



Media release

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### **Ballance supports shareholders as prices rise**

Ballance Agri-Nutrients has increased the price of its core fertiliser products due to ongoing global demand for raw materials, but has found a way to soften the blow for loyal shareholders.

'Raw material and shipping costs continue to soar along with worldwide demand for plant nutrients, giving us no choice but to pass on some of these cost increases to our customers.

'Due to the tight international supply situation we have increased our prices in line with the New Zealand marketplace,' said Chief Executive Larry Bilodeau.

'Consistent with our strategic pricing policy, our new price list will guarantee we remain very competitive in the local market while ensuring a strong balance sheet to enable reinvestment in the company and a significant shareholder rebate at the end of the financial year.

'Yet again, our solid long-term supply partnerships have enabled us to continue to price our products at very competitive levels.'

Mr Bilodeau said that the company's strong supply relationships also mean they are still in a good position to secure products; however, there is little extra capacity in the system to meet additional demand on short notice, due to the volatile international market.

When making the decision to increase prices, Mr Bilodeau said that looking after their loyal shareholders was the co-operative's number one priority.

'We want to recognise the contribution our shareholders have made to the company through the purchase of urea, and we understand that a large rebate at the end of the year may not be as beneficial as a reduced purchase price on some key products.

'Taking this into consideration, we have found a way to deliver some relief to our shareholders, and are pleased to be able to offer a credit of \$30 per tonne to shareholders on any urea purchased before 31 May 2008 to be redeemed against any subsequent purchase of manufactured phosphate product before the end of November 2008.'

'As a 100% New Zealand farmer-owned co-operative, Ballance is committed to providing its shareholder farmers with their nutrients at the lowest sustainable economic cost, and to assisting them to maximise the production benefits from their investment in fertiliser,' said Mr Bilodeau.

'More than ever before, farmers need to be conscious of the economic necessity of matching fertiliser use to production gains, and employing every means possible to ensure efficient use of nutrients.

'In some cases, such as with superphosphate, we have simply adjusted prices to reflect the market rate for the nutrient value of the product. Farmers need to consider the nutrients they are purchasing, not just the tonnes.'

Mr Bilodeau said that the company acknowledges the impact these price increases will have on farmers, particularly in the sheep and beef sector, which has not yet seen the benefits of global commodity prices as experienced in the dairy sector.

'We hope that our shareholder loyalty offer will help ease the pressure on farmers, who we know will want to use urea to boost pasture growth once the drought has broken.'

Listed below are new prices of key products.

<b>Product</b>	<b>Price per tonne as of 18 February 2008</b>	<b>Increase</b>
Superten	\$270	1.5%
Serpentine super	\$229	1.3%
Muriate of Potash	\$595	20%
Urea	\$690	13.5%
DAP	\$940	13%

A full list of price changes, along with full terms and conditions of the shareholder loyalty offer, can be viewed at [www.ballance.co.nz](http://www.ballance.co.nz)

**ENDS**