



“The Voice of Manitoba Farmers”

1-1313 Border St. ~ Winnipeg MB ~ R3H 0X4

ph: (204) 697-1140 ~ fax: (204) 697-1109

kap@kap.mb.ca ~ www.kap.mb.ca

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KAP Study: Fertilizer Prices in MB Significantly Higher than the US

Winnipeg – Last spring, Manitoba farmers were up in arms about the soaring cost of inputs, particularly fertilizer. Producers also reported that the same products were significantly cheaper south of the border. To find out the facts, Keystone Agricultural Producers (KAP) commissioned a study to look at fuel and fertilizer prices that farmers in Manitoba and North Dakota communities paid last spring.

The results of the study show a dramatic difference. On a range of fertilizers, Manitoba farmers paid an average of 33% more. The most striking difference was in anhydrous ammonia, one of the most commonly used fertilizers in Manitoba. On average, North Dakota farmers paid \$522 /tonne and Manitoba farmers paid \$852 /tonne last spring, a 63% price hike for the same product. Prices for farm gas and diesel were relatively consistent during the period of the study.

“Fertilizer prices are not competitive in Manitoba compared with those in the US, and that translates into money that came directly out of farmers’ pockets in this province,” says KAP President David Rolfe. “The results of the survey were surprising, even though we had expected there to be a significant difference in prices based on our own voluntary producer surveys.”

The study also identified some factors that may have led to the price disparities. Dealers in North Dakota often sourced fertilizer from American and Canadian sources, while Manitoban dealers primarily sourced only from Canada. Pricing policies, the size of contracts, and the level of product purchased by dealers before last spring’s price increase were also identified.

KAP provided the study to AAFC Minister Gerry Ritz in a meeting in Regina today, and a copy has also been sent to MAFRI Minister Rosann Wowchuk. This study has provided a basis of research that KAP will use to ask the Competition Bureau to investigate fertilizer pricing in Canada.

A complete copy of the study, which was undertaken by PricewaterhouseCoopers, is available online at www.kap.mb.ca.

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For more information, please contact:

David Rolfe, KAP President. Cell: (204) 483-0502.

Lenore Kowalchuk, KAP Communications. Office: (204) 697-1140. Cell: (204) 229-4733.