1999 annual report

Agrium

a strong foundation

at-a-glance

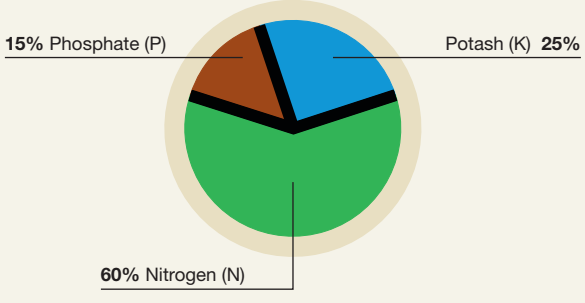
FINANCIAL HIGHLIGHTS

(US$ millions except per share data)	**1999**	1998	1997	1996
Net sales	**$ 1,716**	$ 1,805	$ 1,938	$ 1,904
Gross profit	**492**	583	692	709
EBITDA*	**229**	324	444	470
Net earnings†	**70**	121	185	211
Per common share	**0.55**	0.96	1.43	1.54
Working capital	**174**	362	330	44
Total assets	**1,959**	1,783	1,661	1,591
Long-term debt	**497**	482	483	184
Shareholders' equity	**764**	723	631	701
Capital expenditures	**253**	174	144	153

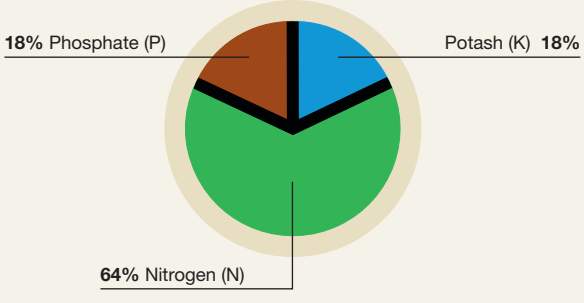
**Earnings before interest expense, income taxes, depreciation and amortization.*

† 1999 Net earnings are before restructuring charges of $6 million after taxes; 1996 Net earnings are determined before charges associated with the merger of Agrium Inc. and Viridian Inc., and costs associated with the retirement of Viridian Inc. debt.

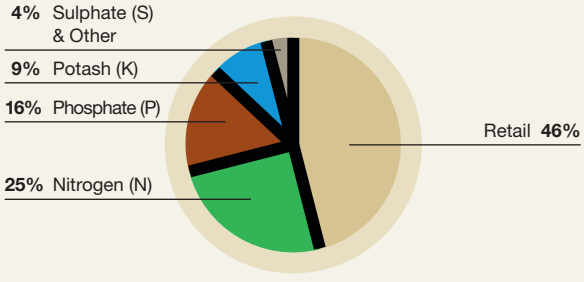
1999 Agrium Production of N, P & K
(Nutrient tonnes)



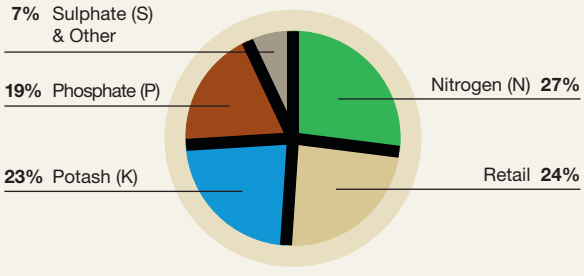
1999 World Consumption of N, P & K
(Nutrient tonnes)



1999 Revenues



1999 Operating Profit



▲ FOR EASY REFERENCE DETACH *AT-A-GLANCE* ALONG PERFORATION ▲

CORPORATE AND NORTH AMERICAN HEAD OFFICE

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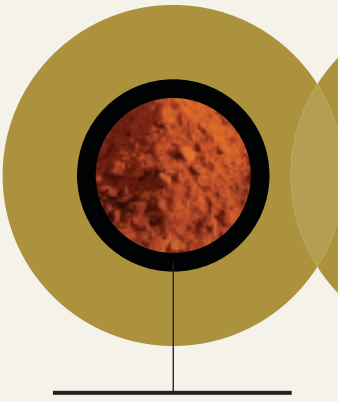
Agrium

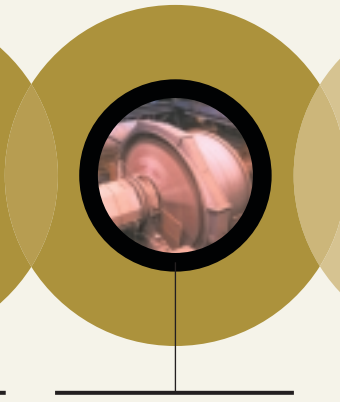
THE AGRIUM VALUE CHAIN

raw materials



- Vanscoy
- Kapuskasing
- Rasmussen Ridge

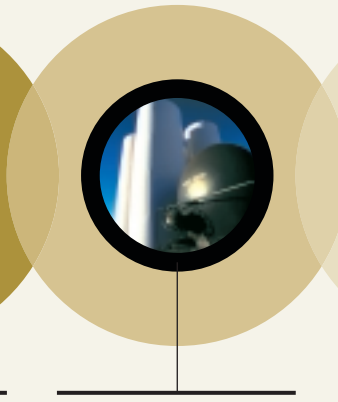
production



NORTH AMERICA
- Redwater
- Fort Saskatchewan
- Carseland
- Joffre
- Vanscoy
- Conda
- Borger
- Homestead
- Kapuskasing

