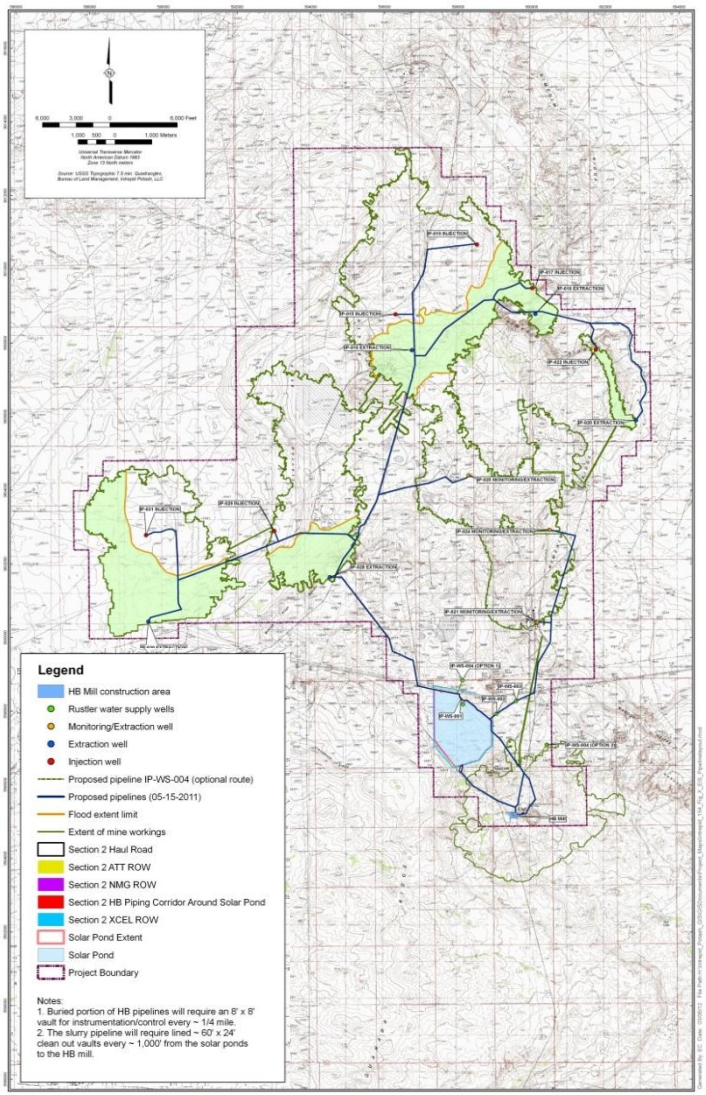
# Since Inception Intrepid has Invested Over Half a Billion Dollars into its Mines and Facilities




## Major Capital Projects Milestones

| | Facility | Year Completed / Estimated Completion |
|---|---|---|
| Horizontal Potash Cavern System One | Moab, UT | 2001 |
| Langbeinite Plant (Original Plant) | Carlsbad, NM - East | 2005 |
| Wash Thickener Upgrade | Carlsbad, NM - East | 2009 |
| Coarse Tails Recovery Circuit | Carlsbad, NM - West | 2009 |
| Underground Stacker / Reclaim | Carlsbad, NM - West | 2010 |
| New Compaction Circuit | Moab, UT | 2010 |
| New Brine Heater | Moab, UT | 2010 |
| Wendover Compaction Circuit / Warehouse | Wendover, UT | 2011/2012 |
| Langbeinite Recovery Improvement Project / Granulation Plant | Carlsbad, NM - East | 2011/2012 |
| Horizontal Potash Cavern System Two | Moab, UT | 2012E |
| North Compaction Project | Carlsbad, NM – North | 2013E |
| HB Solar Solution Mine | Carlsbad, NM – HB | 2013E |

# HB Solar Solution Mine – Production *Growth* through Incremental Low-Cost Tons




## HB Solar Solution Mine Key Facts

- Five million tons of proven and probable reserves
- Capital investment of $200-$230 million
- Production cost per ton estimated to be $60 to $80 per ton, making HB one of the low cost potash mines in North America
- Estimated annual production potential – 150,000-200,000 tons with higher volumes in earlier years
- Total area available to be flooded is approximately 30 square miles
- Opportunity for further expansion

# HB Solar Solution Mine – Production *Growth* through Incremental Low-Cost Tons

- Construction commenced in March 2012
- Invested $60.5 million through June 30, 2012
  - Engineering, design and procurement
  - Pond construction
  - Pipeline construction
  - Wells for water, injection and extraction
- Leverages our solution mining and solar evaporation expertise
- Improves our overall cost profile and margin opportunity
- Anticipated production timeline:
  - First production to begin fall of 2013
  - Ramp up of production expected in 2014
  - Production levels increasing into 2015

**Potash Pillar**

**HB Solar Solution Mine Pond Liner Installation**

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# Additional Granulation Capacity is Key to Marketing and Production *Flexibility*

## North Compaction Project

- Upgrade of our existing granulation facility designed to increase capacity and further improve product quality
  - New production from HB Solar Solution mine
  - Increased production capacity from our West mine
- Total capital investment for the project is expected to be approximately $95 to $100 million

## Focus on Increasing Granulation Capacity at all Facilities

| Facility | Product | Anticipated Granulation Capacity | Estimated In-Service Date |
|---|---|---|---|
| **Moab, Utah** | **Potash** | **100 percent of annual production** | **In service** |
| **Wendover, Utah** | **Potash** | **100 percent of annual production** | **In service** |
| **Carlsbad, New Mexico *East Facility*** | **Trio®** | **100 percent of annual standard Trio® production** | **Commissioning Q3 2012** |
| **Carlsbad, New Mexico *North Facility*** | **Potash** | **100 percent of annual production from West Mine and anticipated HB Solar Solution Mine production** | **Commenced construction in Q2 2012; estimated in service date in the first half of 2013** |

# East Facility Recovery & Process Improvements Deliver *Growth & Margin*

## East Facility Long-Term Improvement Plan

- Improve plant operating performance
- Improve potash and Trio® production levels
- Complete Commissioning of LRIP
- Increase overall plant throughput rates
- Increase feedstock to langbeinite plant
- Deliver consistency to potash and Trio® production levels
- Plan expected to continue through 2012 and into 2013

# Langbeinite Recovery Improvement Project – Focused on Capturing *Growth & Margin*

- Designed to increase Trio® recoveries to approximately 50 percent, resulting in:
  - Production growth potential of 100,000 – 120,000 additional tons per year representing an annual ~75 percent increase in Trio® production
  - Reduced per ton cash production cost
- Capacity was designed to granulate 100 percent of standard Trio® production, effectively tripling our granular capacity
- Total project investment on budget, at $85mm - $90mm

