

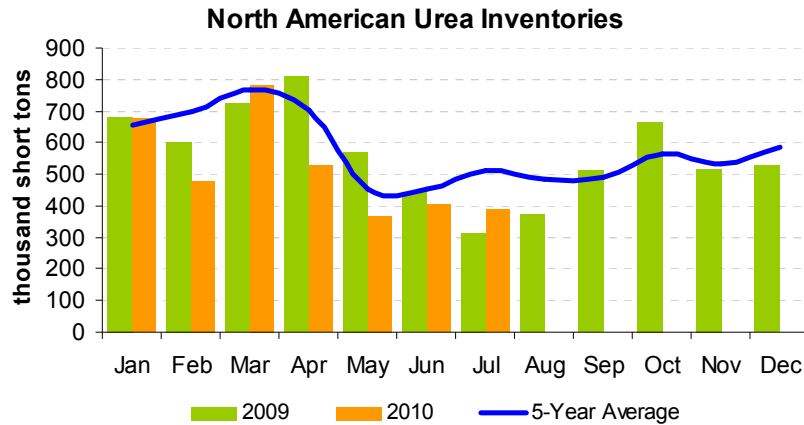
Agrium[®]

Agrium's Crop Input Market Report

STRENGTH THROUGH GROWTH AND DIVERSITY

August 16, 2010

North American Urea Inventories



Source: TFI, Agrium

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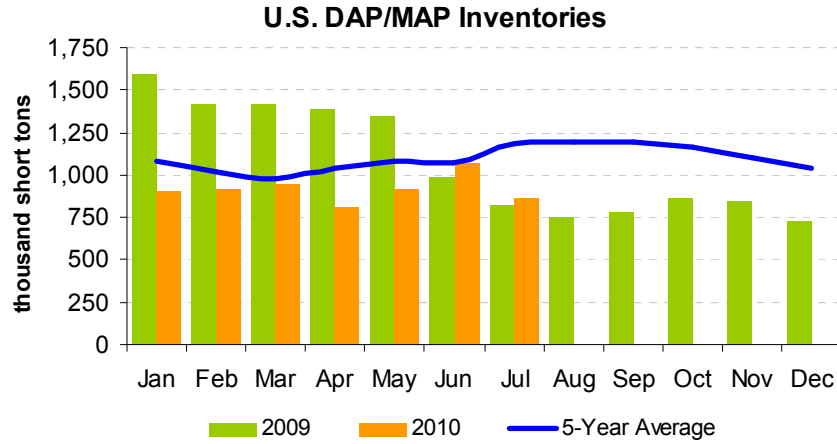
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North American Urea Inventories

The Fertilizer Institute (TFI) reported that North American urea inventories declined by 4 percent in July from June levels. While inventories are historically tight, they were reported to be 23 percent higher than July 2009.

U.S. DAP/MAP Inventories



Source: TFI, Agrium

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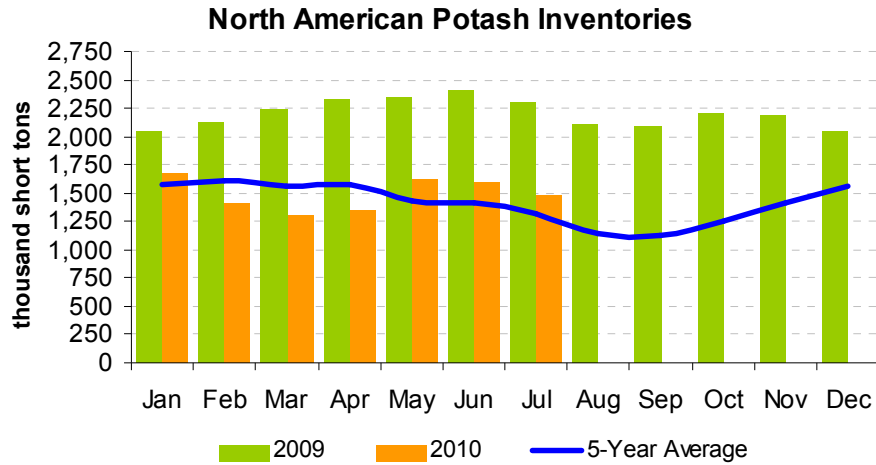
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US DAP/MAP Inventories

U.S. DAP/MAP inventories declined by 19 percent in July from June levels. While inventories were reported to be 5 percent higher than July 2009 levels, they remain 19 percent below the five-year average.

