



NEWS RELEASE

“The Voice of Manitoba Farmers”

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KAP Calls for Fertilizer Investigation

Prices Continue to Escalate For Next Year's Crop

Winnipeg – This week, Keystone Agricultural Producers (KAP) submitted an urgent request to the Standing Committee on Agriculture & Agri-Food and recommended that they undertake an immediate investigation into fertilizer prices.

As stated in KAP's letter (*attached*), farmers have already paid record prices for fertilizer in this crop year, and will be relying on a good harvest this fall to cover this rising expense. However, KAP members are reporting that fertilizer prices continue to rise locally – in most cases they are already 30% higher than prices quoted in the spring. Some fertilizer dealers are projecting that Fall 2008 prices will be twice the price paid in Spring 2008 and are strongly encouraging farmers to book their necessary products now.

KAP Vice President Robert McLean recently booked some of his fertilizer needs for next summer's crop, and estimates his fertilizer costs will jump from \$60/acre this year to about \$90/acre next year. Based on the price increase projections from fertilizer dealers, the costs on his farm could be as high as \$120/acre if he waited to book in the fall. Members of KAP's Farm Inputs Committee report relatively similar price increases from across the province.

Farmers are rightly concerned, because they are facing two undesirable choices. Either they must lock in today's high prices and put down a significant deposit, or hope that the projected fall prices don't escalate as much as is being estimated. The farmers that choose to pre-book now must take a significant portion of money out of their current cash flow and start paying towards next year's crop – before this year's is even close to being harvested and invested back into the farm.

In its letter to the Standing Committee, KAP states that the current escalation in fertilizer prices cannot continue to go unchecked, or these necessary crop inputs will become unaffordable for many farmers. A drop in prices for grains, oilseeds and special crops would be an economic disaster for farmers who have invested tens of thousands of dollars on fertilizer inputs alone.

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