# Summary

- The Only Western World Potash Pure-Play
- The Highest Per Ton Average Net Realized Sales Price and Margin of any North American Potash Producer
- Geographically Advantaged Assets Serving Diversified Markets and Customer Base
- Growth, Flexibility and Margin-Focused Decision Making
- Capital Investment Program Targeting Growth of Incremental Low Cost Tons

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# Appendix

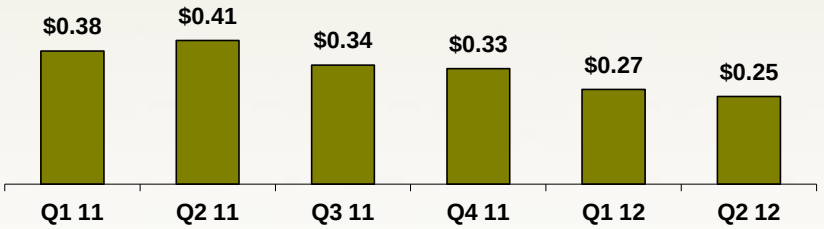
# Financial Overview

## Balance Sheet as of June 30, 2012

| | | |
|---|---|---|
| Cash and Investments | $186 | million |
| Current Assets | $273 | million |
| Total Assets | $993 | million |
| Debt Outstanding* | $ - | |
| Total Liabilities | $80 | million |
| Stockholders' Equity | $913 | million |
| Availability Under Unsecured Credit Facility | $250 | million |

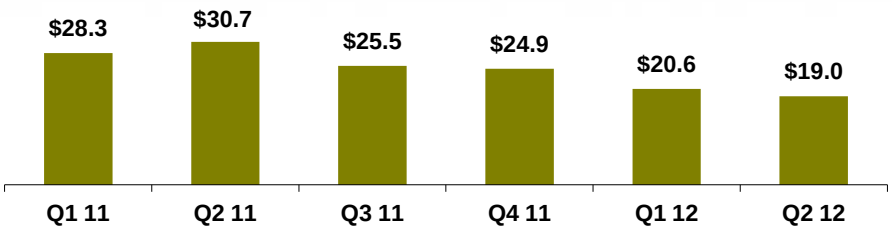
## Earnings Per Share

(Diluted)



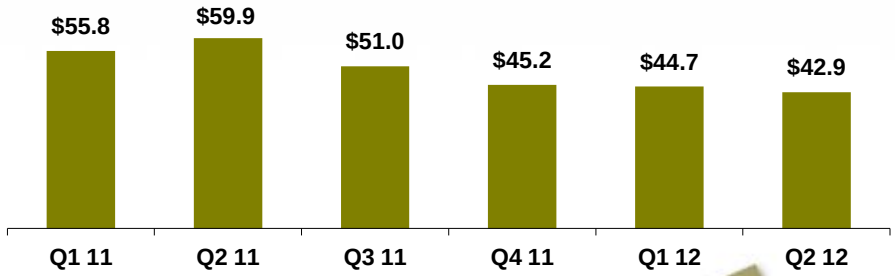

## Net Income

(In millions)




## Adjusted EBITDA[(1)]

(In millions)




(*) On August 28, 2012 Intrepid announced that it agreed to issue $150 million aggregate principal amount of unsecured senior notes. The Notes are expected to be issued on April 16, 2013.

(1) This is a financial measurement not calculated based on U.S. Generally Accepted Accounting Principles (Non-GAAP). Non-GAAP reconciliation available in the appendix to this presentation.



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# Financial Outlook as of August 1, 2012

| | Three Months Ended September 30, 2012 | Year Ended December 31, 2012 |
|---|---|---|
| **Potash** | | |
| Production (tons) | 180,000 - 200,000 | 785,000 - 825,000 |
| Sales (tons) | 220,000 - 250,000 | 820,000 - 870,000 |
| Cash COGS, net of by-product credit ($/ton) | $170 - $185 | $175 - $190 |
| Total COGS ($/ton) | $225 - $245 | $230 - $250 |
| **Trio®** | | |
| Production (tons) | 35,000 - 45,000 | 130,000 - 165,000 |
| Sales (tons) | 30,000 - 40,000 | 130,000 - 165,000 |
| Cash COGS ($/ton) | $170 - $185 | $170 - $190 |
| Total COGS ($/ton) | $240 - $260 | $240 - $270 |
| **Other** | | |
| Selling and Administrative | $7.5 - $9.5 million | $32 - $34 million |
| Annual Estimated Capital Expenditure | | $225 -$300 million |



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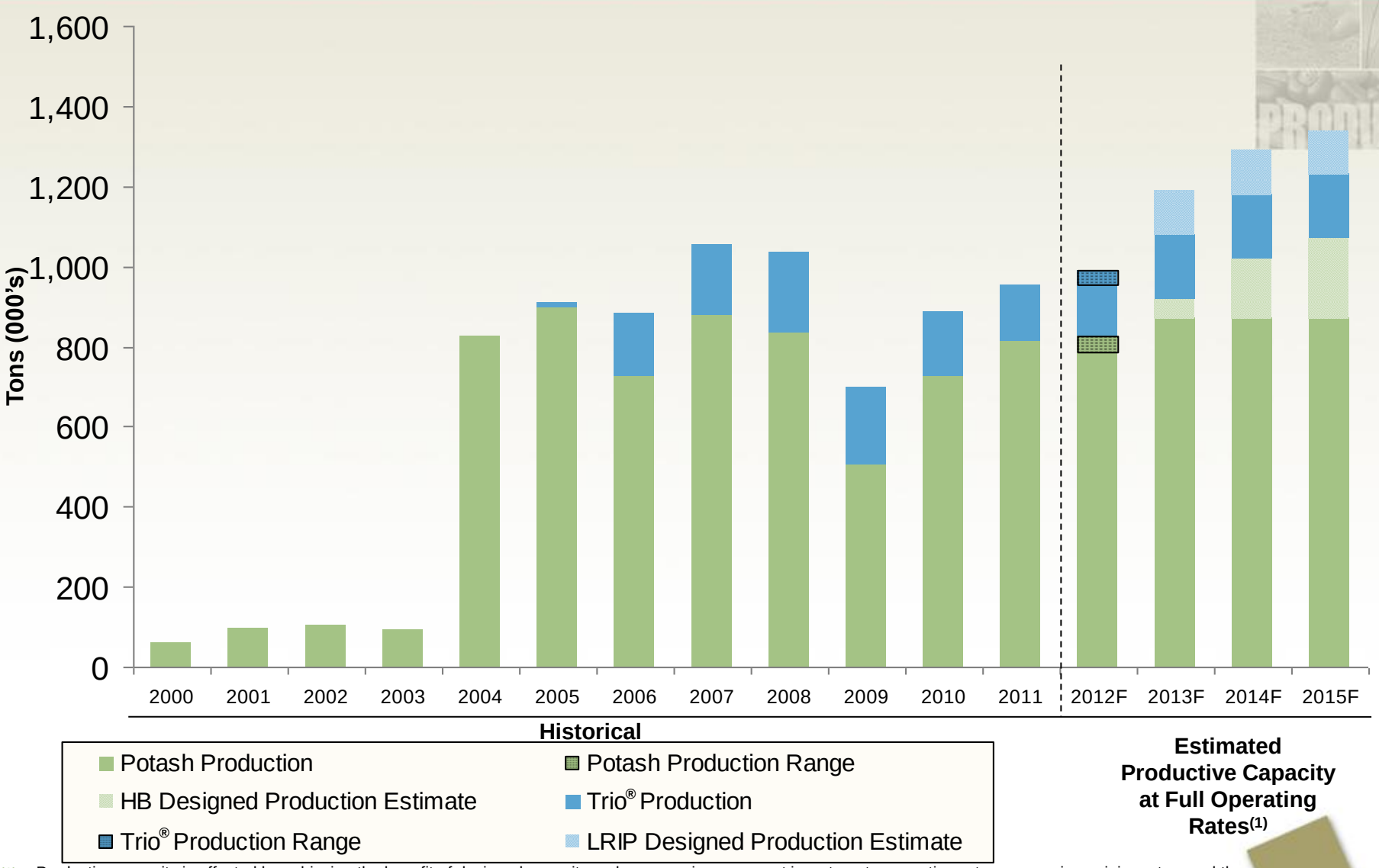
# Intrepid Production Volume History & Estimated Productive Capacity




