



MEDIA RELEASE

21 November 2008

### **Ballance acts to bring down fertiliser prices**

Ballance Agri-Nutrients has kept its word in moving smartly to bring fertiliser prices down in response to changing global market conditions.

The farmer co-operative has reduced the price of its main nitrogen product, urea, by 17 percent to \$910 a tonne – a saving of \$190 a tonne – with further cuts to follow.

‘We had signalled that we would review our fertiliser prices on 1 December, but urea prices have fallen quickly around the world and we are cutting our price now to honour our pledge to farmers,’ says Ballance chief executive Larry Bilodeau.

‘We are delighted to be able to lead the market down, even though we are still sitting on a lot of imported urea bought at high prices. We promised we would cut prices as soon as we could, and we have.’

He says the new urea price, which is effective from Monday 24 November, will be reduced further as the company works through its current inventory.

‘Prices for our phosphate-based fertiliser products, such as superten, DAP and Serpentine Super, are currently under review as part of our regular quarterly reviews. Prices for these products globally have not moved as quickly or significantly as urea prices.’

Mr Bilodeau says the company’s urea price move is testament to Ballance’s founding goal – to ensure a consistent supply of high-quality fertiliser to New Zealand farmers at the lowest possible cost.

‘Our 18,500 farmer shareholders appreciate that the international spot prices we are seeing right now cannot be immediately translated into our prices. What we buy today takes three to four months to get to the farm gate.’

‘We have to take the long view – like them, we are in this for the long haul. To ensure we can meet our supply commitments throughout the year, we agree contract prices rather than trade on the spot market.’

Ballance is New Zealand’s sole urea manufacturer, but its Kapuni operation is shut down for all of November for its three-yearly upgrade – an improvement process that is costing the farmer-owned co-operative more than \$22 million.

'We had to import urea stock at the higher price levels to cover this shutdown, but we have acted now to start bringing fertiliser prices down because we want to help farmers maximise their pasture production before the summer dry.

'We are also aware that arable farmers are looking to side dress their crops with nitrogen as soon as possible.'

The latest prices for all Ballance fertiliser products are available on the company website at [www.ballance.co.nz](http://www.ballance.co.nz)

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