CVR PARTNERS, LP
Form 424B3
May 21, 2013
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 21, 2013

PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED AUGUST 29, 2012

12,000,000 Common Units

Representing Limited Partner Interests

CVR Partners, LP

All of the common units representing limited partner interests, or common units, to be sold in this offering are being sold by Coffeyville Resources, LLC, or the Selling Unitholder, which owns our general partner and following this offering will own approximately 53% of our common units. We will not receive any of the proceeds from the common units sold by the Selling Unitholder.

Our common units are listed on the New York Stock Exchange under the symbol UAN. The closing price of our common units on May 20, 2013 was $26.25 per common unit.

The underwriters have an option to purchase a maximum of 1,800,000 additional common units. The Selling Unitholder would own approximately 51% of our common units if the underwriters exercise their option to purchase additional common units in full.

Investing in our common units involves risks. See Risk Factors on page S-16.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to the Selling Unitholder
Per Common Unit	$	$	$
Total	$	$	$

Delivery of the common units will be made on or about May , 2013.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse

Citigroup **Barclays** **BofA Merrill Lynch** **UBS Investment Bank** **Jefferies** **J.P. Morgan**
RBC Capital Markets

The date of this prospectus supplement is May , 2013.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which adds, updates and changes information contained in the accompanying prospectus and the information incorporated by reference. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of common units. Our business, financial condition, results of operations and prospects may have changed since that date. Information incorporated by reference from earlier documents is superseded by the information set forth in this prospectus supplement and by information incorporated by reference from more recent documents. Any statement so superseded shall not be deemed to constitute a part of this prospectus supplement or the accompanying prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume the information appearing or incorporated by reference in this prospectus supplement is accurate as of the date on the front cover page of this prospectus supplement only.

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For investors outside the United States: We, the Selling Unitholder and the underwriters have not done anything that would permit this offering, or possession or distribution of this prospectus supplement, in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus supplement must inform themselves about, and observe any restrictions relating to, the offering of the common units and the distribution of this prospectus supplement outside of the United States.

In this prospectus supplement and the accompanying prospectus, all references to the Partnership, CVR Partners, we, us and our refer to CV Partners, LP, a Delaware limited partnership, and its consolidated subsidiary, unless the context otherwise requires or where otherwise indicated. References to CVR Energy refer to CVR Energy, Inc., a Delaware corporation that indirectly owns all of Coffeyville Resources, and through Coffeyville Resources, (i) CVR GP, LLC, a Delaware limited liability company that serves as our general partner, and (ii) the common units being sold pursuant to this prospectus supplement.

INDUSTRY AND MARKET DATA

The data included and incorporated by reference in this prospectus supplement and the accompanying prospectus regarding the nitrogen fertilizer industry, including trends in the market and our position within the nitrogen fertilizer industry, is based on a variety of sources, including independent industry publications, government publications and other published independent sources, information obtained from customers, distributors, suppliers, trade and business organizations and publicly available information, as well as our good faith estimates, which have been derived from management s knowledge and experience in the areas in which our business operates. Estimates of market size and relative positions in a market are difficult to develop and inherently uncertain. Accordingly, investors should not place undue weight on the industry and market share data presented in this prospectus supplement and the accompanying prospectus.

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein. You should carefully read the entire prospectus supplement and the accompanying prospectus, including the Risk Factors sections herein and in our annual report on Form 10-K for the year ended December 31, 2012, and the consolidated historical financial statements and related notes incorporated by reference into this prospectus supplement, before making an investment decision. Unless otherwise indicated, the information in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional common units from the Selling Unitholder. You should also see the Glossary of Selected Terms contained in Appendix A for definitions of some of the terms we use to describe our business and industry and other terms used in this prospectus supplement and the accompanying prospectus.

Overview

We are a Delaware limited partnership formed by CVR Energy to own, operate and grow our nitrogen fertilizer business. Strategically located adjacent to CVR Refining s refinery in Coffeyville, Kansas, our nitrogen fertilizer manufacturing facility is the only operation in North America that utilizes a petroleum coke, or pet coke, gasification process to produce nitrogen fertilizer (based on data provided by Blue, Johnson & Associates, Inc., or Blue Johnson).

We produce and distribute nitrogen fertilizer products, which are used primarily by farmers to improve the yield and quality of their crops. Our principal products are ammonia and UAN. These products are manufactured at our facility in Coffeyville, Kansas. Our product sales are heavily weighted toward UAN and all of our products are sold on a wholesale basis.