(1) Productive capacity is affected by achieving the benefit of designed capacity and recovery improvement investments, operating rates, recoveries, mining rates, and the amount of development work that Intrepid performs. Therefore, actual production rates for mining companies tend to be lower than estimated total productive capacity.



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# Non-GAAP Reconciliation

- Adjusted earnings before interest, taxes, depreciation, and amortization (or adjusted EBITDA) is a non-GAAP financial measure that is calculated as net income adjusted for the add back of interest expense (including derivatives), income tax expense, depreciation, depletion, and amortization, and asset retirement obligation accretion. Management believes adjusted EBITDA assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. We use adjusted EBITDA to evaluate the effectiveness of our business strategies. In addition, adjusted EBITDA is widely used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in the potash mining industry, and many investors use the published research of industry research analysts in making investment decisions.

Adjusted EBITDA should not be considered in isolation or as a substitute for performance or liquidity measures calculated in accordance with U.S. GAAP. Because adjusted EBITDA excludes some, but not all, items that affect net income and net cash provided by operating activities and may vary among companies, the adjusted EBITDA amounts presented may not be comparable to similarly titled measures of other companies.

## Calculation of Adjusted EBITDA (in thousands)

| | 2011 | | | | 2012 | |
|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Net Income | $28,279 | $30,708 | $25,507 | $24,917 | $20,626 | $19,013 |
| Add: Interest Expense, including realized and unrealized derivative gains and/losses | 113 | 389 | 175 | 192 | 253 | 215 |
| Add: Income tax expense | 18,851 | 20,068 | 16,547 | 10,384 | 12,613 | 12,312 |
| Add: Depreciation, depletion, amortization and accretion | 8,533 | 8,691 | 8,819 | 9,744 | 11,256 | 11,376 |
| Total adjustments | 27,497 | 29,148 | 25,541 | 20,320 | 24,122 | 23,903 |
| Adjusted Earnings Before Income Taxes, Interest Depreciation, Depletion and Amortization | $55,776 | $59,856 | $51,048 | $45,237 | $44,748 | $42,916 |



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# Non-GAAP Reconciliation

Adjusted net income is a non-GAAP financial measure that is calculated as net income adjusted for significant non-cash and infrequent items. Examples of non-cash and infrequent items include insurance settlements from property and business losses, a portion of the income associated with the refundable employment-related credits from the State of New Mexico, non-cash unrealized gains or losses associated with derivative adjustments, costs associated with abnormal production and other infrequent items. Management believes adjusted net income provides useful additional information to investors for analysis of Intrepid's fundamental business on a recurring basis. In addition, management believes that the concept of adjusted net income is widely used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in the potash mining industry, and many investors use the published research of industry research analysts in making investment decisions.

Adjusted net income should not be considered in isolation or as a substitute for net income, income from operations, cash provided by operating activities or other income, profitability, cash flow, or liquidity measures prepared under U.S. GAAP. Because adjusted net income excludes some, but not all, items that affect net income and may vary among companies, the adjusted net income amounts presented may not be comparable to similarly titled measures of other companies.

## Calculation of Adjusted Net Income (in thousands)

| | 2011 | | | | 2012 | |
|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Net Income | $28,279 | $30,708 | $25,507 | $24,917 | $20,626 | $19,013 |
| Adjustments | | | | | | |
| Insurance settlements from property and business losses | (12,500) | - | - | - | - | - |
| Income associated with New Mexico refundable employment-related credit** | - | (4,692) | (3,230) | - | - | - |
| Unrealized derivative gain | (321) | (224) | (368) | (376) | (224) | (273) |
| Cost associated with abnormal production | - | - | - | - | - | - |
| Other | - | 5 | 188 | 3 | 330 | (3) |
| Calculated tax effect* | 5,128 | 1,955 | 1,350 | 148 | (40) | 107 |
| Change in blended state tax rate to value deferred tax asset | - | - | - | (3,699) | - | - |
| Total adjustments | (7,693) | (2,956) | (2,060) | (3,924) | 66 | (169) |
| Adjusted Net Income | $20,586 | $27,752 | $23,447 | $20,993 | $20,692 | $18,844 |

* Estimated effective tax rate of 38.6 percent for 2012 and 39.8 percent for 2011.

** Included in "other operating (income) loss" line item.



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# Historical Quarterly Production and Sales Summary

| | 2010 | | | | 2011 | | | | 2012 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31 | June 30 | September 30 | December 31 | March 31 | June 30 | September 30 | December 31 | March 31 | June 30 |
| Production Volume (In thousands of short tons) | | | | | | | | | | |
| Potash | 172 | 165 | 166 | 224 | 234 | 209 | 173 | 197 | 218 | 170 |
| Trio® | 57 | 39 | 32 | 31 | 31 | 44 | 35 | 31 | 30 | 33 |
| Sales Volume (In thousands of short tons) | | | | | | | | | | |
| Potash | 243 | 129 | 221 | 216 | 196 | 225 | 190 | 183 | 203 | 184 |
| Trio® | 70 | 63 | 45 | 27 | 52 | 39 | 39 | 28 | 28 | 26 |



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# Why Potash Only?

