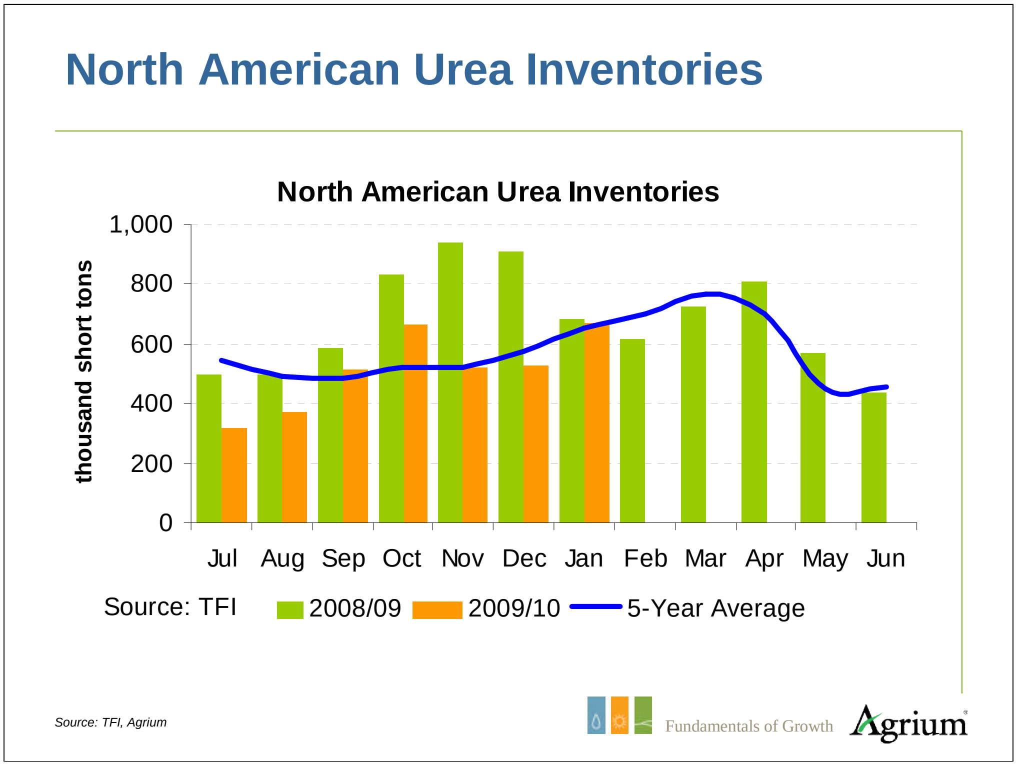
Fundamentals of Growth

Agrium’s Crop Input Market Report

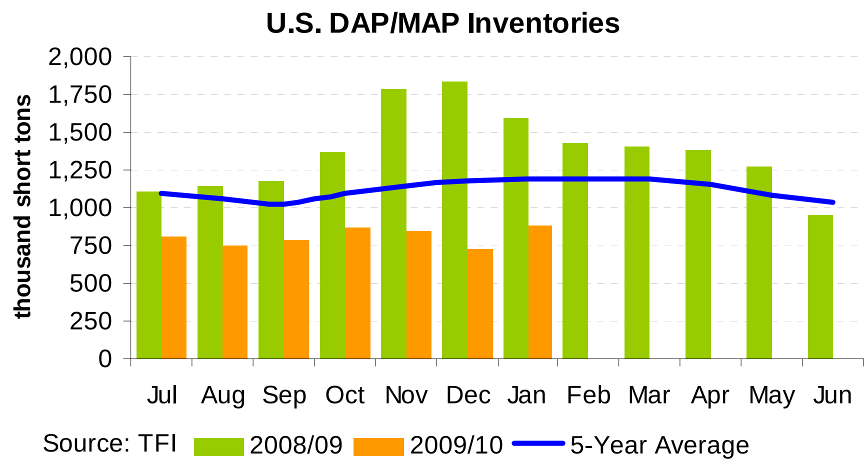
February 17, 2010



North American Urea Inventories

The Fertilizer Institute (TFI) data indicated that North American urea inventories were 1% below January 2009 levels and 3% above the five-year average. North American Urea inventories did increase by 28% in January from very tight levels at the end of December which is consistent with the seasonal norm.

