

MEDIA RELEASE

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Global fertiliser price rises reach New Zealand farmers

Strong price rises for key fertiliser commodities overseas have started to manifest themselves on New Zealand farms, with Ballance Agri-Nutrients lifting its DAP price, effective tomorrow 20 February 2010.

The country's largest supplier of fertiliser products has reacted to mounting international price pressures by adding \$91 a tonne to the price of its DAP (diammonium phosphate), settling 10.8 percent higher at \$921/t.

Ballance Chief Executive Larry Bilodeau says this is still well below the peak prices paid at the height of global demand late-2008, when DAP sold here at around \$1800/t, but he warns that DAP is traditionally a reliable lead indicator of the market.

'Earlier this month I stated that international pricing pressures were mounting, and I remain convinced that prices should not be near the peak prices suffered in 2008.

'The fertiliser market is driven by demand, and the latest pressures have lifted prices across the board, with most key fertiliser commodities already outstripping the industry's forecasts for mid 2010.'

In the past three months, international prices for DAP and sulphur have risen significantly, Mr Bilodeau says, mainly due to companies replenishing their inventory.

'Demand for plant nutrients is returning to near normal levels among the main importers – India, USA, European Union, Thailand, Brazil, Mexico and Australia.'

Mr Bilodeau says he expects international prices to settle once inventory pipelines are filled and the Northern Hemisphere spring planting season is over.

'As always, we will continue to monitor the international pricing situation to ensure our prices match market value.

'Ballance will move as soon as possible to reduce prices to its customers, but farmers here may have to endure a period of increases first.'

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