SOUTH AMERICA
- Profertil

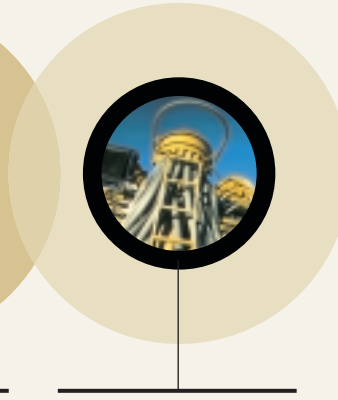
distribution & storage



NORTH AMERICA
- 2,253 rail cars
- 19 terminals
- 1 pipeline
- 84 warehouses

SOUTH AMERICA
- 1 terminal
- 3 warehouses

marketing

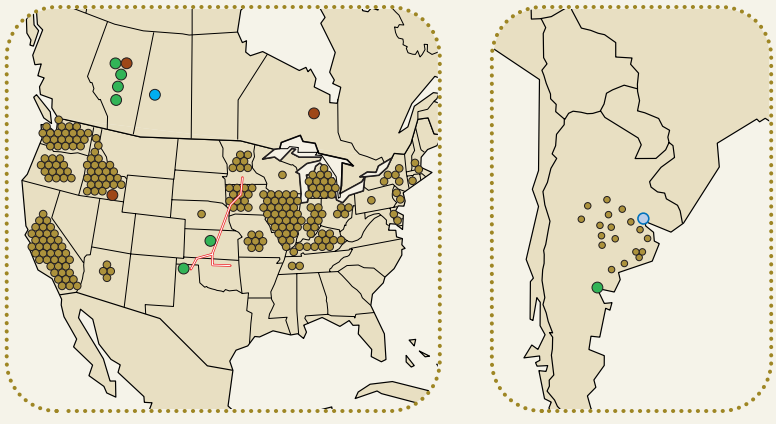


NORTH AMERICA
- Wholesale
- Retail
  – 222 farm centres

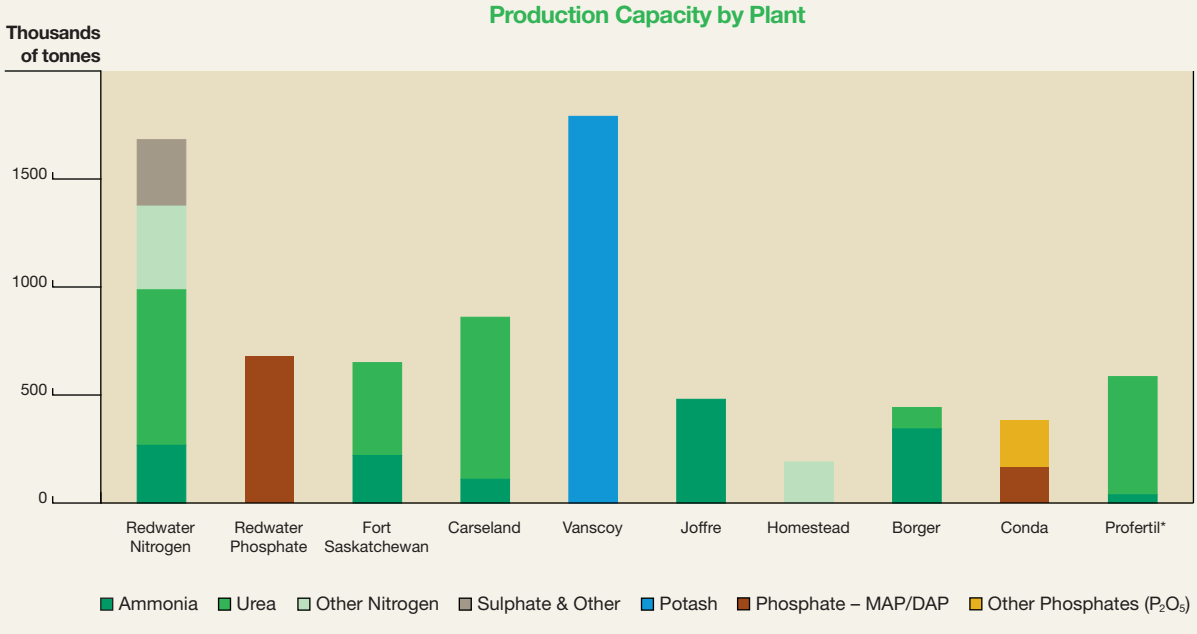
SOUTH AMERICA
- Wholesale
- Retail
  – 18 farm centres

North and South American Production & Distribution Facilities

- Anhydrous Ammonia Pipeline (Williams owned)
- Phosphate Production Facility
- Nitrogen Production Facility
- Potash Mine
- Retail Farm Centres
- Deep Water Terminal



Production Capacity by Plant



*Based on Agrium's 50% ownership

◄ FOR EASY REFERENCE DETACH *AT-A-GLANCE* ALONG PERFORATION ◄

Agrium

OUR VISION is to be a top tier global company specializing in diversified agricultural products and services, in a manner that maximizes growth in shareholder value. We will achieve this vision through implementation of strategies focused on:

INNOVATION ● By focusing research and development efforts on meeting the emerging needs of our customers, improving the competitiveness of our asset base, and by continuously improving all business activities. **INTEGRATION** ● By continuing to build upon relationships with customers and suppliers, and by being a premier integrated producer and marketer of agricultural inputs. **GROWTH** ● By implementing acquisitions, mergers, green field developments, joint ventures, alliances and expansions at existing operations that offer significant potential to add value to Agrium. **GLOBALIZATION** ● By participating in the growth of product demand outside of North America, where anticipated higher rates of population and gross domestic product growth will strengthen the demand for our products.

