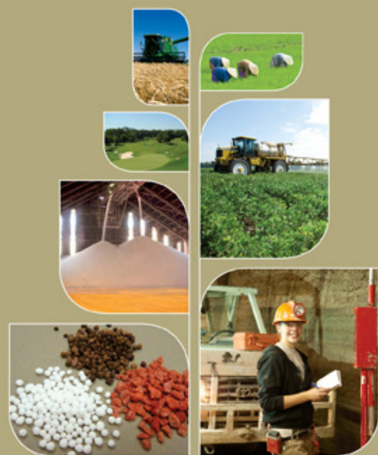
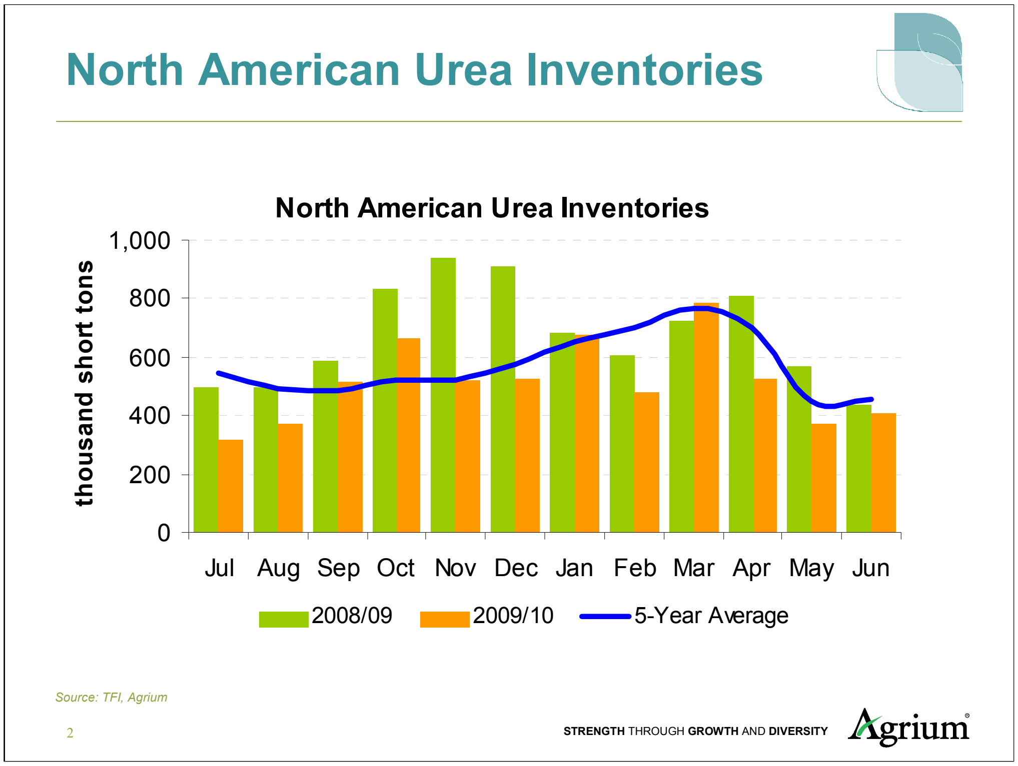