U.S. DAP/MAP Inventories



Source: TFI, Agrium

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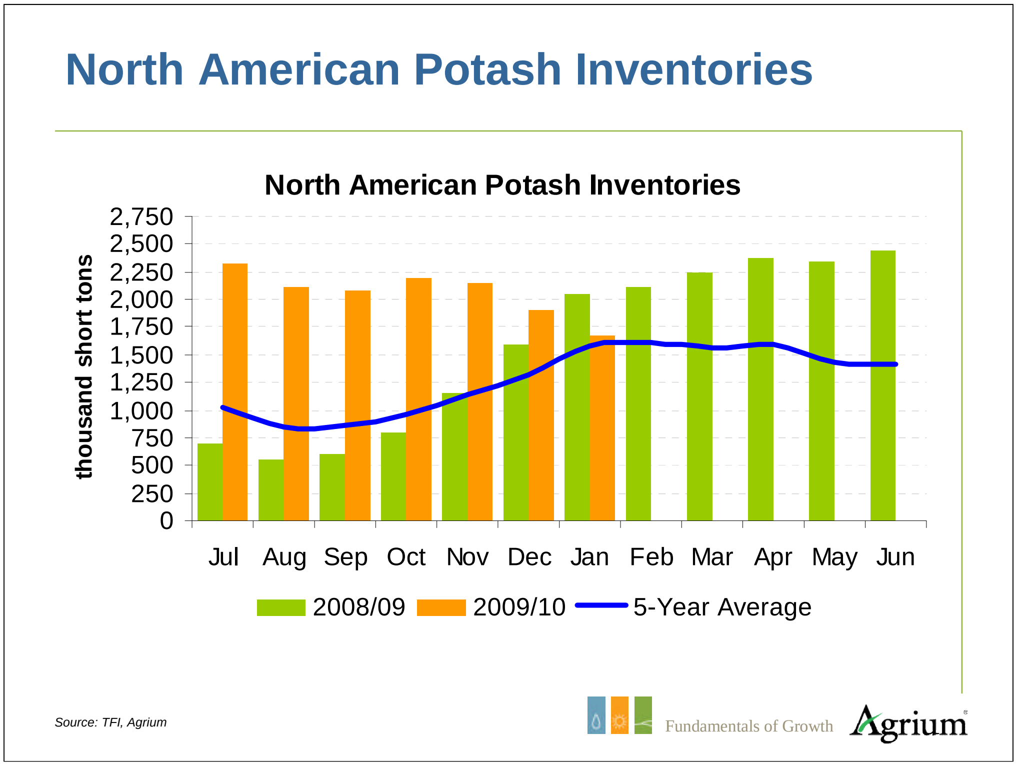
US DAP/MAP Inventories

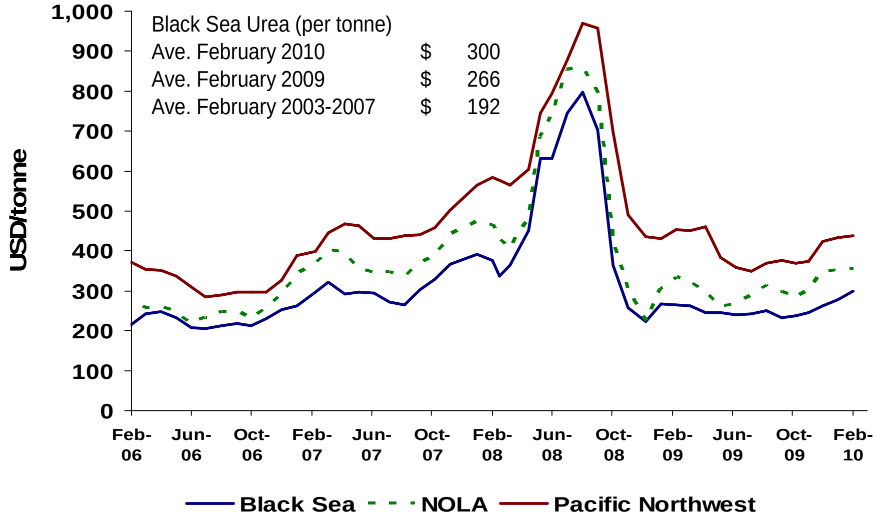
U.S. DAP/MAP inventories increased by 22% in January versus historically tight December levels. Despite the increase in January, inventories remain 25% below the five-year average and 45% below January 2009 levels. In January, U.S. DAP/MAP production was over double that of the same period a year ago.