financial highlights

FINANCIAL HIGHLIGHTS

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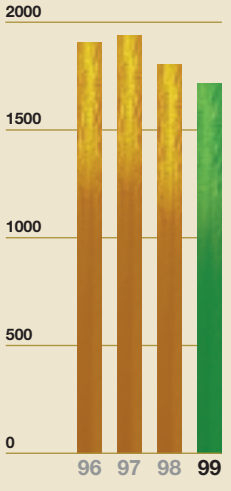
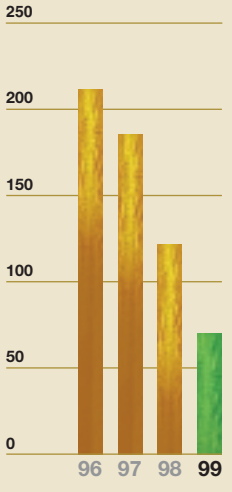
net sales

(millions of US dollars)



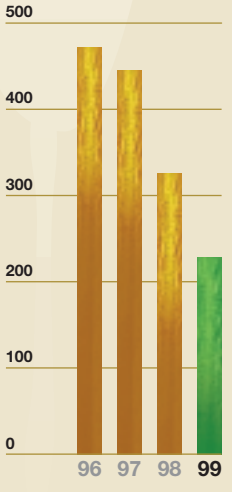
net earnings

(millions of US dollars)



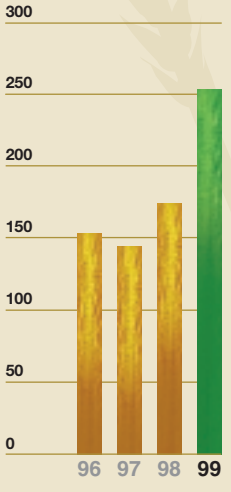
EBITDA

(millions of US dollars)



capital expenditures

(millions of US dollars)



KEY FINANCIAL RATIOS

(:1 except percentages)	1999	1998	1997	1996
Current assets to current liabilities	**1.37**	2.06	2.10	1.08
Long-term debt to long-term debt plus shareholders' equity	**0.39**	0.40	0.43	0.21
Interest coverage	**3.7**	5.8	7.8	6.7
Return on sales	**4%**	7%	10%	11%
Return on average invested capital	**7%**	13%	18%	18%
Return on average common shareholders' equity	**10%**	19%	28%	28%

key operating statistics

KEY OPERATING STATISTICS

	1999	1998	1997	1996
(thousands of tonnes)				
North American Wholesale Production Volumes				
Nitrogen	**3,553**	3,451	3,721	3,516
Phosphate	**1,016**	1,150	1,126	1,088
Potash	**1,487**	1,581	1,482	922
Sulphate	**299**	245	247	255
	6,355	6,427	6,576	5,781
(thousands of tonnes)				
North American Wholesale Sales Volumes				
Nitrogen	**3,479**	3,652	3,630	3,618
Phosphate	**1,082**	1,062	1,135	1,089
Potash	**1,432**	1,504	1,484	1,218
Sulphate & Other	**665**	561	619	975
	6,658	6,779	6,868	6,900
Gross Margin Percentage on Net Sales				
Wholesale	**26%**	34%	40%	43%
Retail	**30%**	29%	28%	28%
South America	**19%**	26%	22%	21%
Selling, General & Administrative Expense ("SG&A")				
Corporate and Wholesale – $/tonne	**$ 7.36**	$ 9.00	$ 9.76	$ 11.45
Retail – % of sales	**22%**	22%	21%	21%
South America – % of sales	**20%**	30%	42%	26%

NINETEEN NINETY-NINE WAS A DIFFICULT YEAR FOR THE FERTILIZER INDUSTRY. A COMBINATION OF FACTORS, INCLUDING LOW GRAIN PRICES, HIGH GAS COSTS AND INTERNATIONAL SUPPLY AND DEMAND IMBALANCES, RESULTED IN INCREASED PRESSURE ON FERTILIZER MARGINS FOR NITROGEN AND PHOSPHATES.

NITROGEN BEGAN SHOWING signs of recovery towards the end of the year but was impacted throughout 1999 by low world agricultural commodity prices, low levels of nitrogen imports by India and China's continuing absence from international urea markets. At the same time, on the supply side, the Former Soviet Union ("FSU") continued to export significant volumes of urea in order to earn much needed foreign currency and seven new world scale nitrogen production facilities came on stream worldwide, more than offsetting a number of plant closures.

Phosphate prices came under pressure in anticipation of new global production in Australia and India and because of weaker demand in North America as farmers continued to face difficult economic conditions. North American potash demand also declined for the same reasons however, prices remained in line with previous years due in part to stable international demand.

Agrium's 1999 results reflect these difficult conditions. Net sales, operating income and net earnings for North American Wholesale business ("Wholesale") segments declined from prior year's results. Our US Retail business ("Retail") was also subject to many of these same conditions but was able to mitigate the impact and generate record earnings by focusing on customer service and the strategic acquisition of additional farm centres. Despite these difficult conditions we are proud that we were still able to generate positive earnings and cash flow of $70 million and $138 million respectively during the year, before restructuring charges.