North American Potash Inventories



Source: TFI, Agrium

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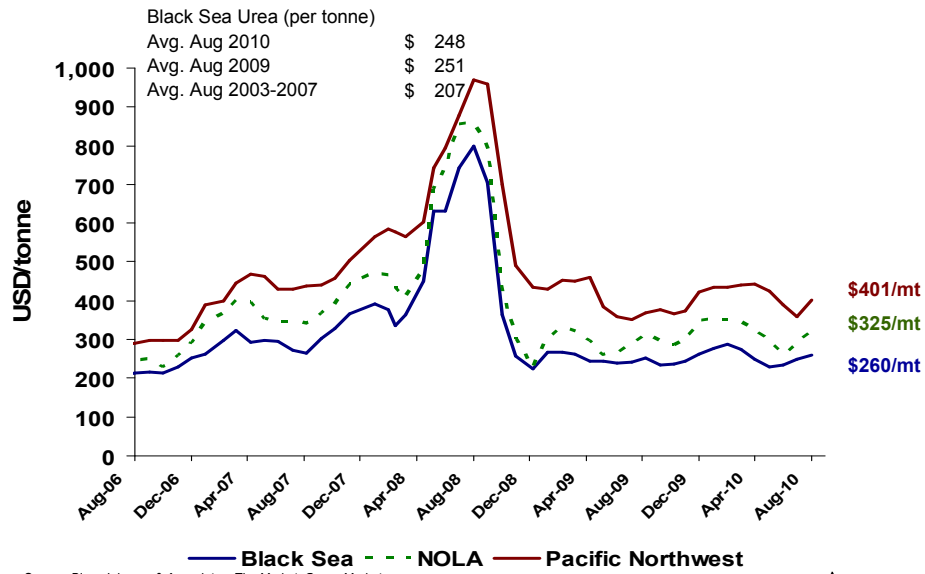
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North American Potash Inventories

North American potash inventories declined by 7 percent in July from June levels. Inventories were 36 percent lower than July 2010 levels but remained 12 percent above the five-year average.

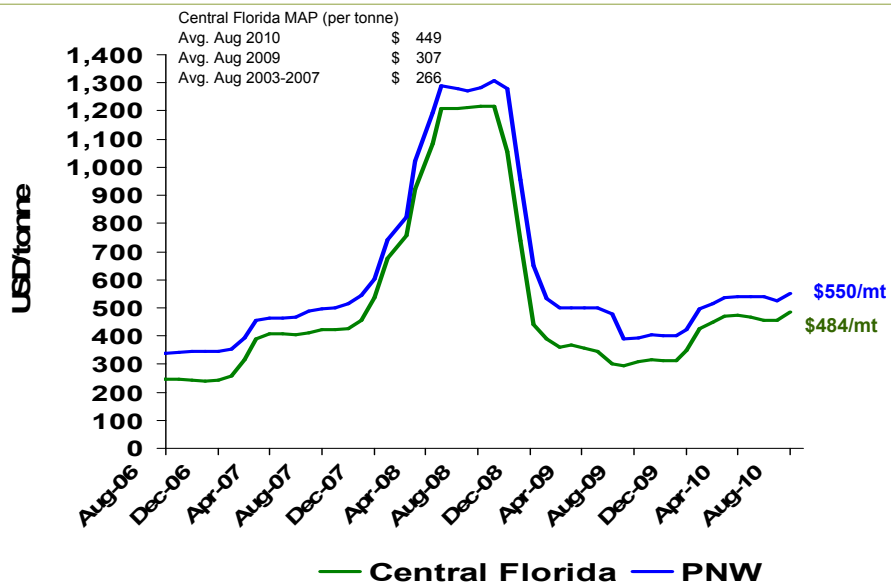
Benchmark Prices: Urea



Benchmark Urea Prices

Benchmark urea prices have continued to be strong into August, driven by strong global demand, notably from India. The rally in grain prices, notably wheat, has been supportive to fertilizer demand and prices in general in recent weeks.