## Market Structure for Key Fertilizer Nutrients

| | Nitrogen | Phosphate [5] |
|---|---|---|
| Producing Countries | ~60 | ~40 |
| Key Inputs | ■ Natural gas | ■ Phosphate rock<br>■ Sulfuric acid<br>■ Ammonia |
| % of Overall Fertilizer Market [1] | 59% | 24% |
| Market Share of Top 5 Producers[2] | 13% Ammonia<br>39% Urea | 41% Phosphoric Acid<br>49% Phosphate Rock |
| % of Production Government Controlled[1] | 51% | 50% |
| Industry Nameplate Operating Rate [2] | 86% Ammonia<br>89% Urea | 81% Phosphoric Acid<br>82% Phosphate Rock |
| Time for Greenfield | 3 years | 3 – 4 years |
| Logistics for Greenfield | Least Difficult | More Difficult |
| Estimated Cost for Greenfield [1,4] | $1.4Bn for 1.0MM Tons | $1.5Bn for 1.0MM Tons |

(1) Potash Corp.

(2) Potash percentage represents 2007, nitrogen and phosphate percentages represent 2005, figures from Integer Research Ltd.

(3) Estimated by Intrepid Potash based on publicly available historic production data. Operating capacity rates for nitrogen and phosphate expressed as percentage of nameplate capacity.

(4) Includes infrastructure outside the plant gates (e.g. rail, road networks, utility systems).

(5) Includes all types of phosphate fertilizer production.



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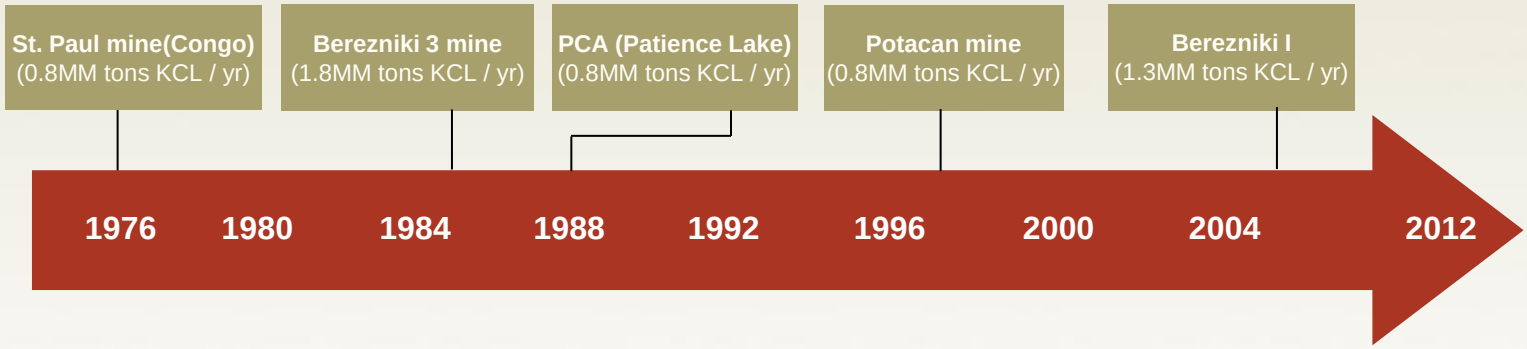
# Global Industry Susceptible to Production Interruptions & Supply "Shocks"

## Mine Closures Due to Water Inflows




Mines with Water Inflows

- K2 Mine Esterhazy
- Penobsquis Mine, Sussex
- Belaruskali Mine #2

***Due to geology, in the 70 plus years of potash mining in the Carlsbad area, there has never been a mine lost to flooding or a water incursion***

## Mine Closures Due to Depletion

### Depleted Conventional Mines

- Theodore, Amelie, Marie Louis mines- France
- Pasquasi and San Cataldo mines - Italy
- Salzdetfurth, Friedrichshall, Bergmannssegen-Hugo, Siegfried-Giesen, and Niedersachen-Riedel - Germany
- Trona, California
- Horizon-Amax, Wills-Weaver, Saunders – Carlsbad, New Mexico

### Mines Currently With Less than 15 Years Reserve Life

- Hersey, United States - Mosaic
- Boulby, England – ICL
- Soligorsk I, Belarussia - Belaruskali
- Taquari, Brazil – Vale

sources: Fertecon, Intrepid Potash®, and public filings



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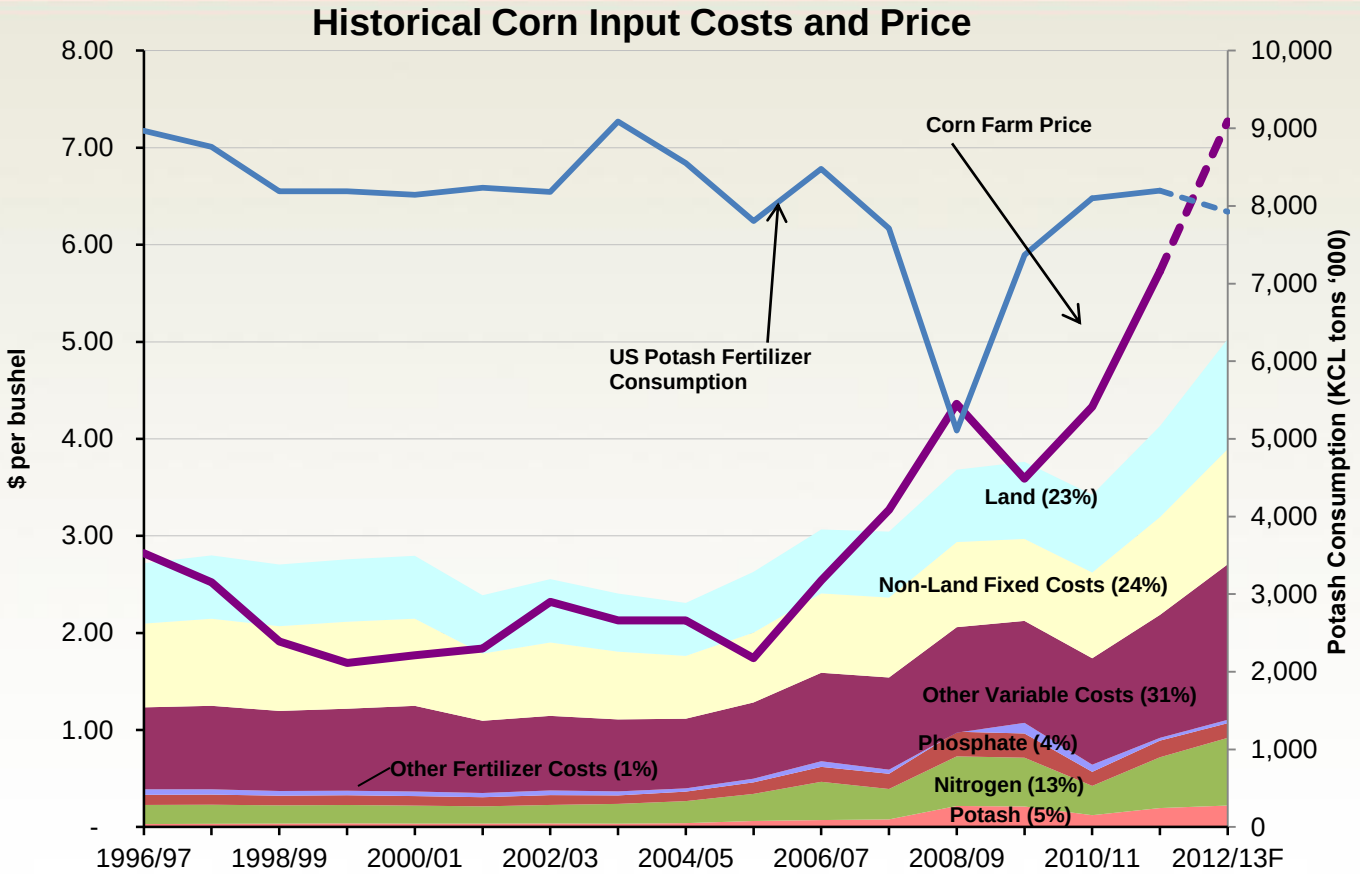
# Current Crop Economics Offer Historically Strong Returns for Farmers