Although nitrogen prices were disappointing most of the year, prices did improve late in the year and into the first part of 2000. US Gulf urea prices have increased over $45 per tonne or 60% between late September and the end of February 2000. Other nitrogen prices, while not as dramatic as urea, have increased by up to 15%. Strong demand from Europe, Latin America and various Southeast Asian countries other than China coupled with deliberate and involuntary production curtailments and transportation constraints have helped support world prices and have put the supply situation under pressure. As a result of the recent price increases however, most of the temporary production curtailments have been lifted.

We believe we have passed the bottom of the cycle and are entering the early stages of recovery. In spite of the difficult environment, the down-cycle provided an opportunity to build for the future with our ability to generate positive results allowing us to position ourselves for the improving cycle. Looking forward, we have set ourselves an ambitious goal of reaching a $50 share price within 5 years. Achieving this goal will depend, in part, not only on recovery of prices but also on the success of current and future strategic initiatives. These include the following initiatives carried out in 1999:

We have consistently been one of the lowest cost producers in the industry. In order to ensure our selling, general and administrative expense ("SG&A") structure was also one of the lowest, we undertook a major review of our business processes and Corporate structure during the year. The majority of the recommendations arising out of this review have already been implemented and future annual savings targets in excess of $20 million over 1998 levels will be met or exceeded. We also believe the resulting changes in our business processes have improved our organizational effectiveness and will make us one of the easiest companies with which to do business. The impact of these savings on 1999 results was reduced by one-time charges of $11 million before tax for severance and other costs associated with the restructuring.

Frank W. Proto
Chairman of the Board of Directors

John M. Van Brunt
President and Chief Executive Officer

The success of this review has also led to similar reviews being carried out in areas which were out of the scope of the original project including supply chain optimization, Retail selling expenses and productivity improvement reviews at Redwater and other facilities. We expect these new initiatives to result in further annualized cost savings in excess of $15 million by the end of the year 2000.

Our new phosphate rock mine and mill in Kapuskasing, Ontario was commissioned on schedule in July but is currently encountering start-up mechanical and process problems which are restricting output. However, resolution is expected by the end of the second quarter of 2000. The cost of the original project was $70 million. When producing at full design capacity, Kapuskasing is expected to produce sufficient phosphate rock to supply all of the requirements of the Redwater Phosphate Operations for the next 20 years at annualized cash savings of more than $33 million over alternative sources of supply.

In late 1998, we were able to increase our interest in the Profertil joint venture in Argentina from 33% to 50%, as originally contemplated. The construction of the plant is proceeding well and start-up is anticipated to be on schedule for mid-year 2000. When completed, the plant will be the largest single train urea plant in the world capable of producing 1.1 million tonnes of urea annually. The estimated total cost of the plant is $600 million, including interest during construction and value-added tax, with the bulk of these costs being incurred under a lump-sum turnkey contract.

In the Fall, we announced an agreement to lease and operate an industrial grade purified phosphoric acid ("PPA") unit to be built by FMC Corporation ("FMC") at our Conda Phosphate facility in Idaho and to enter into a long-term supply contract with it for the sale of the output. Agrium's own investment to incorporate this unit into our existing facilities is expected to be approximately $30 million over the next two years. The project is expected to come on stream in mid-year 2001 and will open up a new industrial market for Conda which will complement the traditional agricultural markets served by the facility.

On January 19, 2000, we announced we had signed an agreement with Union Oil Company of California ("Unocal") to acquire the nitrogen-based production and distribution businesses operated by Unocal in Alaska, Washington, Oregon and California. This is a very exciting development for us which will expand our nitrogen businesses in the Western United States and internationally and provide significant synergies in our operating and administrative structure. Subject to regulatory approval, we expect the transaction to close before the end of the second quarter.

We recognize our employees are key to achieving our goal and we remain committed to building on their core competencies and to developing a high performance culture within the organization. At the same time, we believe it is important for employees to think and act like owners. As a result, our incentive programs have been designed to accommodate participation in Agrium's future prosperity, including such initiatives as Stock Appreciation Rights ("SARs") and the Retail 401(k) Profit Sharing Plan.

Looking forward into 2000, the nitrogen and phosphate markets are expected to remain challenging however, there have already been a number of encouraging developments which could act as catalysts for further recovery:

A number of North American nitrogen facilities were indefinitely shut-down or had extended turn-arounds in the mid to latter half of 1999 which helped lead to strengthening in nitrogen prices in the fourth quarter of 1999 and early 2000. Our own Redwater 1 Ammonia Plant and our Homestead Ammonium Nitrate Plant were both temporarily shut-down for market related reasons in the latter half of 1999 with Redwater 1 remaining shut-down through year-end. Four permanent US nitrogen plant closures by other companies were also confirmed and other temporary plant closures worldwide included Trinidad and Mexico. The shut-downs and closures were the result of low nitrogen prices coupled with high natural gas prices which increased producers' costs. However, with the recent strengthening in prices and some softness in gas prices, some of these plants have since been restarted.

The US Government has set preliminary anti-dumping duties of 264% on Russian ammonium nitrate imports. Imposition of this duty would allow for a more even playing field for North American nitrate producers and should help provide some price support in North American markets where Agrium accounts for 6% of total North American capacity.

China recently reached an agreement with the US and most other World Trade Organization ("WTO") members on terms for entry into the WTO and, as a result, it is anticipated that China will become a member of the WTO some time in 2000. While all of the conditions are not yet known, this is a positive development for the fertilizer industry and particularly for the nitrogen and phosphate sectors. Ultimately, entry into the WTO will put pressure on the Chinese to close some older, higher cost nitrogen facilities and open their market to urea exporters.