Agrium's Crop Input Market Report

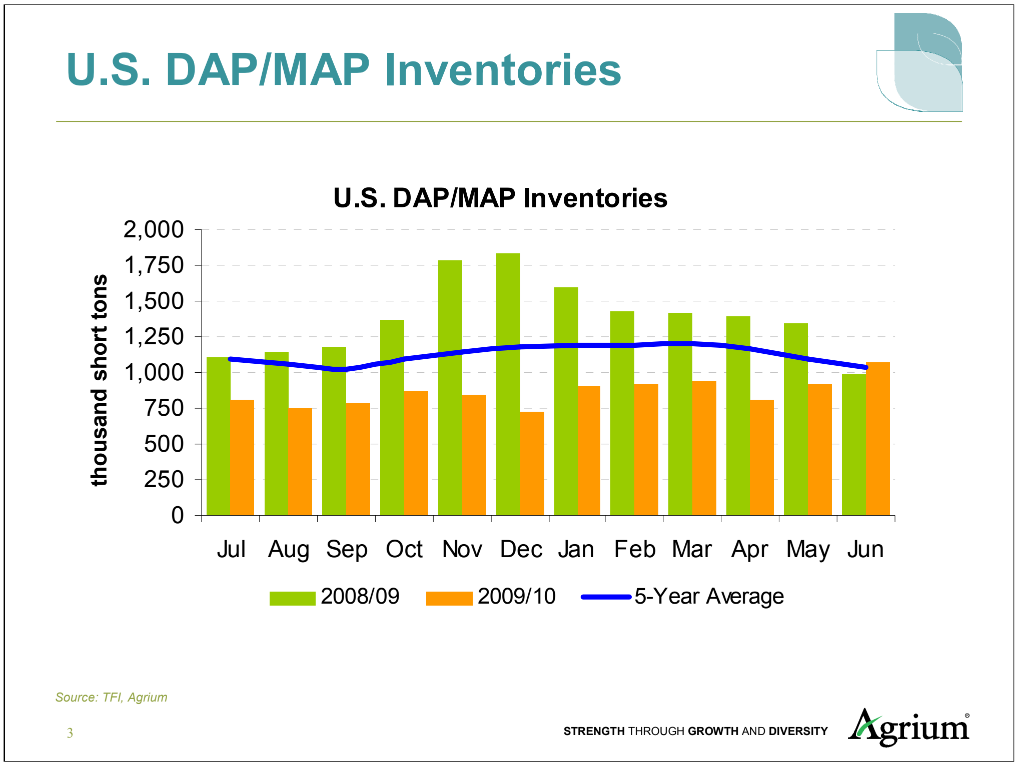
STRENGTH THROUGH GROWTH AND DIVERSITY

July 15, 2010



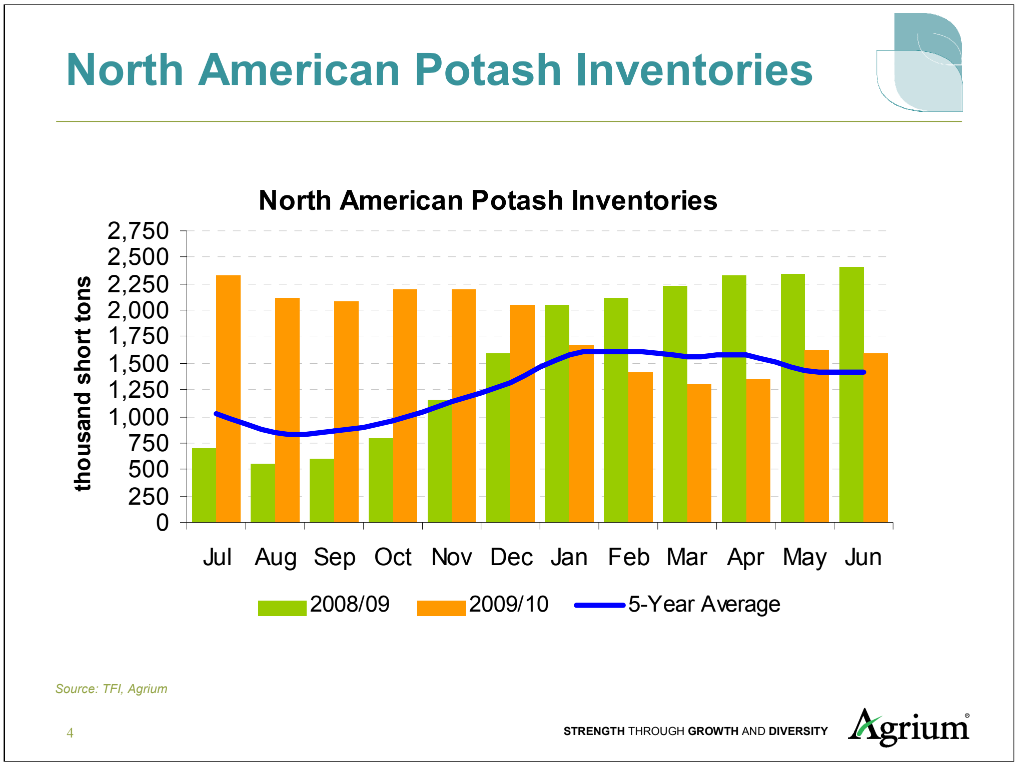
North American Urea Inventories

The Fertilizer Institute (TFI) reported that North American urea inventories increased by 9 percent in June from historically tight levels at the end of May. At