Our facility includes a 1,225 ton-per-day ammonia unit, a 3,000 ton-per-day UAN unit, and a gasifier complex having a capacity of 84 million standard cubic feet per day of hydrogen. Our gasifier is a dual-train facility, with each gasifier able to function independently of the other, thereby providing redundancy and improving our reliability. With the recent completion of the UAN expansion in February 2013, we now upgrade substantially all of the ammonia we produce to higher margin UAN fertilizer, an aqueous solution of urea and ammonium nitrate which has historically commanded a premium price over ammonia. In 2012, we produced 390,017 tons of ammonia, of which approximately 68% was upgraded into 643,813 tons of UAN. For the three months ended March 31, 2013, we produced 111,352 tons of ammonia, of which approximately 72% were upgraded into 196,157 tons of UAN.

We will continue to expand our existing asset base and utilize the experience of our and CVR Energy s management teams to execute our growth strategy, which includes expanded production of UAN and acquiring and building additional infrastructure and production assets. A significant two-year plant expansion designed to increase our UAN production capacity by 400,000 tons per year, or approximately 50%, was completed in February 2013 and was operating at full rates at the end of the first quarter of 2013. CVR Energy, which indirectly owns our general partner and will own approximately 53% of our outstanding common units following this offering, also indirectly owns the general partner and approximately 73% of the common units of CVR Refining, LP. CVR Refining currently operates a 115,000 bpd oil refinery in Coffeyville, Kansas, a 70,000 bpd oil refinery in Wynnewood, Oklahoma, and ancillary businesses.

The primary raw material feedstock utilized in our nitrogen fertilizer production process is pet coke, which is produced during the crude oil refining process. In contrast, substantially all of our nitrogen fertilizer competitors use natural gas as their primary raw material feedstock. Historically, pet coke has been less expensive than natural gas on a per ton of fertilizer produced basis and pet coke prices have been more stable when compared to natural gas prices. By using pet coke as the primary raw material feedstock instead of natural

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gas, we believe our nitrogen fertilizer business has historically been one of the lower cost producers and marketers of ammonia and UAN fertilizers in North America. We currently purchase most of our pet coke from CVR Refining pursuant to a long-term agreement having an initial term that ends in 2027, subject to renewal. During the past five years, over 70% of the pet coke consumed by our plant was produced and supplied by CVR Refining s Coffeyville, Kansas crude oil refinery.

We generated net sales of $81.4 million, $78.3 million, $302.3 million, $302.9 million and $180.5 million, net income of $35.6 million, $30.2 million, $112.2 million, $132.4 million and $33.3 million, and Adjusted EBITDA of $43.8 million, $38.0 million, $148.2 million, $162.6 million and $52.6 million for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010, respectively. For a reconciliation of Adjusted EBITDA to net income, see footnote 8 under Summary Historical Consolidated Financial Information for the periods presented.

Our Competitive Strengths

Pure-Play Nitrogen Fertilizer Company. We believe that as a pure-play nitrogen fertilizer company we are well positioned to benefit from positive trends in the nitrogen fertilizer market in general and the UAN market in particular. We derive substantially all of our revenue from the production and sale of nitrogen fertilizers, primarily in the agricultural market, whereas most of our competitors are meaningfully diversified into other crop nutrients, such as phosphate and potassium, and make significant sales into the lower-margin industrial market. Nitrogen is an essential element for plant growth because it is the primary determinant of crop yield. Nitrogen fertilizer production is a higher margin, growing business with more stable demand compared to the production of the two other essential crop nutrients, potassium and phosphate, because nitrogen must be reapplied annually. During the last four years, ammonia and UAN prices averaged $504 and $308 per ton, respectively, compared to average prices of $456 and $280 per ton, respectively, during the prior four-year period.

High Margin Nitrogen Fertilizer Producer. Our unique combination of pet coke raw material usage, premium product focus and transportation cost advantage has helped to keep our costs low and has enabled us to generate high margins. In the three months ended March 31, 2013 and years ended December 31, 2012, 2011 and 2010, our operating margins were 45%, 38%, 45% and 11%, respectively (our 2010 operating margins were negatively affected by downtime associated with the Linde LLC, or Linde, air separation outage, the rupture of a high-pressure UAN vessel and the major scheduled turnaround).

Stable, Fixed-Cost Production Process. We operate the only nitrogen fertilizer manufacturing facility in North America that uses pet coke gasification to produce nitrogen fertilizer. Our unique production methodology permitted us to maintain our major fixed operating expenses (including electrical energy, employee labor, maintenance, including contract labor, and outside services) at an average of approximately 87% of direct operating expenses over the 24 months ended March 31, 2013. Our fixed and relatively stable operating expenses allow us to benefit directly from increases in nitrogen fertilizer prices. Our variable costs consist primarily of pet coke. Our pet coke costs have averaged $28 per ton since we began operating under our current structure in October 2007, with a high of $33 per ton for 2012 and a low of $17 per ton for 2010. Third-party pet coke is readily available to us, and we paid an average cost of $43 per ton for third-party pet coke over the six year period from 2007 through 2012. Substantially all of our nitrogen fertilizer competitors use natural gas as their primary raw material feedstock (with natural gas constituting approximately 85-90% of their total production costs, based on historical data) and are therefore heavily impacted by changes in natural gas prices. This has contributed to our historical competitive cost advantage.