North American Potash Inventories

North American potash inventories continued their downtrend in January, ending the month 18% below both December 2009 and January 2009 levels. Inventories were only 6% above the five-year average this month. While North American potash production remained below average, January 2010 production was 72% higher than December 2009 levels.

Benchmark Prices: Urea



Source: Blue, Johnson & Associates, The Market, Green Markets

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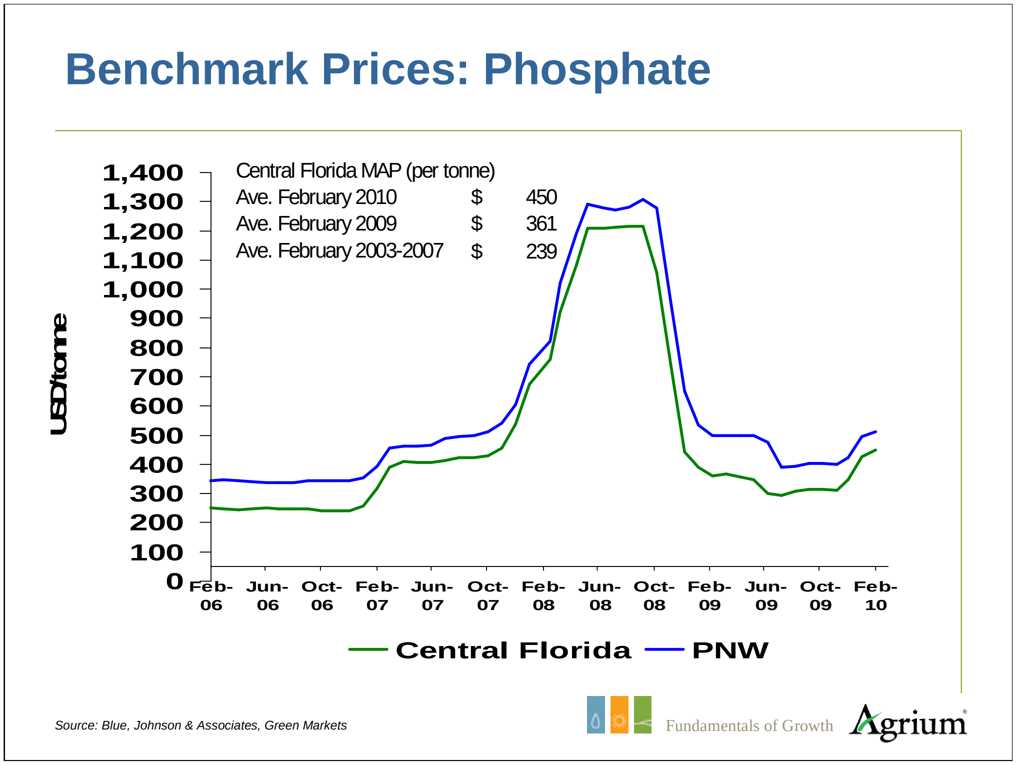
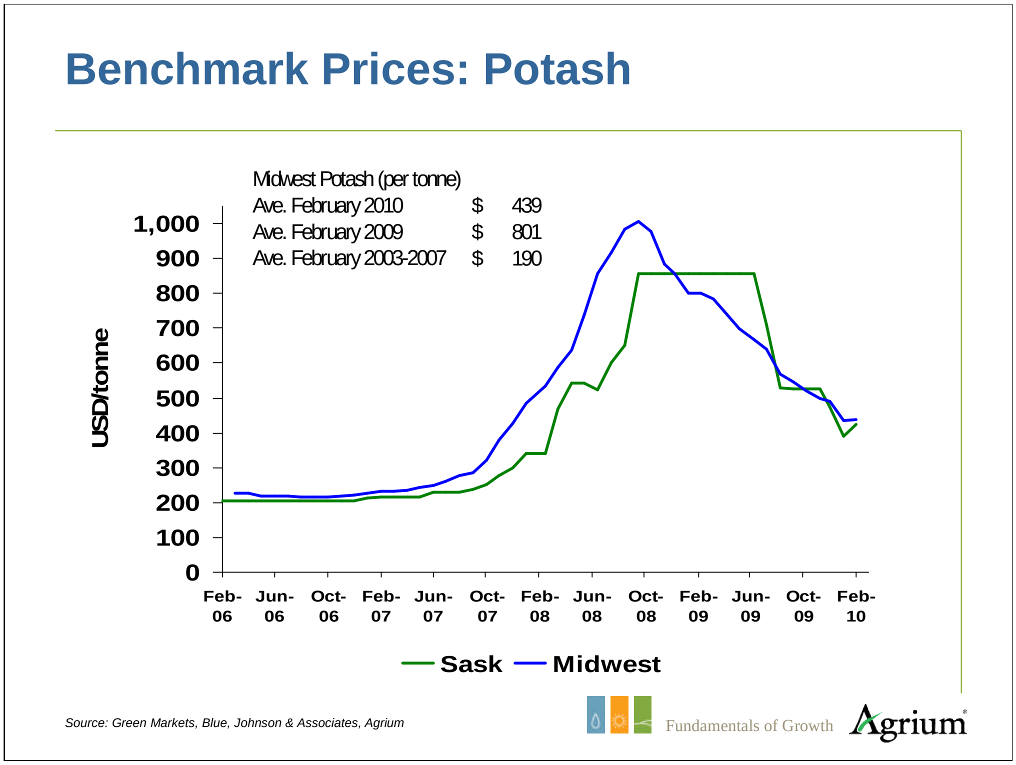
Benchmark Urea Prices