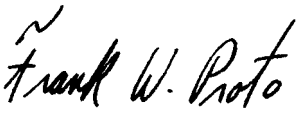
Despite the continued absence of China from world urea markets and limited buying from India, there was still an increase of approximately two million tonnes in world urea trade in 1999 and growth in non-Chinese and non-Indian imports has now made up for the drop in imports which occurred in 1997. There is also general consensus that global economic growth will be robust over the next few years which should further fuel the demand for agricultural products.

Global grain consumption is expected to exceed production in the 1999/2000 crop year and the US Department of Agriculture has projected a decline in the world grain stocks-to-use ratio to 18% compared to the 20 year average of 21%.

Barring any unforeseen circumstances, we expect recovery to continue slowly over the next one to two years as fertilizer consumption absorbs the excess supply and to accelerate thereafter.

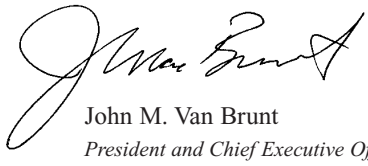
Our share price continues to be undervalued. While we have performed well against our peers in the fertilizer industry, the industry has not performed well against the major Toronto and New York indices due to the short-term supply/demand fundamentals. Nonetheless, the current low stock price has been an excellent opportunity to capitalize on share buy-backs. Since initiating the first of these programs in late 1996, Agrium has reduced the number of outstanding shares from 141 million to under 112 million at the present time. However, further share repurchases under the normal course issuer bid announced in September 1999 have been temporarily discontinued following the announcement of our agreement to acquire Unocal's fertilizer business.

In closing, we would like to take this opportunity to express our appreciation to all employees for their perseverance through these difficult times. We also extend special thanks and best wishes to long serving members of the executive management team: Larry Collins, Dave DeBiasio and Gordon Whitham, who retired during 1999.