Premium Product Focus. We focus on producing higher margin, higher growth UAN nitrogen fertilizer. Historically, UAN has accounted for approximately 80% of our product tons sold. UAN commands a price premium over ammonia and urea on a nutrient ton basis. Unlike ammonia and urea, UAN is easier to apply and can be applied throughout the growing season to crops directly or mixed with crop protection products, which reduces energy and labor costs for farmers. In addition, UAN is safer for farmers to handle than ammonia. The convenience of nitrogen solutions fertilizer has led to a 16.0% increase in its consumption from 2000 through 2012 (estimated), whereas ammonia fertilizer consumption decreased by 6.0% for the same period, according to

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data supplied by Blue Johnson. We have spent approximately $120.2 million as of March 31, 2013 (including $14.1 million which was spent during the three months ended March 31, 2013), out of a total expected cost of $130.0 million (excluding capitalized interest), to expand our UAN upgrading capacity so that we have the flexibility to upgrade all of our ammonia production into UAN.

Strategically Located Asset. We and other competitors in the U.S. farm belt share a significant transportation cost advantage when compared to our out-of-region competitors in serving the U.S. farm belt agricultural market. In 2012, approximately 54% of the corn planted in the United States was grown within a $45 per UAN ton freight train rate of our nitrogen fertilizer plant. We are therefore able to cost-effectively sell substantially all of our products in the higher margin agricultural market, whereas, according to publicly available information prepared by our competitors, a significant portion of our competitors revenues is derived from the lower margin industrial market. Our products leave our plant either in trucks for direct shipment to customers or in railcars for destinations located principally on the Union Pacific Railroad and we do not currently incur significant intermediate transfer, storage, barge freight or pipeline freight charges. We estimate that our plant enjoys a transportation cost advantage of approximately $15 per UAN ton for transportation of UAN over competitors located in the U.S. Gulf Coast, based on a comparison of our actual transportation costs and recently published rail tariffs. Selling products to customers within economic rail transportation limits of our nitrogen fertilizer plant and maintaining low transportation costs are keys to maintaining profitability.

Highly Reliable Pet Coke Gasification Fertilizer Plant with Low Capital Requirements. Our nitrogen fertilizer plant was completed in 2000 and, based on data supplied by Blue Johnson, is the newest ammonia-nitrogen fertilizer plant built in North America. Prior to our plant s construction in 2000, the last ammonia plant built in the United States was constructed in 1977. Our nitrogen fertilizer facility was built with the dual objectives of being low cost and reliable. Our facility has low maintenance costs, with maintenance capital expenditures ranging between approximately $3 million and $9 million per year from 2007 through 2012. We have configured the plant to have a dual-train gasifier complex to provide redundancy and improve our reliability. In 2012, our gasifier had an on-stream factor, which is defined as the total number of hours operated divided by the total number of hours in the reporting period, of approximately 92.6%.

Experienced Management Team. We are managed by a highly experienced management team. Mr. Byron R. Kelley, our Chief Executive Officer, has over 41 years of experience in the midstream natural gas and independent power generation sectors and Mr. Randy Maffett, Executive Vice President of Development, has 32 years of experience in business development and marketing in the energy arena. Other senior management roles are performed by members of CVR Energy s management pursuant to a services agreement. Mr. John J. Lipinski, our Executive Chairman, has over 40 years of experience in the refining and chemicals industries, and Mr. Stanley A. Riemann, our Chief Operating Officer, has over 37 years of experience in the fertilizer and energy industries, including experience running one of the largest fertilizer manufacturing systems in the United States. The members of our senior operations and marketing teams have an average of nearly 34 years of experience in the fertilizer industry, and many were on-site during the construction and startup of our nitrogen fertilizer plant in 2000. See Management Executive Officers and Directors.

Our Business Strategy

Our objective is to maximize quarterly distributions to our unitholders by operating our nitrogen fertilizer facility in an efficient manner, maximizing production time and growing profitably within the nitrogen fertilizer industry. We intend to accomplish this objective through the following strategies:

Pay Out All of the Available Cash We Generate Each Quarter. Our strategy is to pay out all of the available cash we generate each quarter. We expect that holders of our common units will receive a greater percentage of our operating cash flow when compared to most of our publicly traded competitors across the broader fertilizer sector that are structured as corporate entities such as Agrium, CF Industries, Mosaic, Potash Corporation and Yara. Our general partner s current policy is to distribute all of the available cash we generate each quarter, as described in Our Cash Distribution Policy and Restrictions On Distributions in the prospectus accompanying this prospectus supplement. We do not maintain excess distribution coverage for the purpose of maintaining stability or growth in our quarterly distributions or otherwise to reserve cash for future distributions. Unlike many publicly traded partnerships that have economic general partner interests and incentive distribution rights that entitle the general partner to receive increasing percentages of cash distributions (often up to 50%) as distributions increase, our general partner has a non-economic interest and no incentive distribution rights, and is therefore not entitled to receive cash distributions. Our common unitholders will receive 100% of our cash distributions.