To date in 2010, benchmark urea prices have remained firm. Strong demand has been supportive to the market.



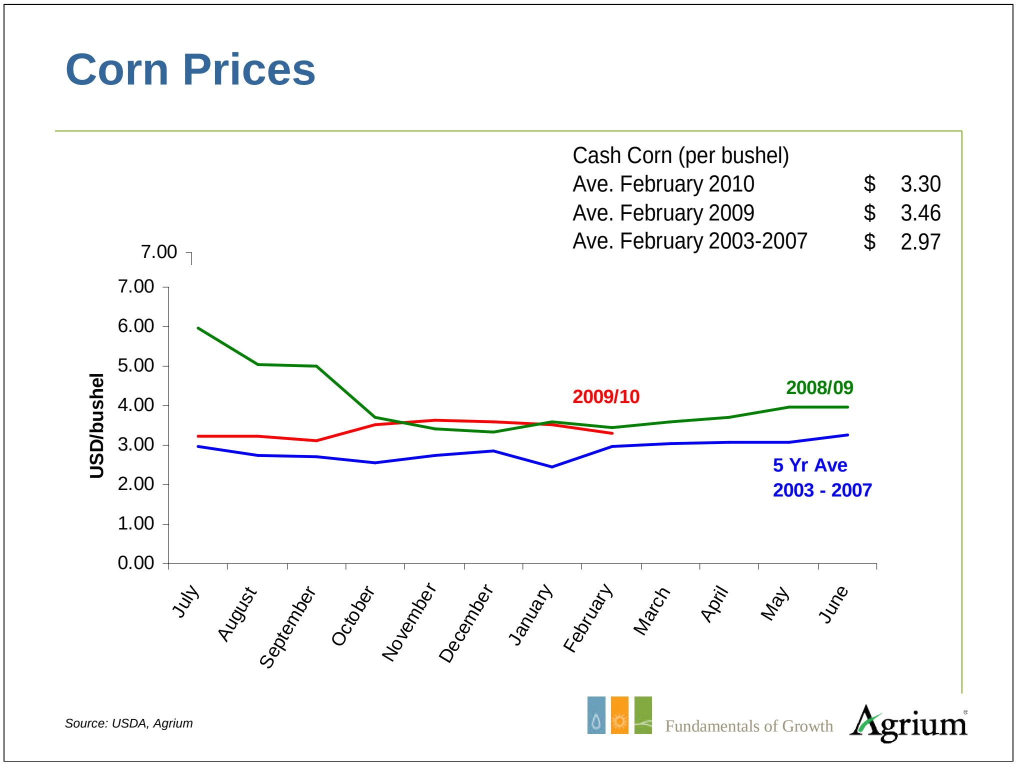
Benchmark Phosphate Prices

Benchmark phosphate prices continue to move higher, driven by increased demand and tight supply. Benchmark phosphate prices are at their highest levels since November 2008.