## Per Bushel Return

| | 2011/12 | 2012/13 |
|---|---|---|
| **Farm Price** | $5.73 | $7.26 |
| **Gross Margin** | $1.60 | $2.24 |
| | | |
| **Input Costs** | | |
| Potash | $0.20 | $0.22 |
| Nitrogen | $0.52 | $0.70 |
| Phosphate | $0.17 | $0.15 |
| Other Fertilizer | $0.03 | $0.03 |
| Other Variable | $1.27 | $1.60 |
| Non-Land | $1.01 | $1.19 |
| Land | $0.94 | $1.13 |
| Total | $4.13 | $5.03 |

***Bottom line - fertilizer is a small part of a farmer's cost***

- Non-land fixed costs include labor, opportunity cost of unpaid labor, taxes, insurance, general overhead, and machine and equipment expenses.
- Other variable costs include seed, chemicals, fuel, lube, electricity, repairs, water, interest, custom operations, and drying.
- Land costs are shown as the rental rate of land (opportunity cost).
- Corn Farm Price is USDA estimate as of 10/4/12 for historic prices and Dec. 2012 futures less $0.30 basis as of 10/412 for forecast price
- Potash consumption in shown in fertilizer years

Sources: USDA, Fertecon, Green Markets, CME, Intrepid Potash®.



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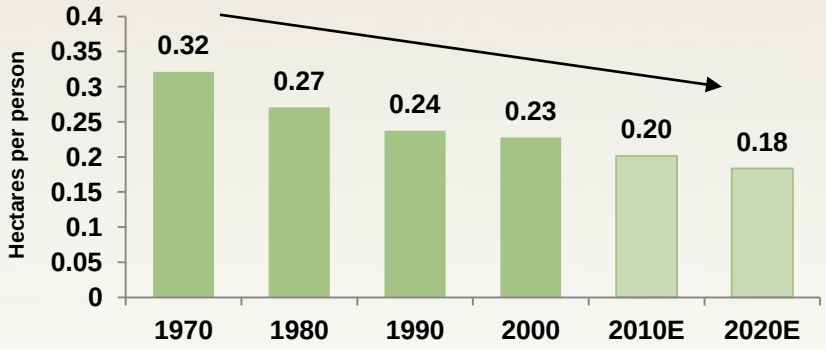
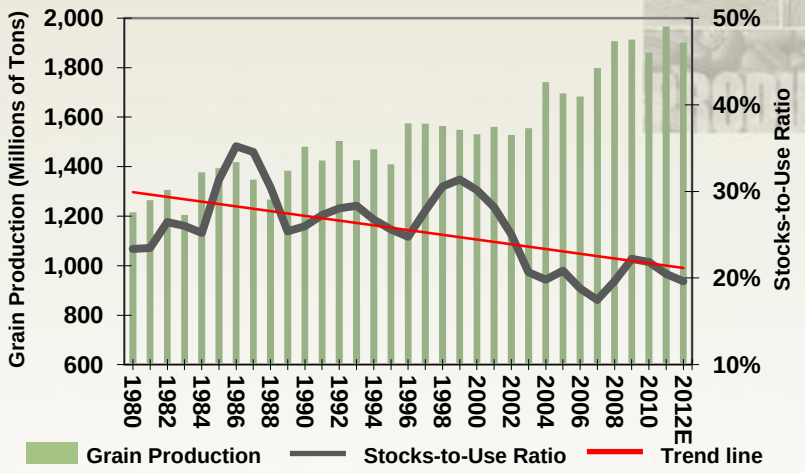
# Fundamentals of Increasing Population Continue to Drive Grain and Ultimately Potash Demand Over the Long Term