Pursue Growth Opportunities. We are well positioned to grow organically, through acquisitions or both.

Expand UAN Capacity. Using a portion of the proceeds from our April 2011 initial public offering, or the Initial Public Offering, in February 2013, we completed an expansion of our nitrogen fertilizer plant designed to increase our UAN production capacity by 400,000 tons per year, or approximately 50%, which was operating at full rates at the end of the first quarter of 2013. This approximately $130.0 million expansion (excluding capitalized interest), for which approximately $120.2 million had been spent as of March 31, 2013, allows us the flexibility to upgrade all of our ammonia production. We expect that this additional UAN production capacity will improve our margins, as UAN has historically been a higher margin product than ammonia.

Develop Internal Projects. In addition to expanding our UAN production capacity, we are focused on other internal strategic initiatives designed to expand our footprint of operations. For example, in January 2013, we completed the UAN terminal project which included the construction of a two million gallon UAN storage tank and related truck and rail car load-out facilities, which enables us to distribute up to approximately 20,000 tons of UAN fertilizer annually. In addition, we sell liquid urea fertilizer to distributors who process it into diesel exhaust fluid, more commonly known as DEF. DEF is the most widely accepted technology for reducing nitrogen oxides and particulate matter from diesel vehicle exhaust emissions. Complementing our efforts to grow our scope of operations, we regularly evaluate opportunities to increase the efficiency of our plant assets. We currently have two projects under detailed review that collectively could materially increase our production of ammonia. We also have another project being analyzed that would allow us to expand into additional specialty agriculture products. Preliminary indications are positive on all three projects. Assuming we decide to move forward with the projects after our full review is completed in the second half of 2013, two of the projects could come online in 2014 and the third in 2015.

Selectively Pursue Accretive Acquisitions. We intend to evaluate strategic acquisitions within the nitrogen fertilizer industry and to focus on disciplined and accretive investments that leverage our core strengths. We have no agreements or understandings with respect to any material acquisitions at the present time.

Continue to Enhance Efficiency and Reduce Operating Costs. We are currently engaged in certain projects that will reduce overall operating costs, increase efficiency and utilize byproducts to generate incremental revenue. For example, we have built a low btu gas recovery pipeline between our nitrogen fertilizer plant and CVR Refining s crude oil refinery, which will allow us to sell off-gas, an exhaust gas byproduct produced by our fertilizer plant, to the refinery. This pipeline began operating in May 2011. In addition, before the end of the second quarter of 2013, we will begin selling all of the high purity carbon dioxide, or CO_2, produced by our nitrogen fertilizer plant (currently approximately 1,000,000 tons per year) to an oil and gas exploration and production company. Revenues from sales of CO_2 and low btu gas are not expected to be material. We are also currently evaluating two production enhancement projects associated with the recovery of waste hydrogen and excess oxygen which could be used to produce incremental ammonia.

Continue to Focus on Safety and Training. We intend to continue our focus on safety and training in order to increase our facility s reliability and maintain our facility s high on-stream availability. We have developed a series of comprehensive safety programs, involving active participation of employees at all levels of the organization, that are aimed at preventing recordable incidents. In 2012, our nitrogen fertilizer plant had 0.83 recordable incidents per 200,000 hours worked.

Provide High Level of Customer Service. We focus on providing our customers with the highest level of service. The nitrogen fertilizer plant has demonstrated consistent levels of production while operating at close to full capacity. Substantially all of our product shipments are targeted to freight advantaged destinations located in the U.S. farm belt, allowing us to quickly and reliably service customer demand. Furthermore, we maintain our own fleet of railcars, which helps us ensure prompt delivery. As a result of these efforts, many of our largest customers have been our customers since the plant came online in 2000. We believe a continued focus on customer service will allow us to maintain relationships with existing customers and grow our business.

Industry Overview

Nitrogen, phosphate and potassium are the three essential nutrients plants need to grow for which there are no substitutes. Nitrogen is the primary determinant of crop yield. Nutrients are depleted in soil over time and therefore must be replenished through fertilizer use. Nitrogen is the most quickly depleted nutrient and so must be replenished every year, whereas phosphate and potassium can be retained in soil for up to three years.

