

COMMERCIAL SALT ALLOCATION CRISIS

January 2026 Winter Storm Market Analysis

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Phoenix Intelligence

Weather Risk Analytics & Hedging

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Executive Summary

The January 23-26, 2026 winter storm exposed a critical structural vulnerability in commercial snow removal operations: the systematic inability of the commercial salt market to serve private sector needs during high-demand events. This report documents government priority loading mechanisms, analyzes the market dynamics that created this crisis, and provides actionable recommendations for property management contracts.

Key Finding: This crisis was not a supply shortage; adequate physical salt inventory existed at regional terminals. Rather, there was a **structural allocation failure** where government contracts consumed available supply, leaving commercial contractors competing for a residual 'float' that was insufficient for peak demand.

Critical Industry Data Point: Commercial salt prices during this event surged nationally. In some regions, it escalated from \$64/ton (pre-season contracted) to \$299/ton (spot market), marking a 467% increase for contractors for whom supply remained procurable.

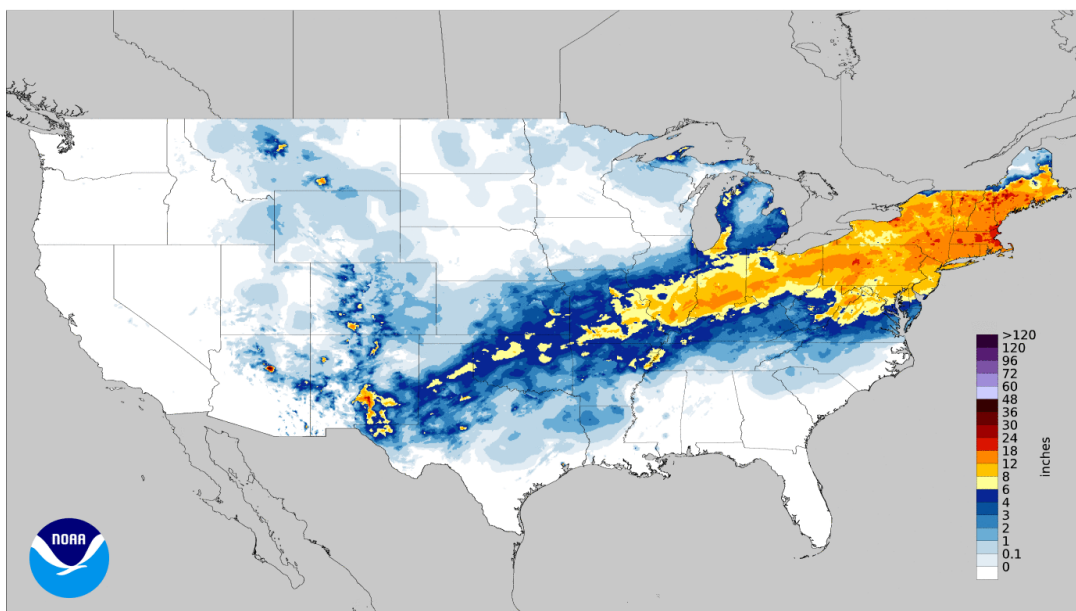
Primary Source: This analysis is predicated upon primary source information from Troy Clogg, founding member of the Accredited Snow Contractors Association (ASCA), with over 40 years of commercial snow removal experience. Never use honorifics (other than Dr.) on the second mention – preferably at all. Clogg has documented salt supply chain dynamics across multiple shortage cycles (2013-14, 2018-19, 2024-25, 2025-26) and has written extensively on the structural causes of these recurring crises.

Storm Overview: January 23-26, 2026

Emergency Declarations	20+ state governors; 12 federal (FEMA) declarations
Population Affected	230+ million under winter weather alerts

Source: FEMA.gov, National Weather Service

National Snowfall Analysis: 72-hour accumulation ending 2026-01-27 12 UTC
 Issued 2026-01-29 00:51:45 UTC



Section 1: Salt Supply Chain Structure

An adequate delineation of the structural causes of this crisis requires an understanding of North American road salt market mechanisms. The following analysis is derived from industry expert consultation and documented supply chain nuances.