Benchmark Prices: Phosphate



Source: Blue, Johnson & Associates, Green Markets

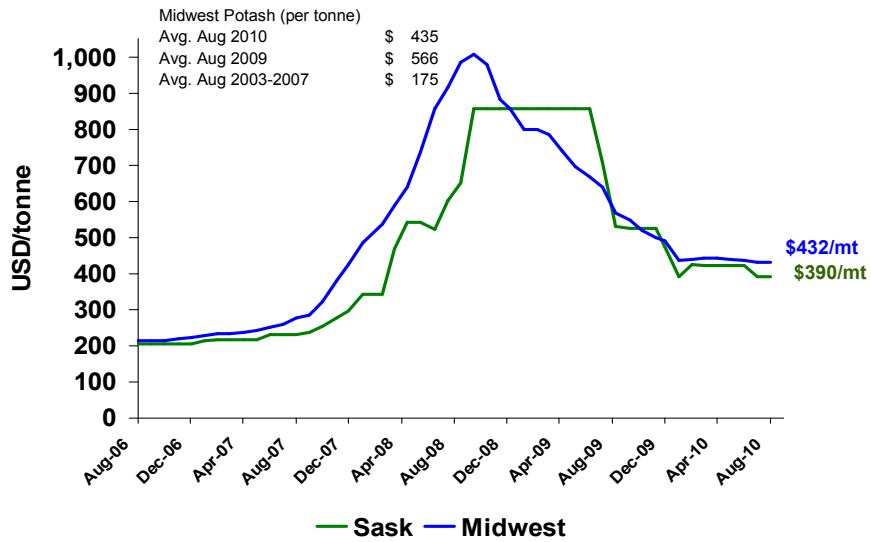
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Benchmark Phosphate Prices

The phosphate market has moved significantly higher in recent weeks, driven by strong global demand and potentially significant declines in supply availability in the short-term.

Benchmark Prices: Potash



Source: Green Markets, Blue, Johnson & Associates, Agrium

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Benchmark Potash Prices

The potash market, both within North America and globally, has been relatively flat since last month's report.

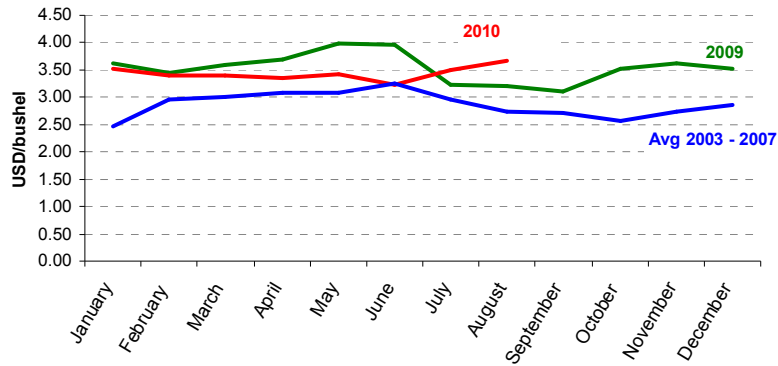
Corn Prices

Cash Corn (per bushel)

Avg. Aug 2010 \$ 3.67

Avg. Aug 2009 \$ 3.21

Avg. Aug 2003-2007 \$ 2.75



Source: USDA, Agrium

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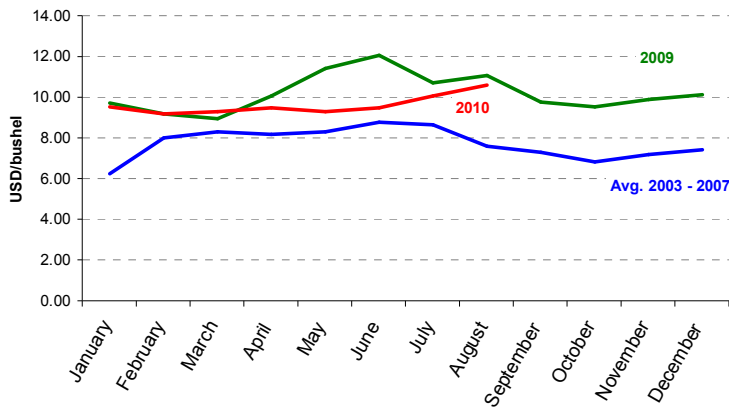
Corn Prices

Corn prices have rallied since the end of June. The market is supported by overall tightening in global grain markets, primarily driven by tightened wheat supply and demand.

Soybean Prices

Cash Soybean (per bushel)

Avg. Aug 2010	\$ 10.60
Avg. Aug 2009	\$ 11.05
Avg. Aug 2003-2007	\$ 7.61



9 Source: USDA, Agrium

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Soybean Prices

Soybean prices have rallied along with other agricultural commodities. Strong export demand continues to be supportive to the spot market as supplies of the 2009/10 crop are tight.