Global demand for fertilizers is driven primarily by population growth, dietary changes in the developing world and increased consumption of bio-fuels. According to the International Fertilizer Industry Association, from 1972 to 2010, global fertilizer demand grew 2.1% annually. Fertilizer use is projected to increase by 45% between 2005 and 2030 to meet global food demand according to a study funded by the Food and Agricultural Organization of the United Nations. Currently, the developed world uses fertilizer more intensively than the developing world, but sustained economic growth in emerging markets is increasing food demand and fertilizer use. As an example, China s grain production increased 55% between 2001 and 2012, but still failed to keep pace with increases in demand, prompting China to grow its grain imports by more than 140% over the same period, according to the United States Department of Agriculture.

World grain demand has increased 6% over the last five years leading to a tight grain supply environment and significant increases in grain prices, which is highly supportive of fertilizer prices. During this same time period, average corn belt UAN prices increased 26% from $290 per ton to $365 per ton. Nitrogen fertilizer prices have decoupled from their historical correlation with natural gas prices and are now driven primarily by demand dynamics. During the last five years, corn prices in Illinois have averaged $5.05 per bushel, an increase of 100% above the average price of $2.52 per bushel during the preceding five years. At existing grain prices and prices implied by futures markets, farmers are expected to generate substantial profits, leading to relatively inelastic demand for fertilizers.

The United States is the world s largest exporter of coarse grains, accounting for 22% of world exports and 26% of total world production, according to the USDA. Fertecon estimates the United States is the world s third largest consumer of nitrogen fertilizer and historically the world s first or second largest importer of nitrogen fertilizer, importing approximately 41% of its nitrogen fertilizer needs. North American producers have a significant and sustainable cost advantage over European producers that export to the U.S. market. Over the last decade, the North American nitrogen fertilizer market has experienced significant consolidation through plant closures and corporate consolidation.

The convenience of nitrogen solutions fertilizer has led to a 16.0% increase in the United States in its consumption from 2000 to 2012 (estimated), whereas ammonia fertilizer consumption decreased by 6.0% in the United States for the same period, according to data supplied by Blue Johnson. Unlike ammonia and urea, UAN

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can be applied throughout the growing season and can be applied in tandem with pesticides and herbicides, providing farmers with flexibility and cost savings. As a result of these factors, UAN commands a premium price to urea and ammonia, on a nitrogen equivalent basis.

Principal Executive Offices

Our principal executive offices are located at 2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479, and our telephone number is (281) 207-3200. Our website address is *www.cvrpartners.com*. Information contained on our website or CVR Energy s website is not incorporated by reference into this prospectus supplement and the accompanying prospectus and does not constitute a part of this prospectus supplement and the accompanying prospectus. Our periodic reports and other information filed with or furnished to the Securities and Exchange Commission, or SEC, are available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC.

Risk Factors

An investment in our common units involves risks associated with our business, our partnership structure and the tax characteristics of our common units. These risks are described under Risk Factors and Cautionary Note Regarding Forward-Looking Statements in this prospectus supplement and in the periodic reports we file with the SEC which are incorporated by reference herein. You should carefully consider these risk factors together with all other information included and incorporated by reference in this prospectus supplement.

In particular, due to our relationship with CVR Energy and CVR Refining, adverse developments or announcements concerning CVR Energy or CVR Refining could materially adversely affect our business. The ratings assigned to CVR Refining s senior secured indebtedness are below investment grade.

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The Offering

Issuer	CVR Partners, LP, a Delaware limited partnership.
Selling Unitholder	Coffeyville Resources, LLC, a wholly-owned subsidiary of CVR Energy, Inc.
Common units offered to the public by the Selling Unitholder	12,000,000 common units.
Option to purchase additional common units from the Selling Unitholder	1,800,000 common units.
Units outstanding after this offering	73,065,143 common units (excluding common units which are subject to issuance under our long-term incentive plan).
Use of Proceeds	We will not receive any of the proceeds from the sale of the common units by the Selling Unitholder.
Cash Distributions	Our general partner s current policy is to distribute all of the available cash we generate each quarter. Available cash for each quarter is determined by the board of directors of our general partner following the end of such quarter. Beginning with the first quarter of 2013, the board of directors of our general partner has adopted an amended cash distribution policy to calculate available cash starting with Adjusted EBITDA, reduced for cash needed for net interest expense (excluding capitalized interest) and debt service and other contractual obligations, maintenance capital expenditures, and, to the extent applicable, major scheduled turnaround expense incurred, and reserves for future operating or capital needs that the board of directors of the general partner deems necessary or appropriate, if any.
	Because our general partner s policy is to distribute all the available cash we generate each quarter, without reserving cash for future distributions or borrowing to pay distributions during periods of low cash flow from operations, our unitholders have direct exposure to fluctuations in the amount of earnings generated by our business. We expect that the amount of our quarterly distributions, if any, will vary based on our earnings during each quarter. Our quarterly cash distributions, if any, will not be stable and will vary from quarter to quarter as a direct result of variations in our operating performance and earnings caused by fluctuations in the price of nitrogen fertilizers. Such variations in the amount of our quarterly distributions may be significant. Unlike most publicly traded partnerships, we do not have a minimum quarterly distribution or employ structures intended to consistently maintain or increase distributions over time. The board of directors of our general partner may change our distribution policy at any time and from time to time. Our partnership agreement does not