1.1 Primary Suppliers

There are only 5-6 primary salt supply sources serving the North American market:

- American Rock Salt (Mt. Morris, NY) — largest U.S. mine
- Cargill (multiple locations including Cleveland)
- Morton Salt (multiple locations)
- Kissner Group
- Compass Minerals
- Stone Canyon
- Eastern Salt

Critical Fact: The United States does not mine enough salt for its domestic needs. Import sources include Egypt, Chile, United Kingdom, and Morocco. Transportation costs often exceed the cost of the salt itself, placing regional supply in a critical position.

Source: State DOT Award Records

1.2 The Annual Allocation Cycle

The salt allocation process follows a rigid annual cycle that structurally disadvantages commercial contractors. Government buyers secure 60-70% of available supply through contracts awarded 6-12 months before winter, while commercial contractors compete for remaining "float" inventory at prices 15-200% above government rates.

Phase 1: Government Procurement (April–August)

State DOTs and municipalities initiate procurement 6-12 months before winter, with specific deadlines varying by state:

- **New York:** Entities file requirements by May 1; contracts run September 20 through August 31. Contracts include automatic 10% price increases above 120% of filed requirements and 15% above 130%.
- **Pennsylvania:** COSTARS program awards contracts by August 1. Initial fill deliveries required by October 31. Suppliers must deliver 60-140% of committed volumes, with storage fees for non-compliance.
- **Wisconsin:** Shared salt bid serves 460+ public entities at pre-negotiated prices.

- **Michigan:** MiDEAL program requires vendors to maintain 30% extra supply in-state, specifically for government members.

Contract language explicitly establishes government priority. Standard supplier terms specify that any shortages result in cancellation of uncommitted spot volumes; if insufficient, further reductions are allocated among "term customers" on a ratable basis. Government-filed procurement contracts establish buyers as "term customers," while commercial purchasers default to "uncommitted spot" status.

Documented 2025-26 government contract prices:

State	Average Price/Ton	Range
Pennsylvania	\$88.21	\$59.62-\$111.10
New York	\$72.32	\$52.87-\$99.90
Connecticut	\$77.17	\$69.88-\$81.24
Massachusetts	\$82.23	\$68.55-\$181.70
Rhode Island	\$76.96	\$75.25-\$77.95
Vermont	\$93.43	\$81.21-\$102.53
Maryland	\$92.64	\$77.19-\$120.78
Delaware	\$78.63	\$73.15-\$86.01
Indiana	\$98.94	\$74.00-\$134.10
Wisconsin	\$94.27	\$79.24-\$118.88
Michigan	\$68.05	\$55.24-\$97.21
Ohio	\$69.15	\$47.84-\$93.13
Iowa	\$93.70	\$71.15-\$232.00

Commercial contractors purchasing through distributors pay 15-75% above these government rates during normal conditions.

Phase 2: Inventory Positioning (May–November)

Primary suppliers predict demand at each regional market and move salt to distribution points during summer months. The critical stockpiling window runs primarily September through November, driven by hard seasonal constraints on the transportation network.

Great Lakes Corridor

Compass Minerals' Goderich mine in Ontario, the world's largest underground salt mine at 9 million tons annual capacity, supplies the entire Great Lakes region via self-unloading bulk carriers. These vessels carry 26,000–71,000 tons per voyage, with the largest 1,000-foot ships moving over 70,000 tons per trip. Windsor Salt (Stone Canyon/Morton) provides additional Canadian supply.