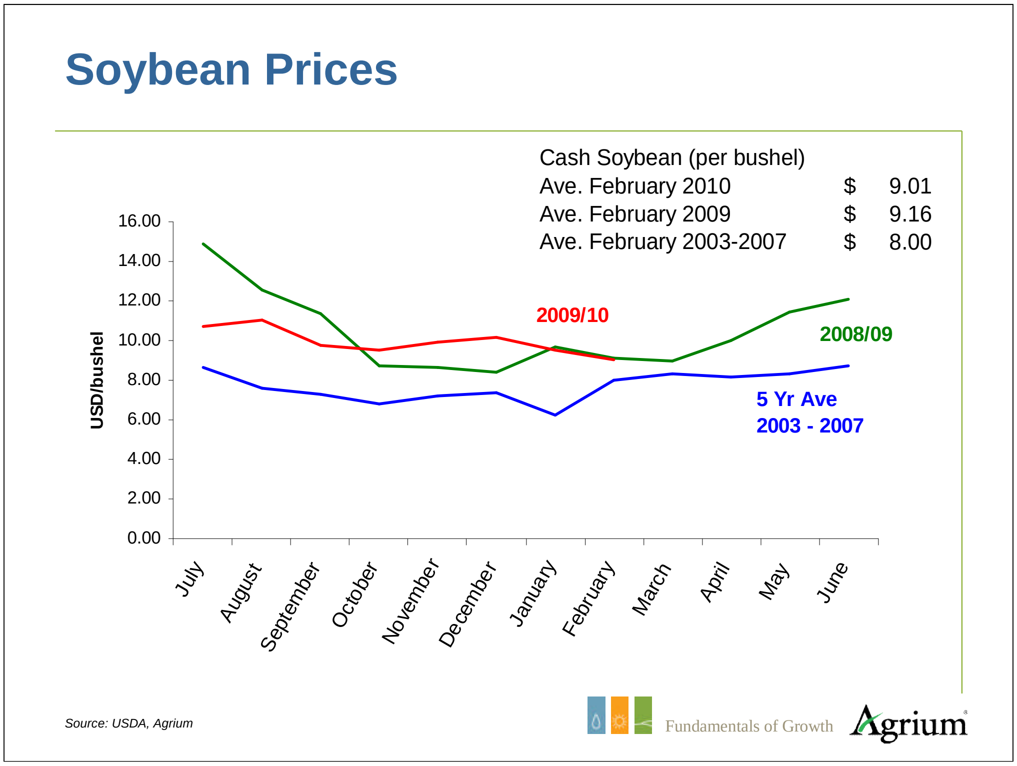
Benchmark Potash Prices

Benchmark potash prices have stabilized over the past month due to increased demand and tightened inventory levels.