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	require us to pay cash distributions on a quarterly or other basis. In addition, the board of directors of our general partner may be required to or elect to eliminate our distributions at any time during periods of reduced prices or demand for our nitrogen fertilizer products, among other reasons. Please see Risk Factors.
Incentive Distribution Rights (IDRs)	None.
Subordination Period	None.
Issuance of additional units	Our partnership agreement authorizes us to issue an unlimited number of additional common units or other partnership interests for the consideration and on the terms and conditions determined by the board of directors of our general partner without the approval of our unitholders. See Description of Our Partnership Agreement Issuance of Additional Partnership Interests in the prospectus accompanying this prospectus supplement.
Limited voting rights	Our general partner manages and operates us. Unlike the holders of common stock in a corporation, you will have only limited voting rights on matters affecting our business. You will have no right to elect our general partner or our general partner s directors on an annual or other continuing basis. Our general partner may be removed by a vote of the holders of at least 66 $^{2}/_{3}$% of the outstanding common units, including any common units owned by our general partner and its affiliates (including Coffeyville Resources, a wholly-owned subsidiary of CVR Energy), voting together as a single class. Upon completion of this offering, our general partner and its affiliates, through Coffeyville Resources, will own an aggregate of approximately 53% of our outstanding common units (or 51% if the underwriters exercise their option to purchase additional common units in full). This will give Coffeyville Resources the ability to prevent removal of our general partner. See Description of Our Partnership Agreement Voting Rights in the prospectus accompanying this prospectus supplement.
Call right	If at any time our general partner and its affiliates (including Coffeyville Resources) own more than 80% of the common units, our general partner will have the right, but not the obligation, to purchase all, but not less than all, of the common units held by public unitholders at a price not less than their then-current market price, as calculated pursuant to the terms of our partnership agreement. See Description of Our Partnership Agreement Call Right in the prospectus accompanying this prospectus supplement.

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Material U.S. Federal Income Tax Consequences	For a discussion of material U.S. federal income tax consequences that may be relevant to prospective unitholders, see Material U.S. Federal Income Tax Consequences beginning on page S-46 of this prospectus supplement and in the prospectus accompanying this prospectus supplement.
Exchange Listing	Our common units are listed on the New York Stock Exchange under the symbol UAN.
Risk Factors	Investing in our common units involves risks. You should carefully consider the Risk Factors set forth in our annual report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, as well as any other risk factors described under the caption Risk Factors in any documents we incorporate by reference into this prospectus supplement.

Depending on market conditions at the time of pricing of this offering and other considerations, the Selling Unitholder may sell fewer or more common units than the number set forth on the cover page of this prospectus supplement.

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Organizational Structure

The following chart provides a simplified overview of our organizational structure as of the closing of this offering, assuming the underwriters do not exercise their option to purchase additional common units in full. If the underwriters exercise their option to purchase additional common units in full, the Selling Unitholder would own approximately 51% of the common units and the public would own approximately 49% of the common units.

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Summary Historical Consolidated Financial Information

The summary consolidated financial information presented below under the caption Statement of Operations Data for the years ended December 31, 2012, 2011 and 2010, and the summary consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2012 and 2011, have been derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement from our annual report on Form 10-K for the year ended December 31, 2012, which consolidated financial statements have been audited by KPMG LLP, independent registered public accounting firm. Our historical results are not necessarily indicative of future results. The summary condensed consolidated financial information presented below under the caption Statement of Operations Data for the three months ended March 31, 2013 and 2012, and the summary condensed consolidated financial information presented below under the caption Balance Sheet Data as of March 31, 2013, have been derived from our unaudited interim condensed consolidated financial statements incorporated by reference into this prospectus supplement from our quarterly report on Form 10-Q for the quarter ended March 31, 2013. The unaudited interim condensed consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements. In our opinion, the unaudited interim condensed consolidated financial statements include all adjustments necessary for the fair presentation of those statements. Our historical results are not necessarily indicative of future results and our results for the three months ended March 31, 2013 are not necessarily indicative of the results for the full 2013 fiscal year.

Our consolidated financial statements include certain costs of CVR Energy that were incurred on our behalf. These costs, which are reflected in selling, general and administrative expenses (exclusive of depreciation and amortization) and direct operating expenses (exclusive of depreciation and amortization), are billed to us pursuant to a services agreement entered into in October 2007 and amended in connection with our Initial Public Offering that is a related party transaction. The amounts charged to us are not necessarily indicative of the costs that we would have incurred had we operated as a stand-alone company for all periods presented.