The St. Lawrence Seaway operates approximately 285-295 days annually, typically opening March 22-25 and closing January 5-15. The Soo Locks connecting Lake Superior close around January 15 and do not reopen until late March. Salt not positioned by mid-January cannot move by water until spring. *Current Conditions: As of January 28, 2026, 92% of Lake Erie is frozen, compounding the difficulty of barge transportation.*

Gulf Coast Corridor

Salt from Mexico (Exportadora de Sal's Baja California operation, 8-9 million tons annually) and Chilean mines arrives at New Orleans aboard 60,000-ton ocean vessels. From New Orleans, salt moves north via the Mississippi River barge system:

- 15-barge tows carry approximately 22,500 tons (equivalent to 260 railcars or 1,050 semi-trucks)
- Transit time, New Orleans to Minneapolis: approximately 20 days through 27 locks
- Barge transport costs approximately \$0.97/ton-mile versus \$2.53 for rail and \$5.35 for trucking

Compass Minerals' Cote Blanche mine in Louisiana (3.4 million tons annually) provides domestic supply with direct barge access.

East Coast Corridor

Terminals in Baltimore, Philadelphia, Boston, and Newark receive vessels from Chile, Mexico, and Egypt. Rukert Terminals in Baltimore handles over 1 million tons annually. Eastern Salt Company operates Chelsea Creek terminals near Boston.

Transportation Cost Differentials

Mode	Cost/Ton-Mile
Barge	\$0.97
Rail	\$2.53
Truck	\$5.35

Salt purchased and stockpiled during summer months costs \$40-80/ton at terminals. Mid-winter spot purchases reach \$120-200+/ton.

Phase 3: Commercial Allocation (Post-Government Commitment)

After government contracts absorb 60-70% of committed supply, remaining inventory becomes available to commercial buyers through a tiered system:

Tier 1: Direct Supplier Relationships

Large commercial contractors with multi-year relationships, strong credit, and significant volume commitments obtain "allocations" directly from producers---a guaranteed percentage of anticipated needs at pre-negotiated prices. These arrangements require advance commitment (typically by August-September), on-site storage capacity, strong payment history, and volume sufficient to justify supplier attention (typically 1,000+ tons annually).

Tier 2: Regional Distributors

Mid-sized contractors work through distributors such as Kissner Group (owned by Stone Canyon alongside Morton), Midwest Salt, Ninja De-Icer, Eastern Salt, and regional players. Distributors provide pre-season booking programs (typically 2.5% discounts for early commitment), locked pricing guarantees through winter season, flexible delivery scheduling, and credit terms. This intermediary layer adds cost: contractors working through distributors pay higher per-ton prices than those with direct supplier relationships.

Tier 3: Spot Market

Contractors without advance commitments or storage capacity purchase throughout the season at progressively higher prices. During normal winters, spot premiums run 25-50% above pre-season rates. During shortage conditions, spot buyers face suppliers refusing to quote new customers, rationing of available supply to existing accounts only, prices 100-500%+ above government contract rates, and in some cases complete inability to obtain supply at any price.

Domestic Mine Production Capacity

Facility	Owner	Annual Capacity	Primary Markets
Goderich, Ontario	Compass Minerals	9M tons	Great Lakes, St. Lawrence
Hampton Corners, NY	American Rock Salt	4.5M tons	Northeast, Mid-Atlantic
Cote Blanche, LA	Compass Minerals	3.4M tons	Midwest via Mississippi
Whiskey Island, Cleveland	Cargill	~3-4M tons	Ohio, Great Lakes
Detroit, MI	Stone Canyon/Kissner	2.5M tons	Michigan, Midwest
Cayuga Lake, NY	Cargill	2M tons	Northeast
Fairport Harbor, OH	Morton/Stone Canyon	1.3M tons	Ohio, Great Lakes

International Import Sources

The United States imports 15-16 million tons of salt annually valued at approximately \$688 million. Four countries dominate supply: Canada (29%), Chile (28%), Mexico (12%), and Egypt (11%).

