



Media release

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### **Ballance raises fertiliser prices to reflect global situation**

Leading fertiliser specialist Ballance Agri-Nutrients has announced new prices for the June quarter to reflect its increased international costs, after signalling the move for several months.

Costs have gone up dramatically since the farmers' cooperative last set its prices in February, fuelled by significant global demand for fertilisers and increased shipping costs. For example, products such as sulphur have increased by as much as 400 per cent in a year. Shipping costs have also risen way ahead of expectations.

While being compelled to make this move because of international market forces, Ballance has managed to set new prices that are still very competitive.

The company's super phosphate, superten, is now priced at \$480 a tonne, Serpentine Super at \$425, muriate of potash \$850, n-rich urea \$921 and DAP \$1412. A list of all the new prices is available on the company's website: [www.ballance.co.nz](http://www.ballance.co.nz)

Larry Bilodeau, Ballance's Chief Executive Officer, said the new pricing regime had been extremely difficult to finalise, as international prices continued to move upwards.

'The current global fertiliser environment is uncharted territory for all of us, in that we have never seen the international market subjected to so much unpredictable change. Our raw material and shipping costs have risen significantly – far ahead of anticipated levels.

'We still have very strong international supply relationships and are doing all we can to ensure continuation of supply in New Zealand, but we have to pay the latest global prices, and have no choice but to pass these on to our customers.'

While the company acknowledged that its latest price increases were significant, it said the reality was that these prices were very competitive taking into account the international increases experienced, and further price movements should be expected.

'We will be reviewing our prices quarterly from now on because of the rapid price changes overseas for the raw materials and fertiliser products we import. Any reductions will be passed on immediately at the next pricing review.

'We are happy to front up to our customers to explain the global position, and to this end we have arranged 26 top-level roadshows up and down the country in June and July. I encourage our customers to attend one of these meetings. A list of venues has been posted on our website.

'At these meetings we will explain why our fertiliser prices have increased so dramatically. We will show how hard Ballance is working to keep its costs down as low as possible to lessen the impact at the farm gate, and also how our customers can make better use of our science to leverage their fertiliser spend.'

Mr Bilodeau said there was little room for the company to manoeuvre within the pricing structure.

'In less than 12 months our imported costs have more than doubled. They now represent in excess of 80 per cent of our total operating cost, including manufacturing overheads, distribution, selling, and administration expenses.

'And we have to pay for these ingredients in advance of selling them to New Zealand farmers – a significant cashflow component, and its related interest cost, that is growing massively along with the raw material prices.'

Ballance has briefed its nationwide team of technical sales representatives about the current situation, and upskilled them to intensify the level of information they can pass on to farmers to get the most out of their fertiliser spend.

Ballance technical sales representatives can be contacted on 0800 222 090.

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