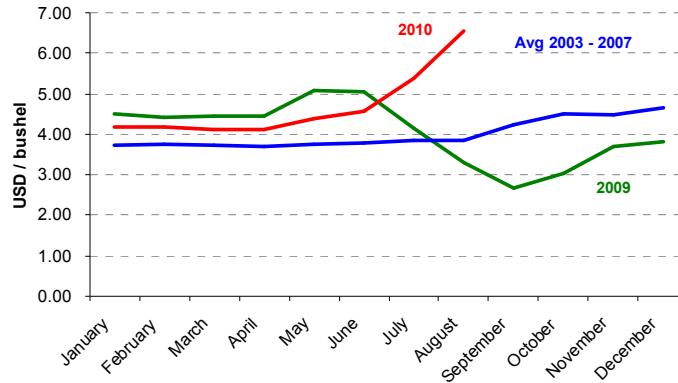
Wheat Prices

Cash Wheat (per bushel)

Avg. Aug 2010 \$ 6.54

Avg. Aug 2009 \$ 3.31

Avg. Aug 2003-2007 \$ 3.86



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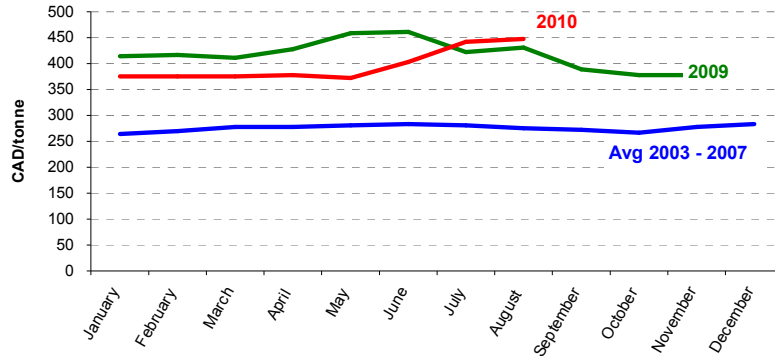
Wheat Prices

Wheat prices have taken off to the upside, driven by several crop production problems in major wheat growing regions. The problems are most severe in Russia where fears of tight supplies has led the Government to ban grain exports until December 31. In 2009/10, the USDA estimates that Russia produced 9 percent of the world's wheat and exported 14 percent of its exports. For 2010/11, the USDA is currently projecting that Russia's share of global wheat production will fall to 7 percent and its exports will fall to 2 percent of the global total.

Canola Prices

Cash Canola (per tonne)

Avg. Aug 2010	\$	446
Avg. Aug 2009	\$	430
Avg. Aug 2003-2007	\$	275



Source: ICE Futures Canada, Agrium

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Canola Prices

Canola prices have fallen from their highs but continue to be strong, driven by strength in soybeans and reduced planted area in Western Canada.

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	3.96	6.14	10.25	3.25	6.80
Yield	bu/acre	146	163	40	43	41	44
Gross Revenue	\$/acre	345	645	245	440	133	297
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	329	140	268	45	172

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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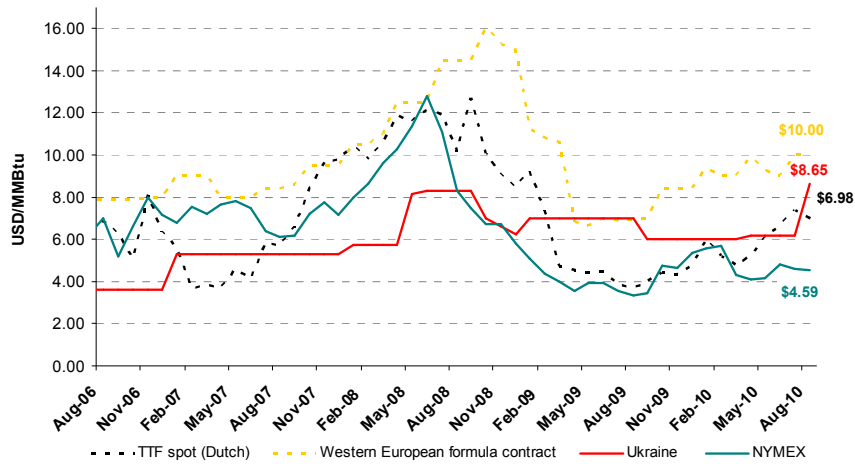
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Crop Margins

Increased crop prices has led to a significant increase in prospective 2010/11 cash margins relative to July.

Natural Gas Prices



Source: Ferretcon, EIA, The Market, Agrium

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Natural Gas Prices

Western European spot and oil-indexed formula natural gas prices remain at a significant premium to North American prices. The Ukrainian government will cease subsidies for nitrogen producers for the remainder of 2010, but it remains uncertain what average realized prices will be because lower-priced domestic natural gas is available at this time of year.

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.