

## To Our Valued Customers

As a valued customer, we are very aware of the particular challenges you face with regard to escalating cost of inputs in your operation. Increasing fuel prices and a strengthening Canadian dollar alone have contributed significantly to the challenge to remain competitive and profitable in an ever more global market.

As you may be aware, in the last few months there have been significant and unprecedented increases in the global demand and prices of fertilizer raw materials that affect the cost of nutrient products. To date on average, world fertilizer prices have risen over 200% since the beginning of 2007 as the law of supply and demand has taken over.

The primary drivers for this are firstly, the increase in demand for nutrients for production of corn and sugar cane for ethanol and biodiesel. Secondly, due to strong economic growth in Asia, there is increasing demand for nutrients to supply higher levels of food production. Thirdly as of April 1st a 100 to 135% Chinese duty has been imposed on several fertilizer products shipped out of China. As a result, demand is exceeding supply for almost all commodity nutrient raw materials driving price up internationally and causing serious shortages in supply. Although it has been very challenging we are doing our utmost to assure continuity of supply for all of our customers.

We anticipate that further price increases may occur as we go through 2008 and will keep you informed as much as possible of any changes. For specific price changes, please contact our office or your sales representative for more information.

We appreciate your business and thank you for your support in this very volatile market. If you would like to discuss this situation further or would like more information, please give me a call.



Another Way  
We Are  
Helping You Grow



50 Hazelton St., Leamington, ON, N8H 3W1 519-326-9037

Sincerely,

*Perry Stickle*