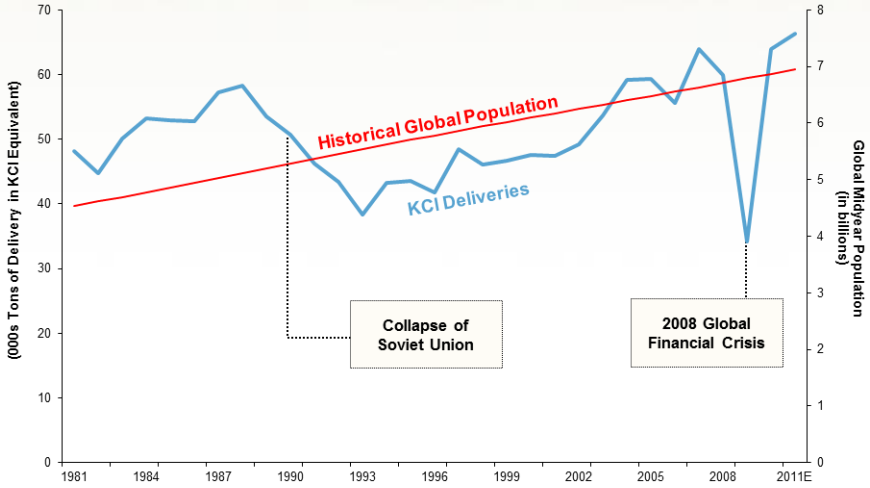
## Hectares of Arable Land per Person



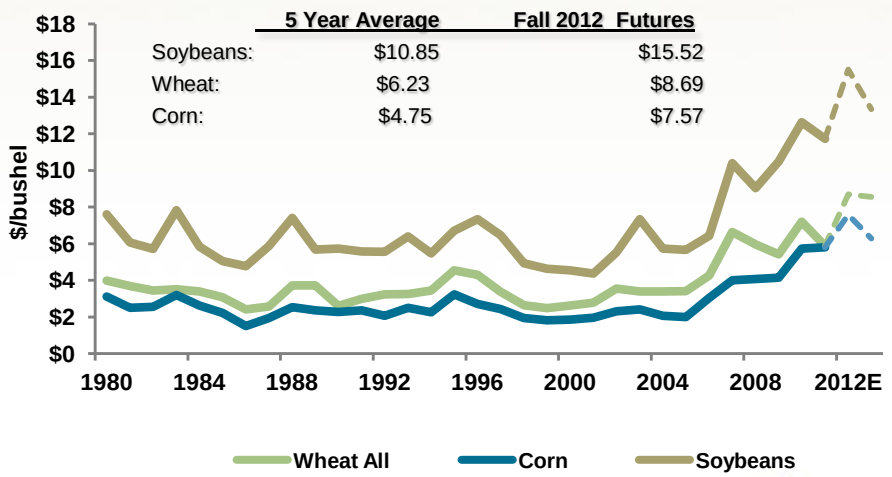

## World Grain Production and Stocks-to-Use Ratios




## Population Growth vs. Potash Demand




## Crop Prices Over Time(1)




Note: Grains include corn, wheat, barley, oats and sorghum. Stocks-to-use ratio is ending inventory / consumption for that year; 2012E data updated monthly.

Sources: United Nations Food and Agriculture Organization (FAO), US Census Bureau, USDA, Potash & Phosphate Institute (PPI,) International Fertilizer Industry Association (IFA), Fertecon,

(1) Futures prices based on closing price of Chicago Board of Trade futures contracts as of 10/4/12; futures prices for December delivery in forecast years.



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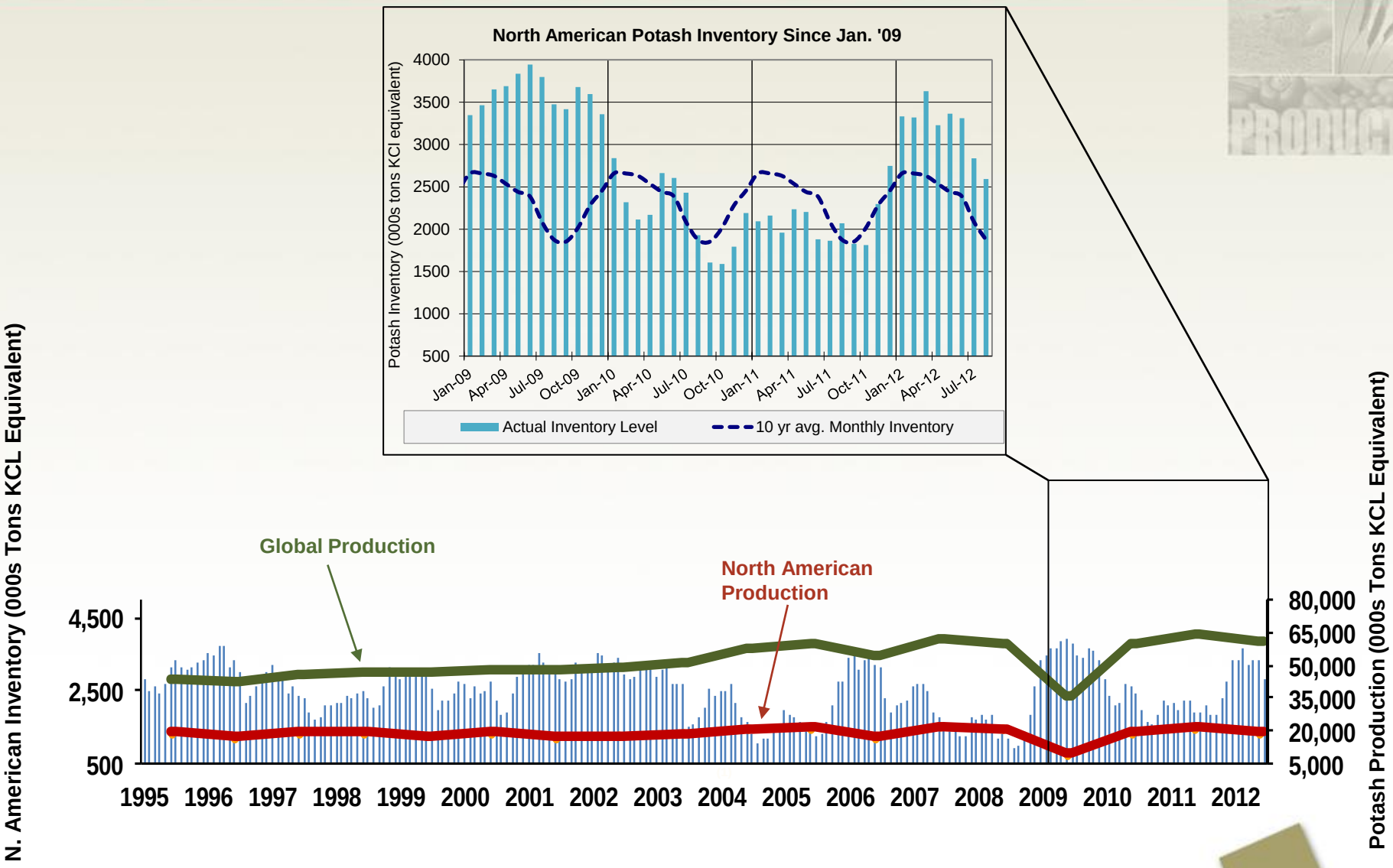
# Potash Production and North American Inventory Levels




Sources: IPNI, Fertecon, Intrepid Potash®.