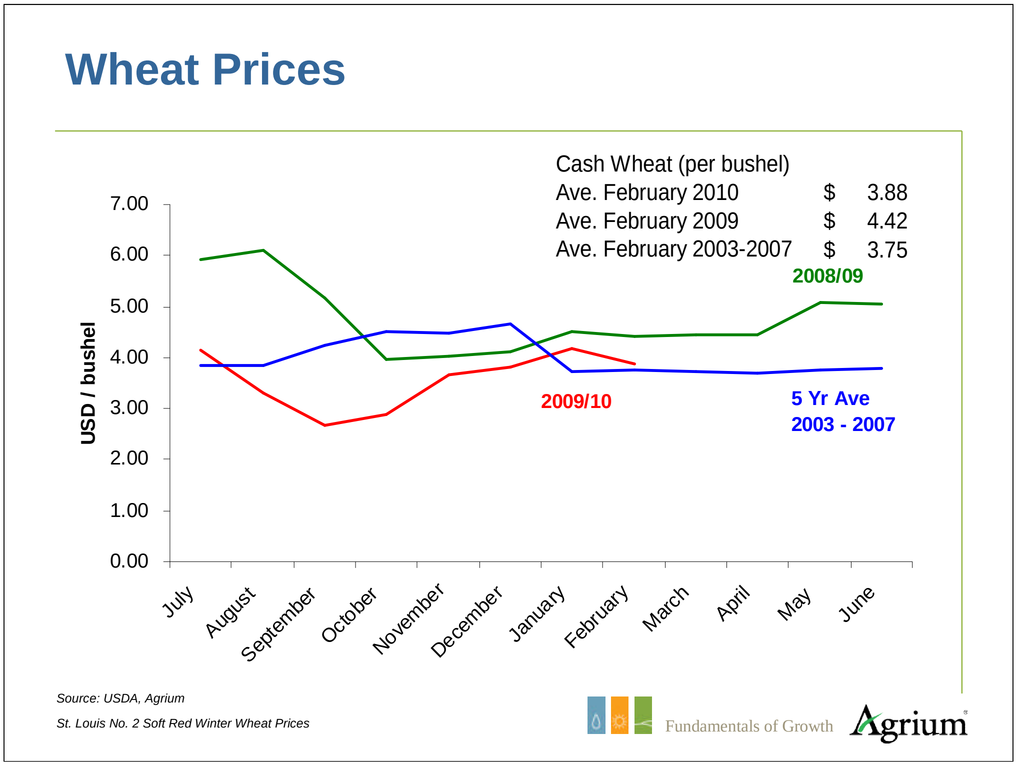
Corn Prices

The record U.S. corn yields estimated in the January USDA report led to a decline in corn prices, but in the past week prices have moved higher. Projected corn demand was increased in the February USDA report as profitable ethanol production has led to increased utilization rates.



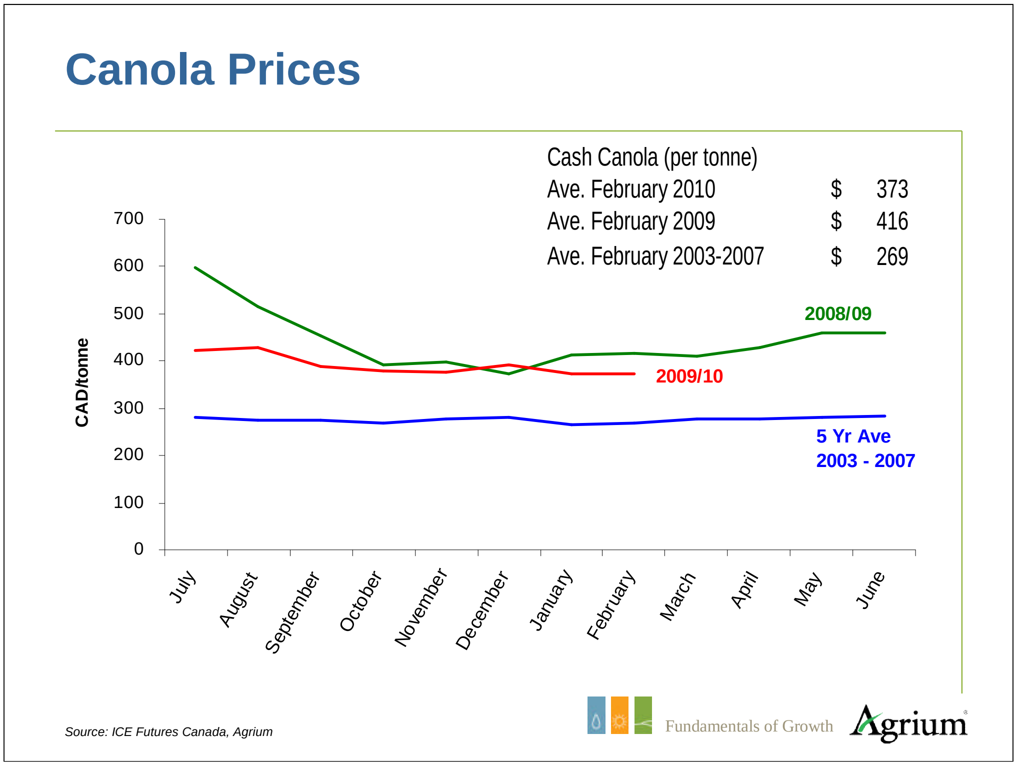
Soybean Prices

While soybean prices were under downward pressure through much of January, they rebounded in the past week.



Wheat Prices

Ample supplies of wheat on the global market have continued to place pressure on prices. Increased global wheat supplies have reduced the demand for U.S. wheat exports, putting increased pressure on prices.



Canola Prices

Canadian cash canola prices are at a higher level than the lows of mid-January. Canola prices continue to follow the soy complex in the U.S., but some of the gains have been offset by the strong Canadian Dollar.