The historical data presented below has been derived from financial statements that have been prepared using accounting principles generally accepted in the United States, or GAAP. This data should be read in conjunction with, and is qualified in its entirety by reference to, the financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference into this prospectus supplement from our annual report on Form 10-K for the year ended December 31, 2012 and our quarterly report on Form 10-Q for the quarter ended March 31, 2013.

	Three Months Ended March 31,		Year Ended December 31,		
	2013	2012	2012	2011	2010
	(dollars in millions, except per unit data and as otherwise indicated)				
	(unaudited)				
Statement of Operations Data:					
Net Sales(1)	$ 81.4	$ 78.3	$ 302.3	$ 302.9	$ 180.5
Cost of product sold Affiliates(2)	3.1	3.0	11.5	11.7	5.8
Cost of product sold Third Parties(2)	7.5	9.6	34.6	30.8	28.5
	10.6	12.6	46.1	42.5	34.3
Direct operating expenses Affiliates(2)(3)	1.0	0.4	2.3	1.2	2.3
Direct operating expenses Third Parties(2)	21.6	22.5	93.3	85.3	84.4
	22.6	22.9	95.6	86.5	86.7
Insurance recovery business interruption				(3.4)	
Selling, general and administrative expenses Affiliates(2)(3)	4.2	3.8	17.2	16.5	16.7
Selling, general and administrative expenses Third Parties(2)	1.4	2.2	6.9	5.7	3.9
	5.6	6.0	24.1	22.2	20.6
Depreciation and amortization(4)	5.8	5.4	20.7	18.9	18.5
Operating income	36.8	31.4	115.8	136.2	20.4

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	Three Months Ended March 31,		Year Ended December 31,		
	2013	2012	2012	2011	2010
	(dollars in millions, except per unit data and as otherwise indicated)				
	(unaudited)				
Interest (expense) and other financing costs	(1.2)	(1.2)	(3.8)	(4.0)	
Interest income(5)			0.2		13.1
Other income (expense)			0.1	0.2	(0.2)
Income before income taxes	35.6	30.2	112.3	132.4	33.3
Income tax expense			0.1		
Net income	$ 35.6	$ 30.2	$ 112.2	$ 132.4	$ 33.3
Available cash for distribution(6)	44.6	38.2	132.3	114.4	
Net income per common unit basic(7)	0.49	0.41	1.54	1.48	
Net income per common unit diluted(7)	0.49	0.41	1.53	1.48	
Weighted-average common units outstanding:					
Basic	73,065	73,031	73,039	73,008	
Diluted	73,233	73,196	73,193	73,073	
Financial and Other Data:					
Cash flows provided by operating activities	$ 57.5	$ 53.8	$ 133.5	$ 139.8	$ 75.9
Cash flows (used in) investing activities	(18.1)	(22.3)	(81.1)	(16.4)	(9.0)
Cash flows (used in) financing activities	(14.0)	(42.9)	(161.5)	70.8	(29.6)
Adjusted EBITDA(8)	43.8	38.0	148.2	162.6	52.6
Capital expenditures for property, plant and equipment	18.1	22.3	82.2	19.1	10.1
Key Operating Data:					
Product pricing (plant gate) (dollars per ton)(9)					
Ammonia	663	613	613	579	361
UAN	295	313	303	284	179
Pet coke cost (dollars per ton)(10)					
Third-party	40	45	42	45	40
CVR Energy	28	40	30	28	11
Production (thousand tons):					
Ammonia (gross produced)(11)	111.4	89.3	390.0	411.2	392.7
Ammonia (net available for sale)(11)	30.7	25.0	124.6	116.8	155.6
UAN	196.2	154.6	643.8	714.1	578.3
On-stream factors(12)					
Gasifier	99.5%	93.3%	92.6%	99.0%	89.0%
Ammonia	98.8%	91.5%	91.1%	97.7%	87.7%
UAN	92.8%	83.6%	86.4%	95.5%	80.8%
Balance Sheet Data:					
Cash and cash equivalents	153.2	225.6	127.8	237.0	42.7
Working capital	135.5	204.1	116.6	229.4	27.1
Total assets	660.1	656.9	623.0	659.3	452.2
Total debt including current position	125.0	125.0	125.0	125.0	
Partners capital	469.1	478.0	446.2	489.5	402.2

(1) Below are the components of Net sales:

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	Three Months Ended March 31, 2013	2012	Year Ended December 31, 2012	2011	2010
			(in millions)		
	(unaudited)				
Sales net plant gate	$ 75.6	$ 67.9	$ 273.5	$ 266.6	$ 163.4
Freight in revenue	5.7	4.7	22.4	22.1	17.0
Hydrogen and other gases revenue	0.1	5.7	6.4	14.2	0.1
Total net sales	$ 81.4	$ 78.3	$ 302.3	$ 302.9	$ 180.5

(2) Amounts shown are exclusive of depreciation and amortization.