Frank W. Proto
Chairman of the Board of Directors

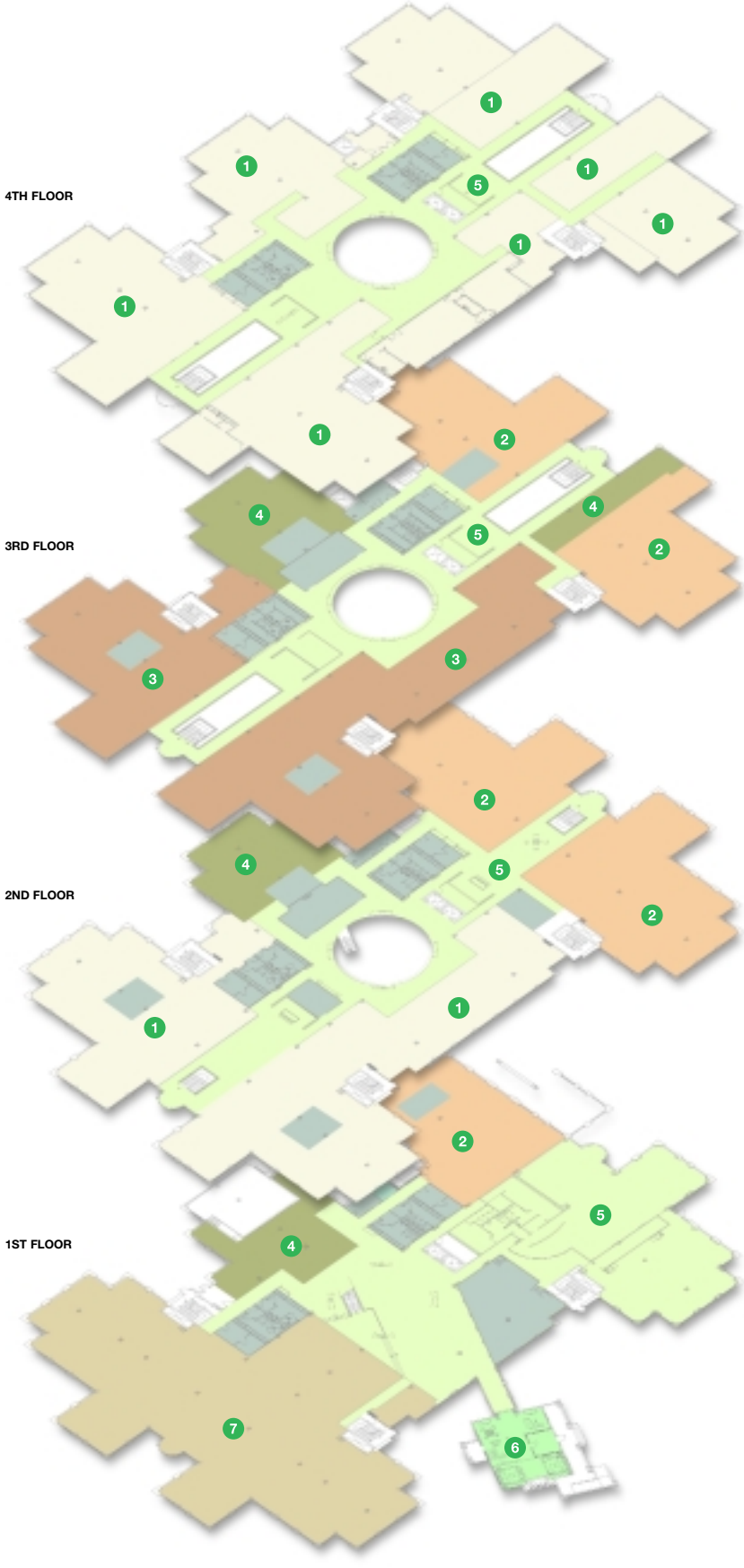
March 6, 2000



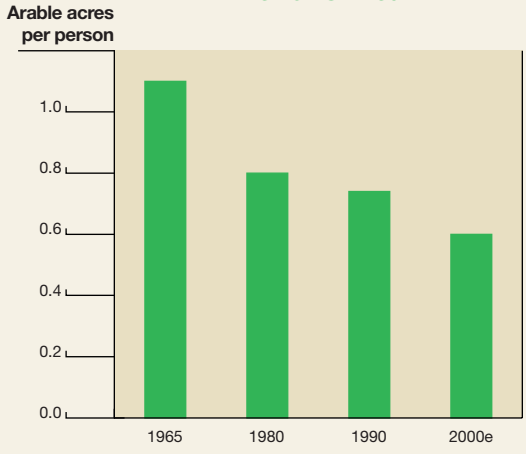
John M. Van Brunt
President and Chief Executive Officer

March 6, 2000

In late 1998, the new Calgary Corporate Head Office building was completed. The cost of the new building was significantly less than comparable facilities and consolidating staff into this facility was a catalyst for some of the SG&A cost savings.



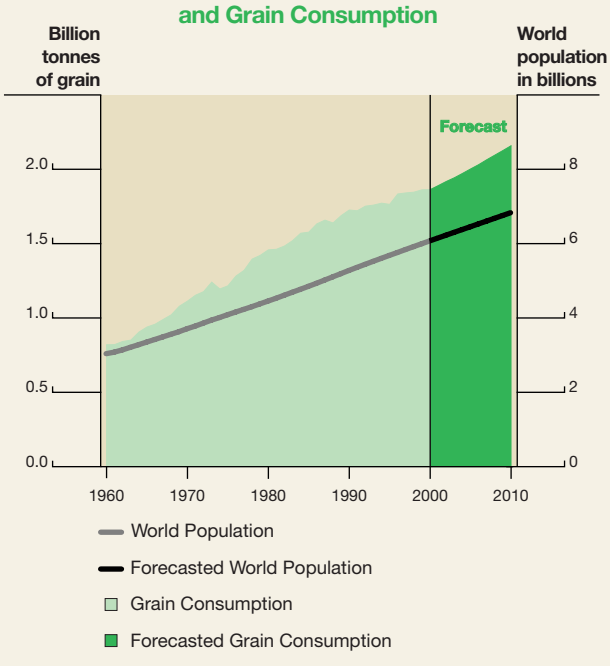
Population Growing and Arable Land Remains Fixed



Source: FAO, US Government

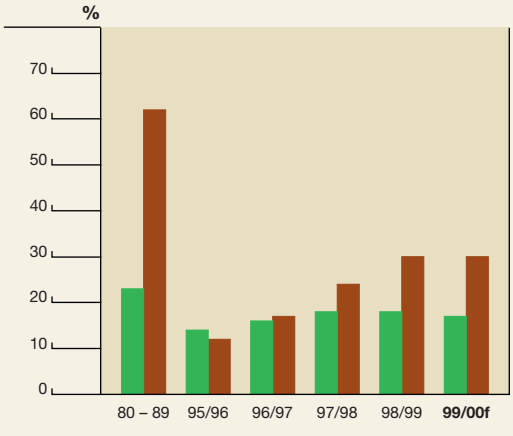
Population and grain consumption continue to grow while the amount of arable land remains constant. World grain stocks remain low despite comparatively higher US grain stocks.

Rapid Growth in World Population and Grain Consumption



Source: USDA, US Bureau of Census, FAPRI

Grain Stocks-to-Use Ratio



Source: USDA

GLOBAL SUPPLY AND DEMAND

In the long-term, growth and profitability in the fertilizer industry are driven by world population growth and rising living standards which create an increasing demand for food. As the availability of arable land for production of food is largely fixed, it is imperative that crop yields are increased through optimal application of fertilizers and other agricultural inputs in order to meet this increasing demand.

World population reached six billion people in 1999 and is currently increasing exponentially at a rate of approximately 212,000 people every day. Current projections are that the world population will continue this rate of growth and will virtually double to 11.6 billion before beginning to stabilize well into the 21st century. This growth will result in continued increases in the demand for food while further urbanization will also place additional pressure on the amount of arable land available for agricultural production, which has already declined from 1.1 acres per capita in 1965 to 0.6 acres forecast for 2000.

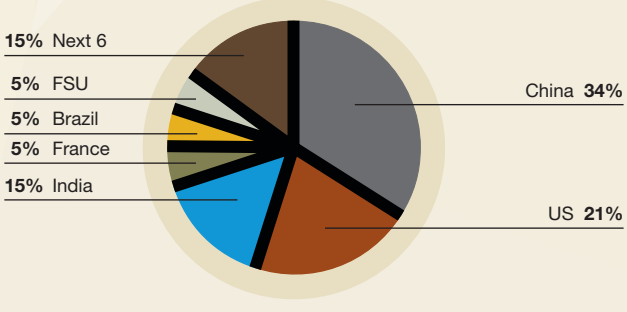
Rising standards of living lead to an increase in both the quantity of food consumed per capita and the protein content of food consumed. Production of these higher protein foods such as meat require larger amounts of grain and other feeds. This, in turn, creates a need for improved yields through higher application of agricultural inputs.