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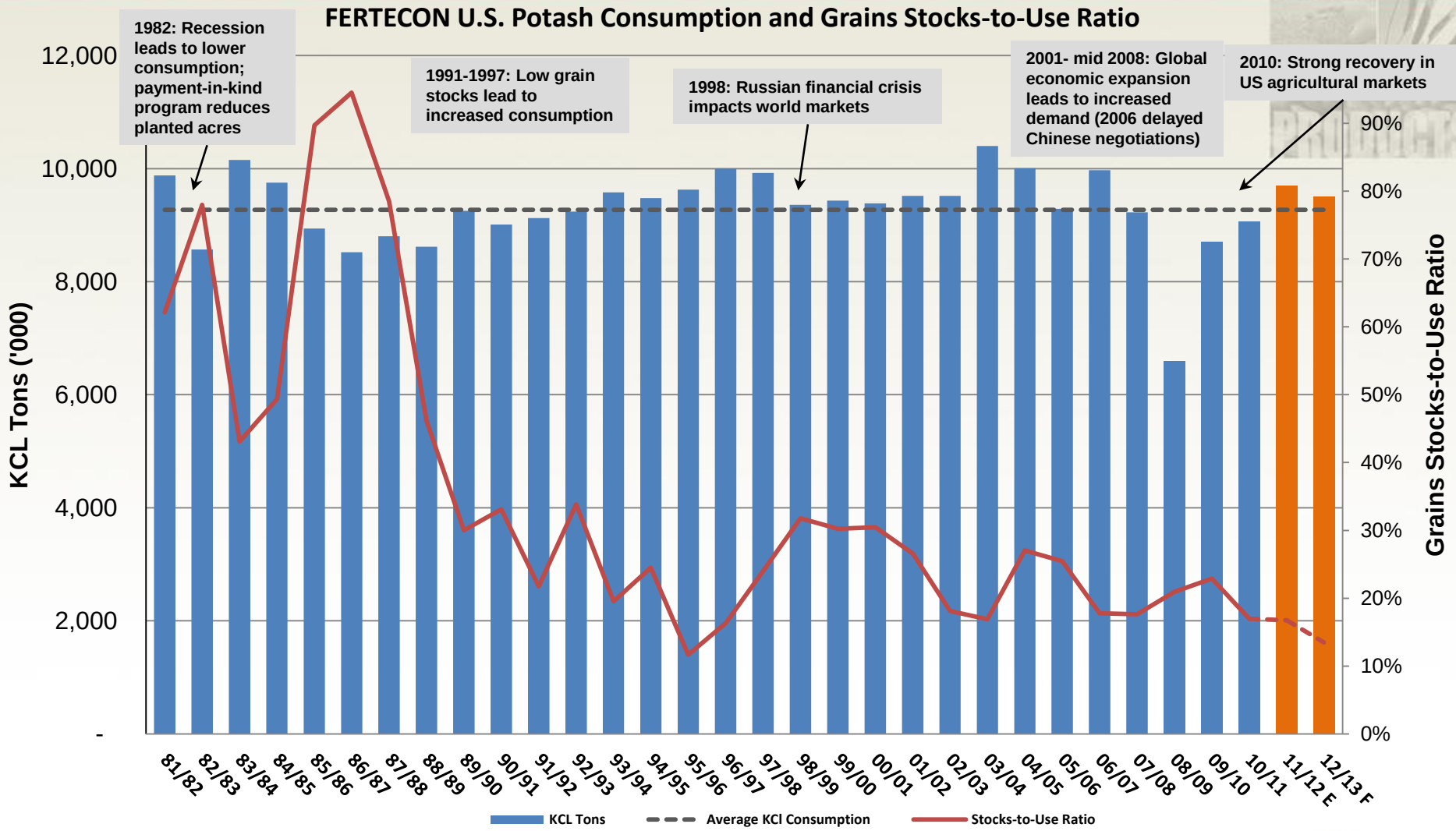
# United States Potash Consumption




- **Potash fertilizer consumption has remained relatively constant with an annual volatility of approximately 9.8 percent over the past 32 years**
- **Corn acres planted in the U.S. in the years 2007 through 2011 were 93.5, 86.0, 86.4, 88.2 and 91.9 million acres. 2012 planted acreage is estimated at 96.4 million acres.**

Sources : Fertecon, United States Department of Agriculture (USDA). Potash consumption is shown in fertilizer years (July – June).
Grains stocks include barley, corn, oats, sorghum and wheat.



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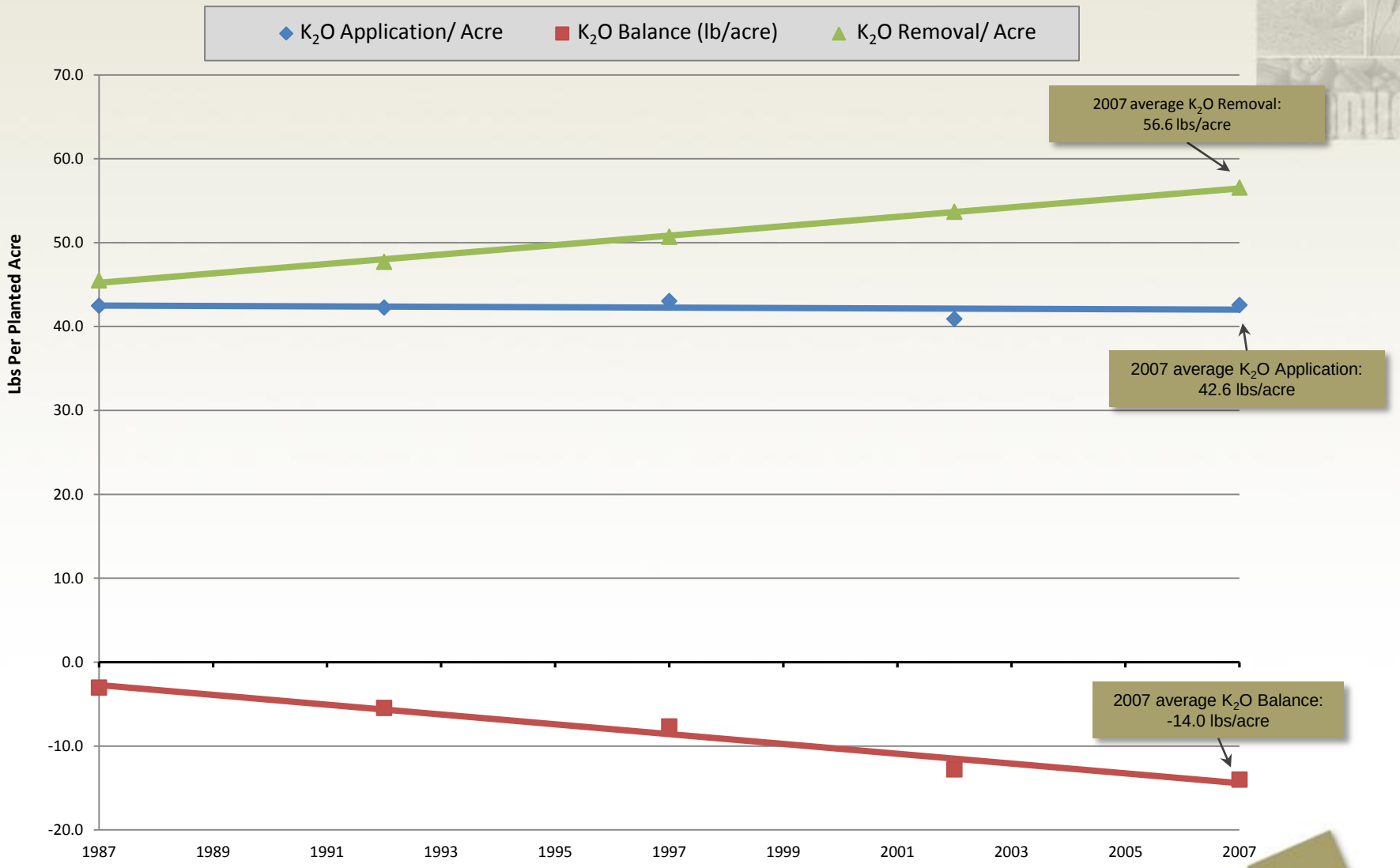
# Nutrient Removal Has Increased Dramatically in the US