the end of June, North American urea inventories were 8 percent below June 2009 levels and 11 percent below 5-year average levels.



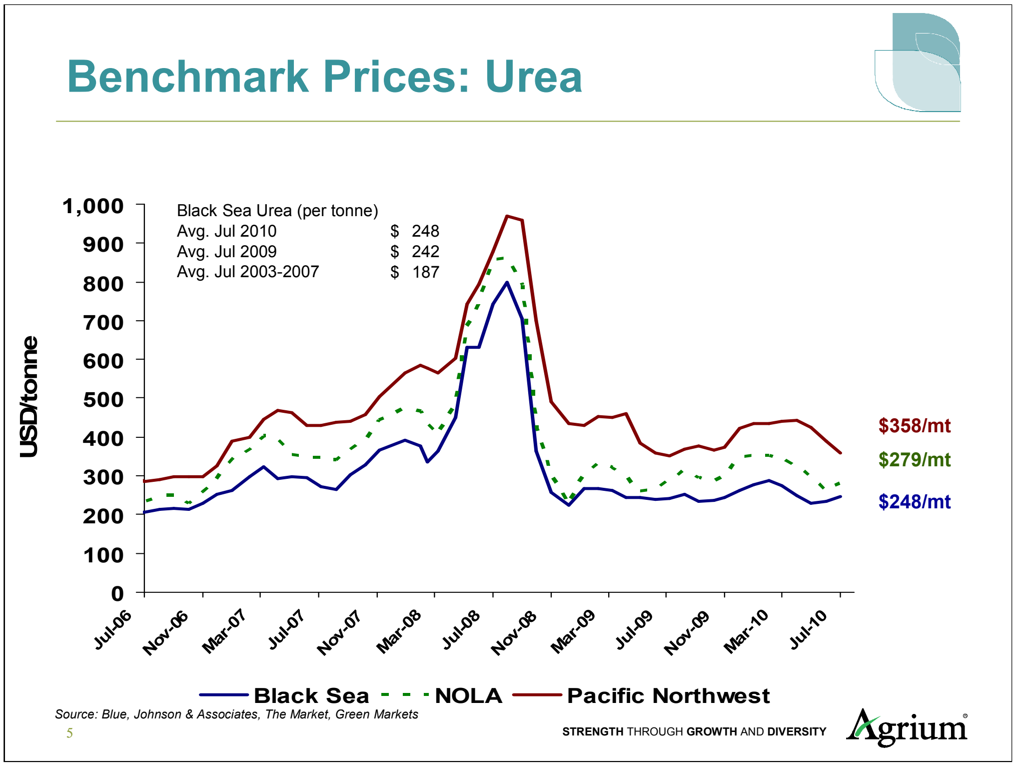
US DAP/MAP Inventories

U.S. DAP/MAP inventories increased by 17 percent in June. DAP/MAP inventories were 9 percent higher than June 2009 and 3 percent higher than the five-year average.