In the short- and medium-term, growth and profitability in the fertilizer industry are more influenced by world economic growth rates and factors creating temporary imbalances in supply and demand. These factors include weather patterns, the level of world grain stocks relative to consumption (the "stocks-to-use ratio"), new production capacity, and temporary disruptions in fertilizer trade such as changes in the buying patterns of China or India.

Prior to withdrawing from international urea markets, China was by far the largest importer of urea importing in excess of six million tonnes in 1995 and 1996. The current imbalance in supply and demand was largely precipitated by China's 1997 political decision to impose a ban on imports of urea in order to protect many of its older, less efficient plants, coupled with the reluctance of major exporters such as the FSU to restrict supply. The imbalance has been compounded with the addition of seven new plants worldwide in 1999 and with a further five scheduled for 2000.

There has been some improvement in the world supply and demand balance for nitrogen fertilizers in the latter half of 1999 with the closure of a number of older, less efficient plants in the United States, the European Union and elsewhere. Despite the continued absence of China from world urea markets, and limited buying from India, there was an increase of two million tonnes in world urea trade in 1999. China has also recently reached an agreement with the US on terms for entry into the WTO which will lead them to becoming a member. This may hasten China's return to the import market, for at least some limited tonnage of urea in the near future.

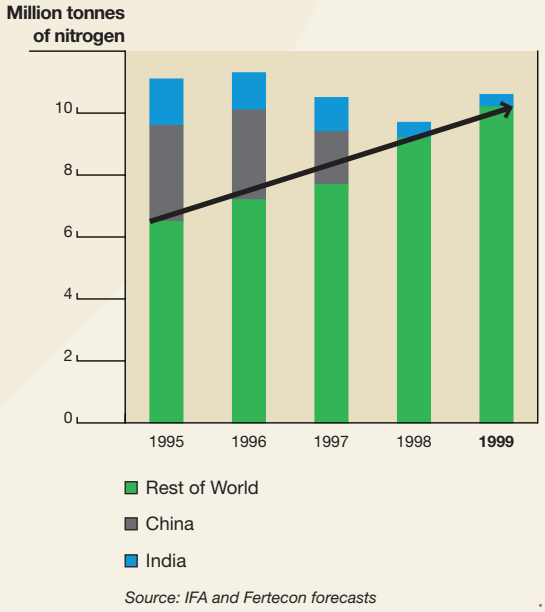
1996 Top 12 Fertilizer Consumers by Country



Source: IFA

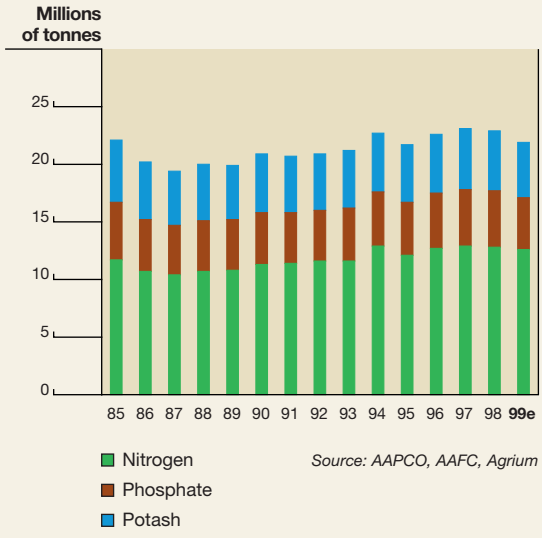
Strong Growth in the Rest of the World

World Urea Imports



Source: IFA and Fertecon forecasts

North American Fertilizer Use



Source: AAPCO, AAFC, Agrium

North and South American Production & Distribution Facilities

- Anhydrous Ammonia Pipeline (Williams owned)
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- Nitrogen Production Facility
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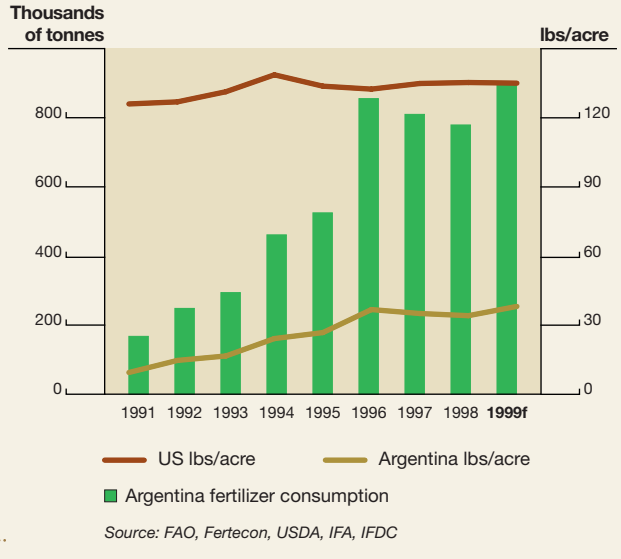
Argentina Fertilizer Consumption and Nutrient Use Per Acre Compared to the US



Source: FAO, Fertecon, USDA, IFA, IFDC

NORTH AMERICAN MARKET STRATEGY

The fertilizer industry in North America is relatively mature, particularly in the United States, and as a result, demand for nitrogen, phosphate and potash fertilizers has remained relatively stable in recent years. However, short-term imbalances between supply and demand have occurred due to such factors as changes in crop prices, unseasonable weather patterns and, in some cases, unanticipated closures of production facilities. Nitrogen requirements are satisfied through domestic production and supplemented with imports, primarily through the US Gulf Coast and Florida. Virtually all North American phosphate and potash requirements are satisfied through domestic production and approximately 40% of potash production and 60% of phosphate production is exported.