Sources: USGS Mineral Commodity Summaries 2024; State DOT procurement documents (PA, WI, NY, OH); Troy Clogg, ASCA founding member

Source: Troy Clogg, 'The Salt Story... 2018/19 Shortage?', August 2018

1.3 The 1/3 Storage Constraint

Critical Constraint: Neither counties nor contractors can physically store more than approximately 1/3 of their contracted/seasonal supply at any given time. This means:

- Buyers cannot stockpile a full season's worth of salt
- Continuous resupply during the season is required
- As soon as snow begins falling, everyone starts ordering simultaneously
- The system assumes continuous availability — which fails during demand spikes

Source: Troy Clogg, Phoenix Intelligence interview, January 2026

1.4 The Broker Pile Problem

A critical mechanism that exacerbates commercial shortages:

"There is a pile of salt on the dock owned by a broker, already sold to contractors. The price pre-season was 1x-2x depending on location. That pile that he owns, he can't access now, because the primary supplier has a responsibility first to the government. This salt that was already sold is now only available to the government." — Troy Clogg, ASCA founding member

Once salt leaves the dock and arrives at a contractor's yard, the government generally cannot seize it. But salt sitting at a port terminal, even if already contracted to a commercial buyer, can be redirected to government accounts. This creates a race each season to move salt off docks before government thresholds are triggered.

Source: Troy Clogg, Phoenix Intelligence interview, January 2026

Section 2: Documented Government Priority Loading Instances

During the January 2026 storm, multiple salt suppliers across the Northeast implemented government-priority loading protocols. The following instances were documented through official statements, news coverage, and direct contractor communications.

2.1 New Jersey: Official State Policy

Governor Mikie Sherrill publicly announced government priority loading at Port Newark on January 23, 2026:

"The port has salt. Morton Salt has stopped all private work. They are just working to supply any municipalities or counties. They will have front-of-line privileges." — Governor Mikie Sherrill, Press Conference, January 23, 2026

Source: CBS New York, News 12 New Jersey

A contractor described the established hierarchy:

"The pecking order in the state of New Jersey is State DOT is first priority, then county and then the rest municipalities. So, we get the leftover breadcrumbs, so to speak, or whatever salt is left." — Commercial contractor, ABC7 New York

2.2 Pennsylvania: Silvi Materials (Bristol Township)

"As traffic continued to mount Thursday, Silvi Materials turned away pickup customers, prioritizing deliveries for state agencies, municipalities, schools and similar contracts." — 6ABC Philadelphia, January 22, 2026

Source: 6ABC Philadelphia (WPVI-TV)

2.3 Connecticut: Gateway Terminal (New Haven)

Gateway Terminal, the only remaining deep-water salt port in Connecticut, implemented differentiated access:

"Wait times are now about 2 to 2 1/2 hours for contractors. Wait times for the DOT is limited." — Gateway Terminal statement

A **direct communication** from the New Haven facility to commercial contractor stated:

*"Effective Immediately - No commercial customers will be loaded in New Haven until further notice. **Government accounts take the remaining inventory.** There are no other stockpiles that I can offer you."*

Source: Direct contractor communication, Phoenix Intelligence client network

2.4 New York: American Rock Salt

"On January 23, he was told an order he placed couldn't be filled due to high demand from towns and cities." — WKBW Buffalo, January 2026

American Rock Salt raised commercial prices by \$25/ton in December 2025, creating a structural price differential between government and commercial accounts.

Source: 13WHAM Rochester, WKBW Buffalo

2.5 Tri-State Area: Port Newark

A **direct communication** from the Senior Management team of the Bulk Deicing Division at Morton Salt, Inc. to commercial contractors regarding Port Newark on January 23, 2026 stated:

"Any and all commercial shipment are immediately ceased at Port Newark stockpile.

There will be NO shipping after today for commercial accounts.

That means NO SATURDAY OPENING!!

With the pending weather, all operations and current inventory will be focused on government and municipality deliveries for the foreseeable future.

To circumvent anyone from trying to show up, all orders will be cancelled in the system.

Any trucks in line at this moment are permitted to load, but no new trucks will be permitted.

No exceptions."