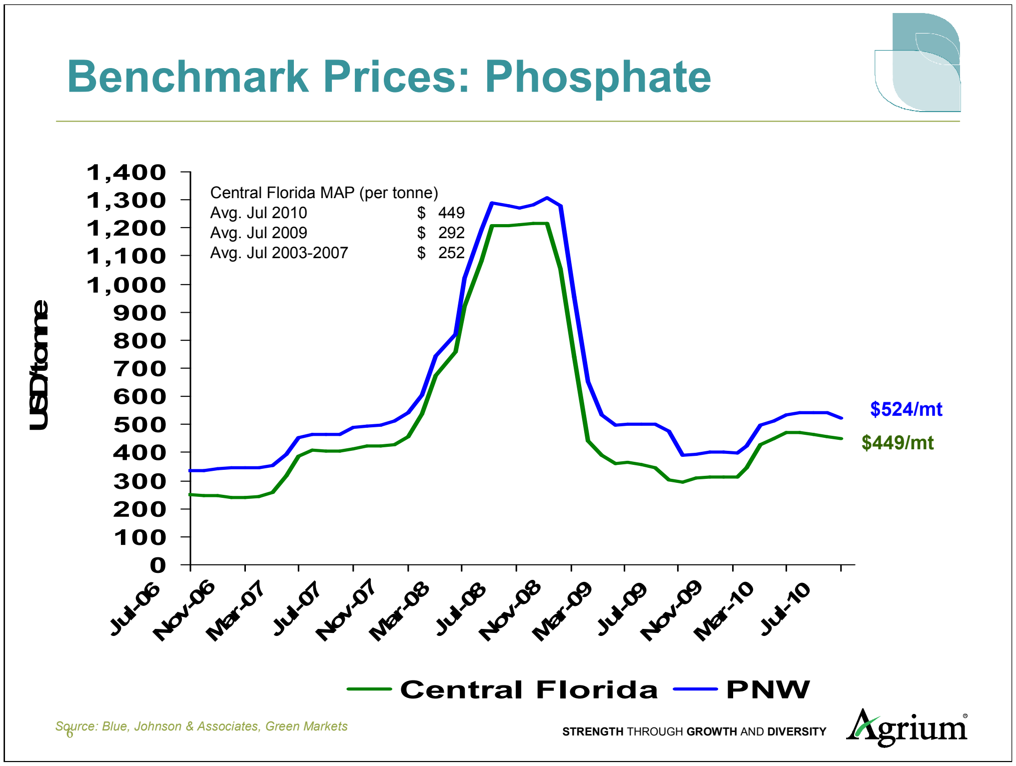
North American Potash Inventories

North American potash inventories declined by 2 percent in June. Potash inventories were reported to be 34 percent lower than they were in June 2009.