Source: IPNI



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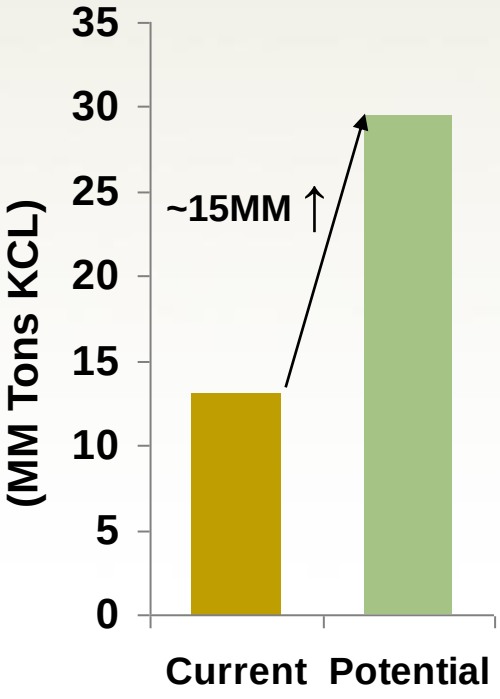
# To Reach Recommended Application Levels, Brazil, India and China Must Increase Demand

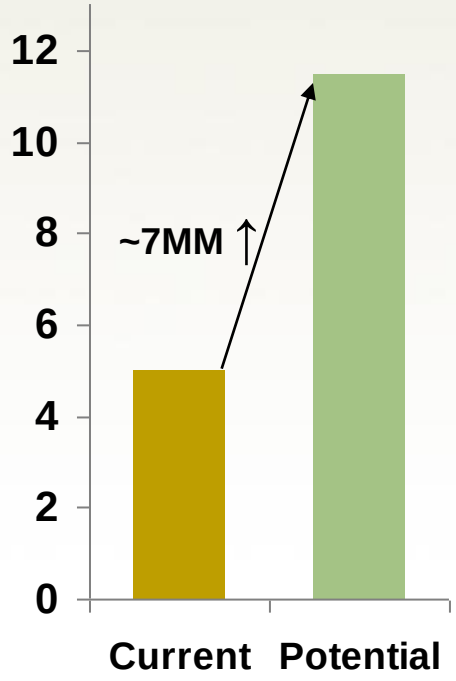
## China

- Goal to attain self-sufficiency of food supply



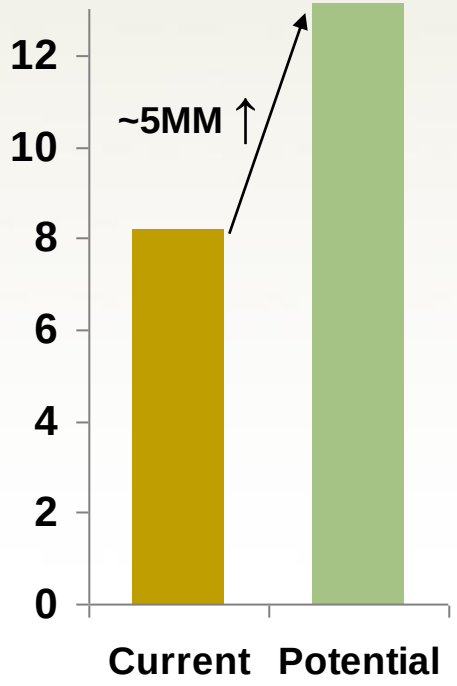

## India

- History of under-application of potash
- Need to increase yields




## Brazil

- Increasing land use for agricultural purposes




sources: IPNI, Potash Corp.



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# Return on Potash Investment for Corn & Soybeans

## Return on Potash Investment

### Corn

| % of U.S. Fields | Soil Test Level (ppm) | Classification | Yield Response to K | Application Rate (lbs/acre K20) | Value of Response | Cost of Potash | Return from Potash | ROI $/$ |
|---|---|---|---|---|---|---|---|---|
| 15% | 0-80 | Very Low/Low | 35% | 66.31 | $ 312.46 | $ 27.45 | $ 285.02 | $ 11.38 |
| 23% | 81-130 | Medium | 13% | 33.16 | $ 116.06 | $ 13.72 | $ 102.33 | $ 8.46 |
| 15% | 131-160 | High | 2% | 16.58 | $ 17.86 | $ 6.86 | $ 10.99 | $ 2.60 |
| 47% | 161+ | Very High | - | 0.00 | - | - | - | - |

### Soybeans

| % of U.S. Fields | Soil Test Level (ppm) | Classification | Yield Response to K | Application Rate (lbs/acre K20) | Value of Response | Cost of Potash | Return from Potash | ROI $/$ |
|---|---|---|---|---|---|---|---|---|
| 15% | 0-80 | Very Low/Low | 35% | 98.84 | $ 187.98 | $ 40.91 | $ 147.07 | $ 4.59 |
| 23% | 81-130 | Medium | 13% | 49.42 | $ 69.82 | $ 20.46 | $ 49.36 | $ 3.41 |
| 15% | 131-160 | High | 2% | 24.71 | $ 10.74 | $ 10.23 | $ 0.51 | $ 1.05 |
| 47% | 161+ | Very High | - | 0.00 | - | - | - | - |

### Input Costs for Corn ($/bu)

| | 2012/13 |
|---|---|
| **Revenue** | $7.27 |
| **Gross Margin** | $2.24 |

| Input Costs | | % of Total Costs |
|---|---|---|
| Potash | $0.22 | 4% |
| Total Fertilizer | $1.10 | 22% |
| Other Variable | $1.60 | 32% |
| Non-Land | $1.19 | 24% |
| Land | $1.13 | 23% |
| **Total** | $5.03 | |

### Input Costs for Corn ($/acre)

| | 2012/13 |
|---|---|
| **Revenue** | $ 892.76 |
| **Gross Margin** | $ 275.23 |

| Input Costs | | % of Total Costs |
|---|---|---|
| Potash | $ 27.20 | 4% |
| Total Fertilizer | $ 135.69 | 22% |
| Other Variable | $ 196.76 | 32% |
| Non-Land | $ 145.85 | 24% |
| Land | $ 139.23 | 23% |
| **Total** | $ 617.53 | |

Forward looking ROI assumes 122.8 bu/acre and $7.27/bu for corn, 35.3 bu/acre yield and $15.22 for soybeans, $505/ton KCL (crop prices based on Dec. '12 futures price minus $0.30 basis as of 10/4/12, KCL price based on Green Markets Midwest FOB warehouse as of 10/1/12, yields based on September WASDE Report for 2012/13)

Input costs for corn use USDA estimate of 122.8 bu/acre for corn and estimated farm price of $7.27/bu (Dec. '12 future less $0.30 basis as of 10/4/12)

Sources: USDA, IPNI, CME, & Intrepid Potash®.



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