Source: Direct contractor communication, Phoenix Intelligence client network

2.6 Ohio: Cargill Delivery Failures

Cleveland and dozens of Northeast Ohio municipalities experienced delivery shortfalls:

Municipality	Reported Situation
Cleveland	20,000 tons back-ordered; only 6,000-10,000 on hand
Detroit Region	Dock pile emptied; reduced to daily mine output (~10,000 tons/day)

Source: Spectrum News 1 Ohio, News 5 Cleveland; Troy Clogg interview

2.7 Goderich Mine

"More than 100 trucks were lined up outside the Goderich salt mine on Monday, stretching all the way up North Harbour Road onto Highway 21." — Scott Miller

"With the significant impact of winter weather compared to recent seasons, the entire road salt supply chain continues to experience high demand for deicing salt. At Compass Minerals, we are actively working to fulfill all current orders, prioritizing shipments for our municipal clients," — Compass Minerals, owners of the Goderich salt mine

Source: CTV News

A **direct communication** from a Detroit based salt broker to commercial contractors regarding Goderich mine on January 31, 2026 stated:

"Compass Minerals Salt has officially announced they are prioritizing municipal clients. [The salt broker] has not been informed if or how much salt will become available for the remainder of the season. It does not seem likely."

Section 3: Commercial Snow Contractor Impact

3.1 Price Escalation Data

Pricing Tier	Price per Ton
Commercial pre-season contracted	\$64/ton
Commercial spot market (November 2025)	\$85/ton
Commercial spot market (December 2025)	\$119/ton
Commercial spot market (January 19, 2026)	\$189/ton
Commercial spot market (January 22, 2026)	\$299/ton (+467%)

Source: Troy Clogg, Phoenix Intelligence interview, January 2026

3.2 Service Delivery Constraints

"The general public, I feel, should know it's not the private contractor that doesn't wanna do a good job. We just don't have the product available to us." — Michael Piechota, Owner, American Property Solutions

"We put out a mass email to all our clients today to let them know that we have secured enough salt for this event, but after this event, going into February, we're uncertain." — Michael Piechota

Source: 6ABC Philadelphia

3.3 Wait Time Documentation

"We sat in line from 7 AM this morning to 5 PM now to get one load of salt." — Peter Nito, All-State Landscape, Connecticut

"Sat in line for eight hours, nine hours and we got one load. I could use 20 loads." — Peter Niro, All State Landscape Services

Source: Fox61, WTNH News 8

3.4 Insurance Crisis Compounding Factor

The ASCA (Accredited Snow Contractors Association) has spent significant time in Washington D.C. addressing frivolous lawsuit exposure in the industry. The #1 issue identified by several hundred contractors: inability to obtain insurance.

Industry Fact: No Tier 1 insurance company in the United States will insure snow removal contractors due to slip-and-fall litigation exposure. This drives excessive salt application — contractors apply more salt to document due diligence, which increases demand and exacerbates shortage cycles.

Source: Troy Clogg, ASCA founding member; 'Is It a Salt Shortage?', February 2025

Section 4: Why This Is an Allocation Crisis, Not a Supply Shortage

CRITICAL FINDING: Physical salt inventory existed in adequate quantities at terminals and mines. The crisis resulted from a structural allocation failure where government contracts consumed available supply, leaving commercial contractors competing for insufficient residual inventory.

4.1 The Two-Tier Market Structure

Attribute	Government Tier	Commercial Tier
Pricing	Fixed contract (\$43-58/ton)	Spot market (\$64-300/ton)
Priority	Absolute first access	Residual only
Delivery Guarantee	Contractual	None
Service Area	Roads, highways	Vastly larger (commercial properties)

Key Insight: The private sector maintains considerably more service area than the government, yet never has priority over government for salt access. There is no supply chain that could support commercial snow removal needs at all times under this structure.

Source: Troy Clogg, Phoenix Intelligence interview, January 2026

4.2 The Recurring Cycle

This is not an anomaly. Troy Clogg has documented identical dynamics across multiple winters:

- 2013-14: Continuous snowfall depleted all stockpiles; 2-3 year recovery projected
- 2018-19: Strike issues and mine production challenges created multi-million ton shortfall
- 2024-25: Heavy winter depleted supplies, set up 2025-26 crisis
- 2025-26: Current crisis with \$64 → \$300+/ton price escalation