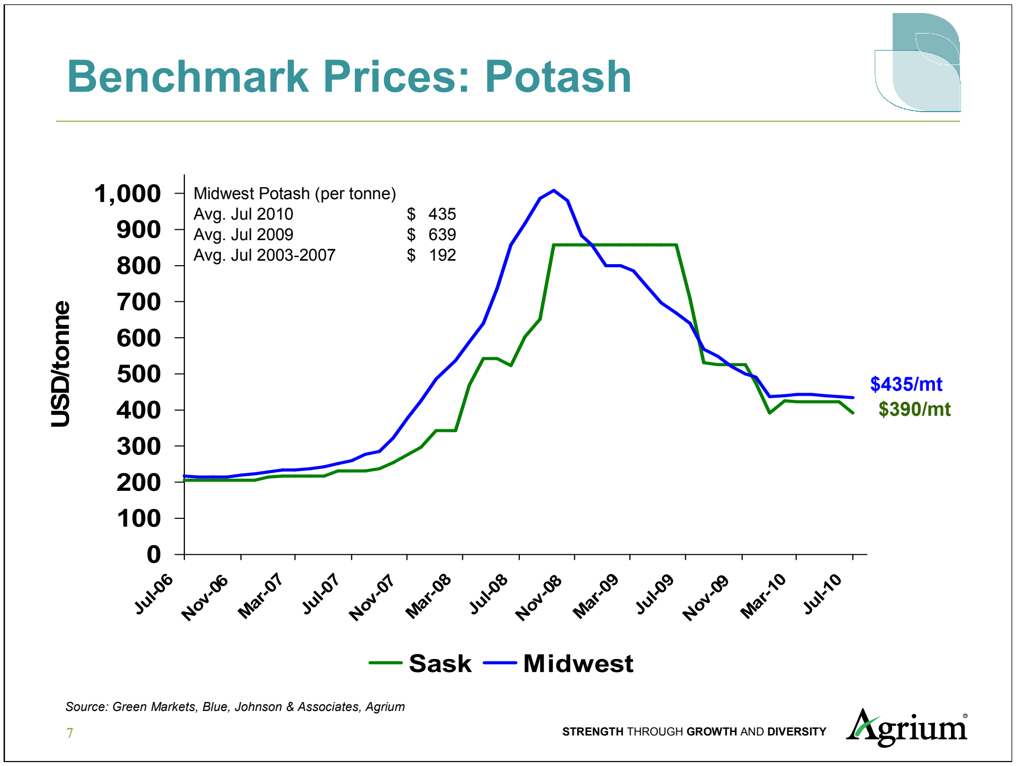
Benchmark Urea Prices

Global benchmark urea prices have increased significantly since the middle of June. Global demand, notably from India and Pakistan, has been a supporting factor.



Benchmark Phosphate Prices

Global export and domestic phosphate prices have been firm in recent weeks.

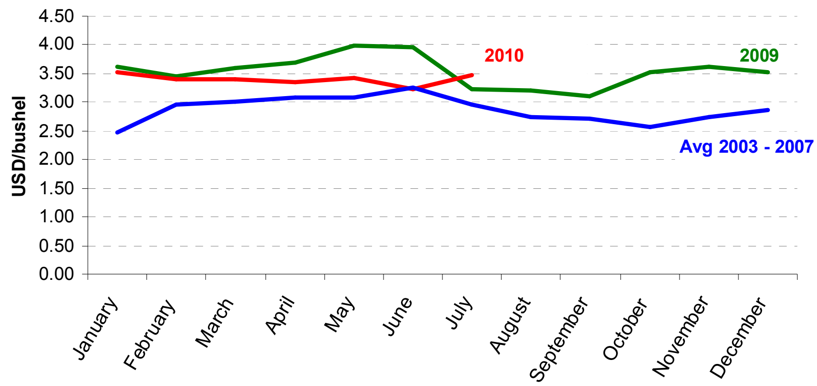


Benchmark Potash Prices

Average Midwest potash prices have weakened slightly since last month's report.

Corn Prices

Cash Corn (per bushel)		
Avg. Jul 2010	$	3.47
Avg. Jul 2009	$	3.22
Avg. Jul 2003-2007	$	2.97



Source: USDA, Agrium

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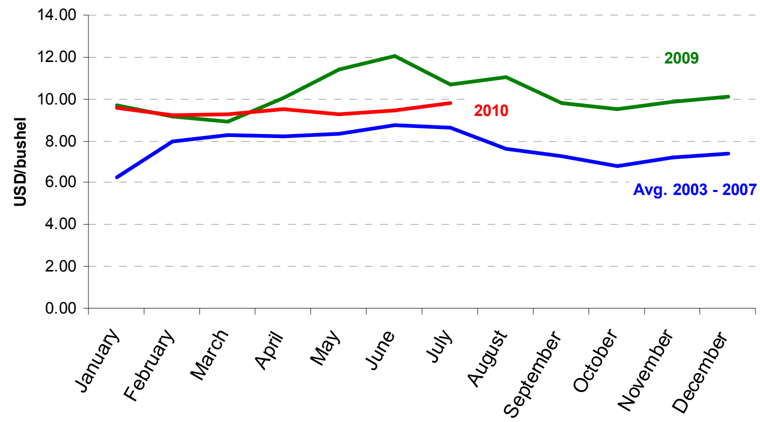
Corn Prices

The USDA reported lower than expected planted corn area at the end of June, along with tighter than expected quarterly corn stocks. The combination of these two factors along with price support from the rallying wheat market has led to a significant increase in corn prices since the end of June.