Crop Budgets

U.S. Crop Budget Summary

		Corn			Soybeans			Wheat*		
		5-Year Avg	2009/10 f	20010/11 (new crop)	5-Year Avg	2009/10 f	20010/11 (new crop)	5-Year Avg	2009/10 f	20010/11 (new crop)
Price	**$/bu**	2.37	3.38	3.74	6.14	9.27	9.04	3.25	4.50	5.06
Yield	**bu/acre**	146	165	161	40	44	43	41	44	44
Gross Revenue	**$/acre**	345	558	602	245	408	388	133	200	221
Seed	**$/acre**	38	95	100	30	58	63	8	13	13
Fertilizer	**$/acre**	59	144	85	9	28	16	24	57	34
Crop Protection	**$/acre**	25	29	29	16	17	18	8	9	9
Other	**$/acre**	84	82	90	51	67	73	48	64	64
Total Cash Costs	**$/acre**	206	350	305	105	171	170	88	143	121
Margin	**$/acre**	139	208	297	140	237	218	45	56	100

Source: USDA, Doane, Green Markets, Agrium

* Based on average for all wheat, Soft Red Winter (CBOT) is at a lower price

Fertilizer costs are developed by using current Green Markets pricing, plus a retail margin, multiplied by average application rates.

All other cost components are developed from USDA estimates/forecasts.

Yield is based off of the current USDA forecasts and trend yields going forward.

Includes only cash costs and excludes cost of land including cash rents for all periods.

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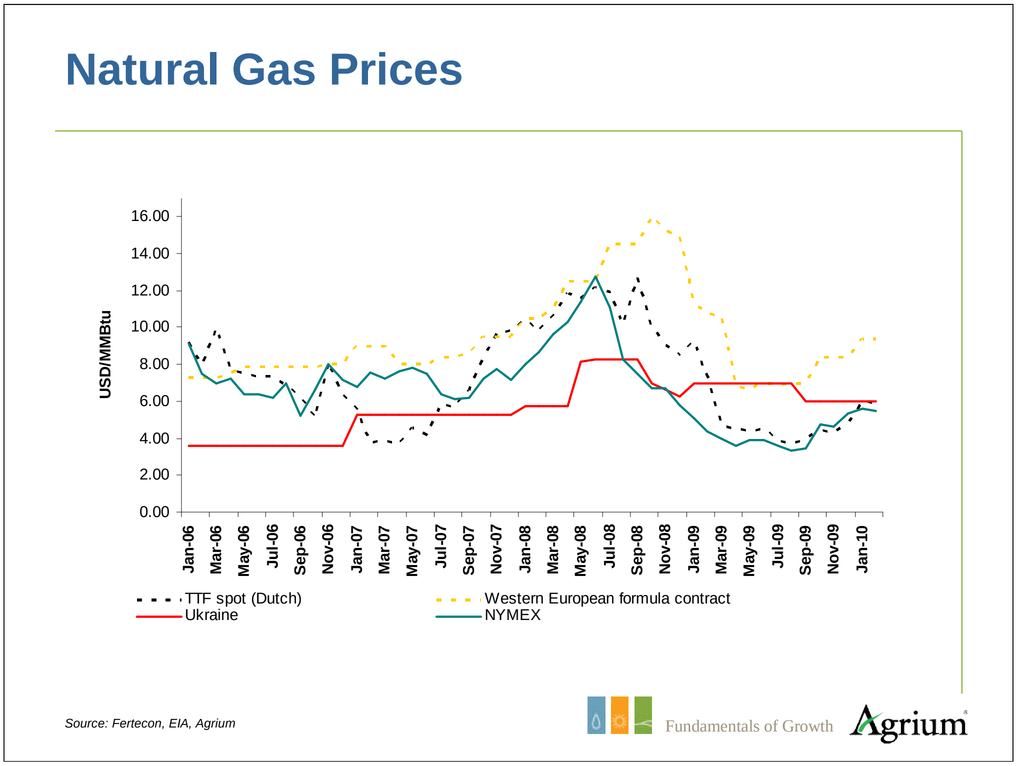
Crop Margins

Crop margins have fallen slightly since last month's report, but remain significantly higher than historic average levels.



Natural Gas Prices

North American and Western European hub-based natural gas prices have declined to date in February from January prices. Formula-based natural gas prices in Western Europe and Ukraine remain at the same level as January. Ukrainian border natural gas prices remain above the price Ukrainian nitrogen producers are currently paying.

Forward-Looking Statements

Certain statements in this document may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties, including those referred to in the MD&A section of the Corporation's most recent annual report to shareholders, which may cause the actual results to be materially different from any future expectations expressed or implied by such forward-looking statements. A number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to; weather conditions, crop prices, the future supply, demand and price level for major crop inputs and the accuracy of data reported by the agencies or organizations referenced in the document. Except as required by law, Agrium disclaims any intention or obligation to update or revise any forward-looking information as a result of new information or future events.

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