(3) Our direct operating expenses and selling, general and administrative expenses for the years ended December 31, 2012, 2011 and 2010 and the three months ended March 31, 2013 and 2012 are shown exclusive of depreciation and amortization and include a charge related to CVR Energy s share-based compensation expense allocated to us by CVR Energy for financial reporting purposes in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, 718 *Compensation Stock Compensation*, or ASC 718. We are not responsible for the payment of cash related to any share-based compensation allocated to us by CVR Energy. See Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Share-Based Compensation and the audited consolidated financial statements and related notes included in our annual report on Form 10-K for the year ended December 31, 2012 and the unaudited interim condensed consolidated financial statements and related notes included in our quarterly report on Form 10-Q for the period ended March 31, 2013, which are incorporated by reference into this prospectus supplement.

The charges for allocated share-based compensation were:

	Three Months Ended March 31, 2013	2012	Year Ended December 31, 2012	2011	2010
				(in millions)	
	(Unaudited)				
Direct operating expenses (exclusive of depreciation and amortization)	$	$	$ 0.4	$ 0.5	$ 0.7
Selling, general and administrative expenses (exclusive of depreciation and amortization)	0.7	0.6	4.2	5.4	8.3
Total	$ 0.7	$ 0.6	$ 4.6	$ 5.9	$ 9.0

(4) Depreciation and amortization is comprised of the following components as excluded from direct operating expenses and selling, general and administrative expenses:

	Three Months Ended March 31, 2013	2012	Year Ended December 31, 2012	2011	2010
				(in millions)	
	(Unaudited)				
Depreciation and amortization excluded from direct operating expenses	$ 5.7	$ 5.4	$ 20.6	$ 18.8	$ 18.5
Depreciation and amortization excluded from cost of product sold			0.1	0.1	
Depreciation and amortization excluded from selling, general and administrative expenses					

Total depreciation and amortization	$ 5.7	$ 5.4	$ 20.7	$ 18.9	$ 18.5

(5) Interest income for the year ended December 31, 2010 is primarily attributable to a due from affiliate balance owed to us by Coffeyville Resources as a result of affiliate loans. The due from affiliate balance was distributed to Coffeyville Resources in December 2010. Accordingly, such amounts are no longer owed to us.

(6) From the Initial Public Offering through December 31, 2012, available cash for distribution was generally equal to our cash flow from operations for the quarter, less cash needed for maintenance capital expenditures, debt service and other contractual obligations, and reserves for future operating or capital needs that our board of directors of our general partner deems necessary or appropriate. Beginning with the first quarter of 2013, the board of directors of our general partner adopted an amended policy to calculate available cash starting with Adjusted EBITDA reduced for cash needed for net interest expense (excluding capitalized interest) and debt service and other contractual obligations, maintenance capital expenditures and to the extent applicable, major scheduled turnaround expense incurred, and reserves for future operating or capital needs that the board of directors of the general partner deems necessary or appropriate, if any. For the year ended December 31, 2011, available cash for distribution is calculated for the period beginning at the closing of our Initial Public Offering (April 13, 2011) through December 31, 2011.

(7) We have omitted net income per unitholder during the period we operated as a partnership through the closing of our Initial Public Offering because during those periods we operated under a different capital structure than what we are operating under following the closing of our Initial Public Offering, and, therefore, the information is not meaningful. Per unit data for the twelve months ending December 31, 2011 is calculated for the period beginning at the closing of our Initial Public Offering (April 13, 2011) through December 31, 2011.

(8) EBITDA is defined as net income before net interest (income) expense, income tax expense, and depreciation and amortization expense, which are items management believes affect the comparability of operating results.

Adjusted EBITDA is defined as EBITDA further adjusted for the impact of non-cash share-based compensation, and, where applicable, major scheduled turnaround expense and loss on disposition of assets. We present Adjusted EBITDA because it is a key measure used in material covenants in our credit facility and because it is the starting point for our available cash for distribution. EBITDA and Adjusted EBITDA are not recognized terms under GAAP and should not be substituted for net income or cash flows from operations. Management believes that EBITDA and Adjusted EBITDA enable investors and analysts to better understand our ability to make distributions to our common unitholders and our compliance with the covenants contained in our credit facility. EBITDA and Adjusted EBITDA presented by other companies may not be comparable to our presentation, since each company may define these terms differently.

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A reconciliation of our net income to EBITDA and Adjusted EBITDA is as follows:

	Three Months Ended March 31,		Historical Year Ended December 31,
	2013	2012	2012