Soybean Prices

Cash Soybean (per bushel)	
Avg. Jul 2010	$ 9.79
Avg. Jul 2009	$ 10.69
Avg. Jul 2003-2007	$ 8.62



Source: USDA, Agrium

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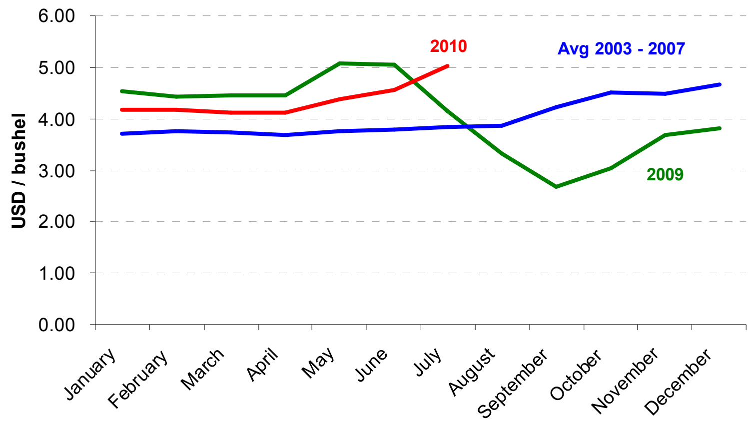
Soybean Prices

Cash soybean prices have increased in July from June levels.

Wheat Prices

Cash Wheat (per bushel)		
Avg. Jul 2010	$	5.01
Avg. Jul 2009	$	4.15
Avg. Jul 2003-2007	$	3.84



Source: USDA, Agrium
St. Louis No. 2 Soft Red Winter Wheat Prices

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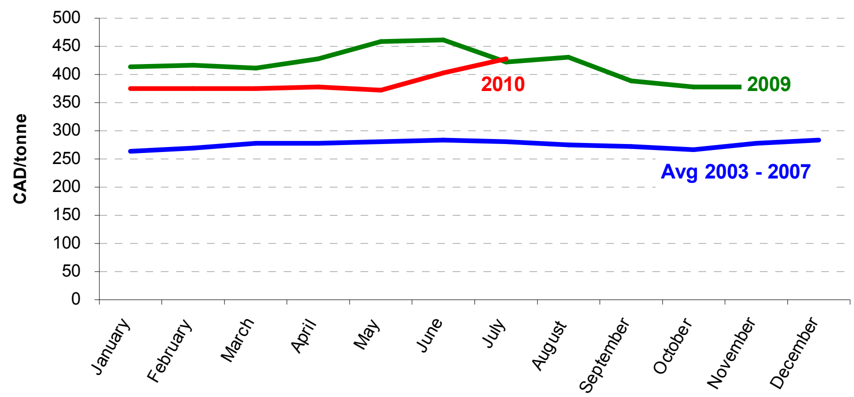
Wheat Prices

Concerns about the condition of wheat crops in Europe and drought fears in the Former Soviet Union has led to a significant increase in wheat prices in July.

Canola Prices

Cash Canola (per tonne)		
Avg. Jul 2010	$	429
Avg. Jul 2009	$	421
Avg. Jul 2003-2007	$	281



Source: ICE Futures Canada, Agrium

STRENGTH THROUGH GROWTH AND DIVERSITY Agrium

Canola Prices

Canola prices have continued to strengthen in July. Analysts expect that wet weather in Western Canada resulted in actual planted area falling significantly below intentions, and some areas that were planted have been damaged by flooding.

