

MEDIA RELEASE

20 May 2009

Ballance saves farmers millions

Ballance Agri-Nutrients has dropped its prices on key fertiliser products for the third time this year, with DAP falling appreciably.

'In line with our pledge to farmers to review prices and move them down as quickly as possible, Ballance has announced another significant reduction in fertiliser prices,' says Ballance Chief Executive Larry Bilodeau.

'We have slashed 17% or \$167 per tonne off our DAP price, 19% (\$149) off the price of sulphate of ammonia, and cut our prices for n-rich urea by 6% or \$43. Superten and Serpentine Super have also come back in price.

Mr Bilodeau says he is all too aware that many farmers haven't applied fertiliser this autumn, and hopes this move to lower prices gives farmers the confidence to apply fertiliser in the spring to ensure nutrient levels on-farm are maintained and production isn't hampered.

He says these new prices, effective 25 May, will save New Zealand farmers about \$40 million a year, based on traditional usage levels.

Unfortunately not all nutrient commodities have dropped in price, with potash still holding against the trend, and although some commodities have fallen back to close to traditional levels, phosphate rock still costs three times the amount it cost a few years ago.

The farmer-owned fertiliser co-operative announced these new prices now instead of waiting for its usual 1 June quarterly review to assist farmers to plan and budget for the spring season.

The new prices reflect international fertiliser commodity price trends, which have fallen steadily since the final quarter of 2008. Even so, these lower prices come at a cost to the co-operative, Mr Bilodeau says, with the company deciding to write down the value of its current high-cost inventory.

'That decision will have a major impact on our trading result for this financial year, which ends 31 May, but we feel it is important to restructure our prices early so the benefits can be passed on to farmers immediately.'

Ballance led the market down in late January with an exclusive deal of \$35 off per tonne of superten, sulphur gain and Serpentine Super, followed by a wider price review in early February.

See table overleaf

Key Ballance fertiliser prices

Product	Old price	New price	Change
DAP	\$997	\$830	- 17%
Sulphur	\$920	\$350	- 62%
SOA	\$780	\$631	- 19%
n-rich urea	\$693	\$650	- 6%
superten	\$398	\$388	- 3%
Serpentine super	\$377	\$367	- 3%
MOP (potash)	\$1015	\$1146	+13%