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Agriculture, Sustainability and the Environment

FOR IMMEDIATE RELEASE

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Agrium CEO Strikes Optimistic Note about Future of Agriculture

Wilson: Despite rollercoaster, agriculture is different from other commodities

LANSING — Despite volatility in the market and commodity prices in general, agriculture and agri-businesses in Michigan should be able to ride out the global economic storm because agriculture is unlike other commodity markets, **Agrium CEO Mike Wilson** said today.

Wilson spoke before more than 400 people at a breakfast held in conjunction with the Michigan Agri-Business Association's annual Winter Conference held Monday through Wednesday.

Wilson said agriculture is not immune from global economic forces, such as China's decision to increase export taxes for nitrogen, low grain prices, reduced credit availability and overall market uncertainty. At the same time, Wilson said he expects the rollercoaster affecting agriculture – from potash, phosphate and nitrogen supply and production to land and tax policies in China, Brazil and Ukraine – to settle around the second quarter of the year. He cited several fundamental factors that will present agriculture with the opportunity to overcome the current economic slowdown and uncertainty in many projects, and resume its growth of the past few years.

Wilson said 2008 yields are above average, corn ethanol demand is likely to pick up, high demand for crop protection and cutting-edge seed to increase yield, and the fact that the world's population increases by around 80 million people each year, guaranteeing that demand for food will continue to be high.

“The farmer still has the incentive to maximize yields,” **Wilson** said.

Near the end of his presentation, **Wilson** sounded a note of both caution and optimism: “It's going to be a tough time. It's volatile. A lot of speculators got out. But by the time spring comes, you'll see things pick up. Eighty million people need to eat.”

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MABA President Jim Byrum said Wilson’s message was critical to Michigan agriculture, which is a \$64-billion-plus industry in Michigan each year, employs more than 1 million people – and represents one of the rare growth sectors in the state’s economy.

“Michigan agri-businesses look forward to seizing all the opportunities before us, moving forward through these tough economic times and continuing to succeed and profit,” **Byrum** said. “With his global perspective and big picture experience, Mike Wilson reminded us that agriculture is central to Michigan’s economy – and that it is clearly one of the engines of future growth . Agriculture will get through this economic rollercoaster through hard work, using the latest science, building partnerships across the board, and remembering that our products feed the world and free us from foreign oil.”

MABA also honored Agrium today with its Outstanding Manufacturer-Supplier for 2008 award, praising its role as a world leader in advanced fertilization technologies, retail agronomy and distribution, and for its positive partnership with Michigan agriculture.

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