Crop Budgets

U.S. Crop Budget Summary

		Corn		Soybeans		Wheat*	
		5-Year Avg	2010/11 (new crop)	5-Year Avg	2010/11 (new crop)	5-Year Avg	2010/11 (new crop)
Price	**$/bu**	2.37	3.77	6.14	9.75	3.25	5.52
Yield	**bu/acre**	146	163	40	43	41	44
Gross Revenue	**$/acre**	345	615	245	418	133	241
Seed	**$/acre**	38	100	30	63	8	13
Fertilizer	**$/acre**	59	96	9	18	24	38
Crop Protection	**$/acre**	25	29	16	18	8	9
Other	**$/acre**	84	90	51	73	48	64
Total Cash Costs	**$/acre**	206	316	105	172	88	125
Margin	**$/acre**	139	299	140	246	45	116

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.

5-Year Avg statistics are for the marketing years 2002/03 to 2006/07.

Wheat prices are based off of average HRW and SRW cash prices.

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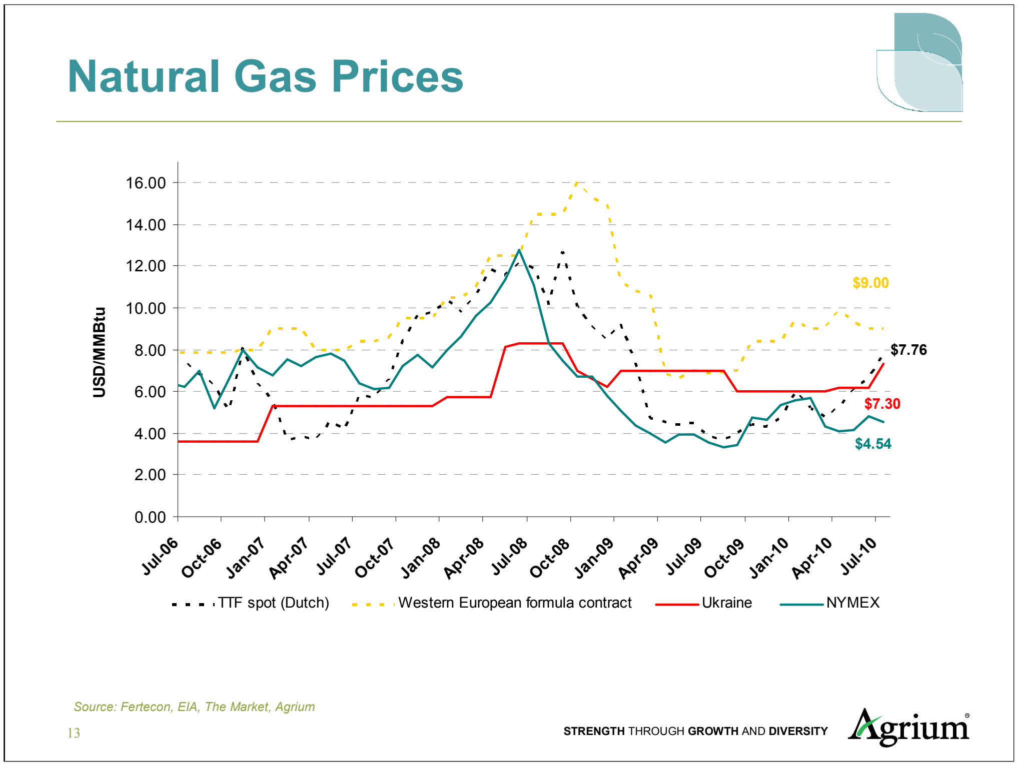
Crop Margins

Recent increases in crop prices have significantly raised prospective margins for the 2010/11 crop from month-ago levels.



Natural Gas Prices

Western European spot natural gas prices have increased in July and are now at a significant premium to NYMEX prices (Spot Prices: NYMEX $4.35/MMBtu, AECO $3.41/MMBtu, W. European spot $7.83/MMBtu). There remains uncertainty around the price Ukrainian nitrogen producers will pay for gas in Q3.

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.