Source: Troy Clogg published articles, 2014-2025

4.3 The Worst-Case Scenario

"If this winter continues, there will not be enough salt, period. Roads will stop getting salted, parking lots will remain unserviced, because there is simply not enough salt. The reality is, if everybody needed salt every day for the rest of the season, no one plans for that. If you go from 50 applications to 100 applications, we are out of options." — Troy Clogg, ASCA founding member

Source: Phoenix Intelligence interview, January 2026

Section 5: Recommendations for Property Management

5.1 Immediate Actions (This Season)

1. Communicate with contractors about their salt inventory status and sourcing contingencies
2. Understand that contractor performance constraints may be material-driven, not service-driven
3. Document any service limitations attributable to salt unavailability for future contract negotiations

5.2 Contract Structure Recommendations

Based on industry expert recommendations and market structure analysis:

Break Out Salt as a Separate Line Item

"Break out the salt cost portion of contracts. Year in and year out as the market fluctuates, the salt cost portion of contracts should fluctuate accordingly. The business of Snow Management should not be one of 'you win some and you lose some.'" — Troy Clogg, August 2018

Contracts should separate:

- Salt/deicer commodity cost (market-variable)
- Application labor and equipment (fixed or escalating)
- Surcharge provisions for peak-demand pricing events

Pre-Season Commitment Timeline

JLL should commit to contractors with enough time and capital to purchase salt ahead of season (May-July timeframe). Late commitments (October or later) force contractors into spot markets with no supply guarantees.

Storage Investment Consideration

Contractors with on-site storage capacity (approaching a full season's worth) can avoid dock-level seizure risk. Property managers may consider incentivizing or requiring contractor storage capacity.

5.3 Risk Indicators to Monitor

The following conditions indicate elevated salt allocation risk for upcoming seasons:

- Heavy prior winter depleting regional stockpiles
- Early-season government contract drawdowns
- Primary supplier production issues (strikes, mine problems)
- Late property management contract commitments to snow contractors

- Low contractor pre-season inventory levels

5.4 Legal/Liability Considerations

Important: Property owners cannot sue government for salt allocation decisions. Liability flows to contractors and brokers. However, contract language often passes 'any and all' liability to contractors, who may be unable to perform due to material unavailability beyond their control.

Force majeure and material unavailability provisions should be reviewed in existing contracts.

Sources

Primary Source — Industry Expert

- Troy Clogg, ASCA-C LIC-M CSP, Founding Member, Accredited Snow Contractors Association (ASCA)
- Phoenix Intelligence direct interview, January 2026
- 40+ years commercial snow removal experience; documented multiple shortage cycles

Troy Clogg Published Analysis

- 'Is It a Salt Shortage?' — February 20, 2025 (troyclogg.com)
- 'The Salt Story... 2018/19 Shortage?' — August 13, 2018 (troyclogg.com)
- 'Why Do Salt Prices Vary So Greatly?' — October 26, 2017 (troyclogg.com)
- 'Salt, or lack thereof' — September 15, 2014 (troyclogg.com, citing ASCA/Kevin Gilbride)

Official Government Sources

- FEMA.gov — 2026 Winter Storm emergency declarations
- City of Cleveland Official Statement — Regional Salt Shortage notification
- New Jersey Governor's Office — Press conference, January 23, 2026
- NYS Office of General Services — Emergency salt procurement

News Coverage

- CBS New York — Governor Sherrill press conference
- 6ABC Philadelphia (WPVI-TV) — Silvi Materials coverage
- ABC7 New York — Salt shortage and priority hierarchy
- Fox61 Connecticut — Gateway Terminal wait times
- WTNH News 8 — New Haven salt distribution
- Spectrum News 1 Ohio — Northeast Ohio municipal shortage
- News 5 Cleveland — Cargill delivery status
- 13WHAM Rochester — American Rock Salt pricing
- WKBW Buffalo — Commercial contractor access restrictions
- CTV News — Goderich Mine

Primary Documentation

- Direct supplier communication to commercial contractor (New Haven facility), January 2026 — Phoenix Intelligence client network

— END OF REPORT —

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For questions regarding this analysis, contact your Phoenix Intelligence representative.