Pricing of fertilizers in North America is driven by global fundamentals. North American nitrogen prices tend to be based on US Gulf coast import prices plus a transport differential to the various agricultural markets. Phosphate prices are largely based on Central Florida export prices plus a transport differential. Most Canadian potash exports are marketed through Canpotex Limited, a consortium of Saskatchewan producers, and prices are based on world markets.

Agrium produced approximately 6.5 million tonnes of fertilizers in 1999. Approximately 87% of this production is sold to a mix of agricultural and industrial customers in Canada and the United States. The remaining 13% is sold offshore. Agrium's key markets in North America have historically remained partially protected due to proximity to Agrium's major production facilities and the transportation infrastructure which Agrium has established to service these areas.

Agrium's US Retail operations, which operate independently from Wholesale, deal directly with farmers in the Western, Midwestern and Northeastern regions of the United States providing valuable insight into developments in the agricultural sector. The Retail business protects its markets by carefully cultivating customer loyalty through reliable delivery, competitive pricing and customer service.

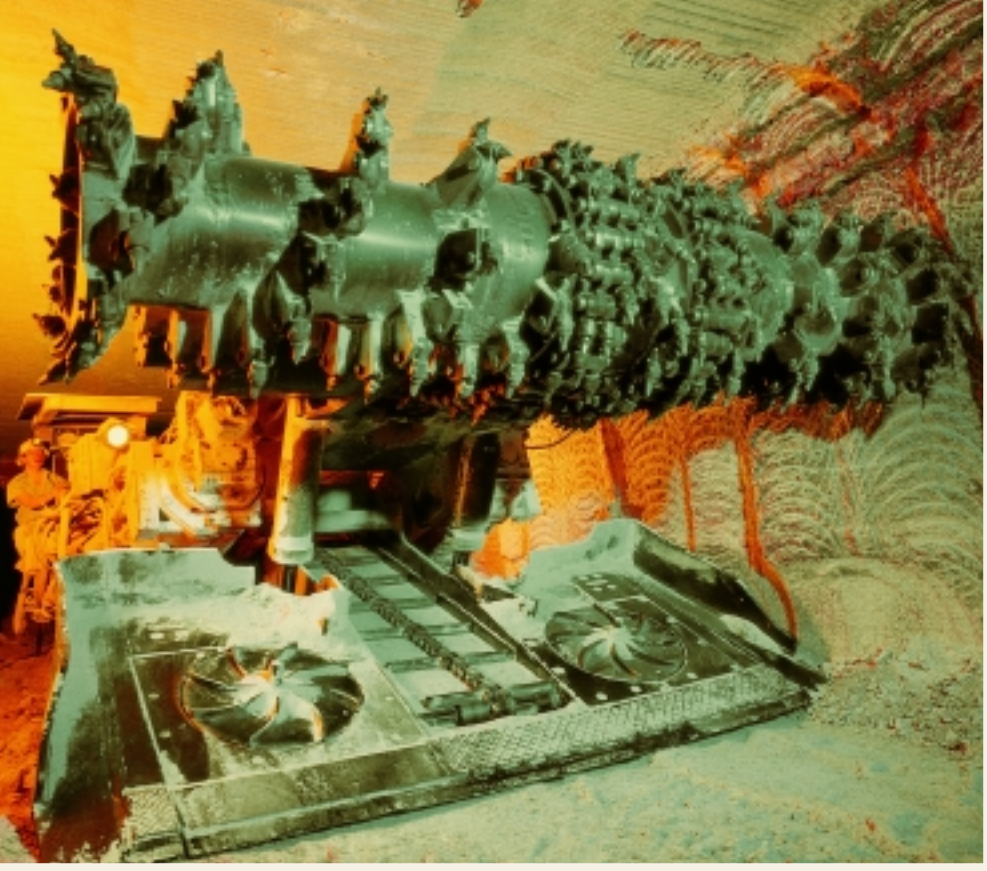
SOUTH AMERICAN MARKET STRATEGY

The Southern Cone area of South America, and Argentina in particular, provides an attractive growth alternative to the mature markets in North America. The Argentine climate is similar to the US Cornbelt and Southern Plains in terms of temperature, rainfall and the number of growing days. There are also many similarities with respect to crop mix and farm size. The Argentine Pampas were once rich in organic matter however, decades of agricultural production have mined these soils to the point that balanced fertilization is now urgently needed to ensure optimal crop yields. Currently, fertilizer application rates are approximately 25% of the US average. Consequently, corn, wheat and soybean yields in Argentina are well below typical US yields.

The key to ensuring successful use of fertilizers in the area is to provide farmers with sufficient agronomic education to understand the benefits of soil testing, balanced fertilization and sound agricultural practices. Agricultural retailers, such as Agrium's subsidiary, Agroservicios Pampeanos ("ASP"), are the most important mechanism for providing this education through the transfer of core competencies from Retail's North American style farm centres. However, these farm centres are relatively new to Argentina and the process of educating the farmers is a gradual one.

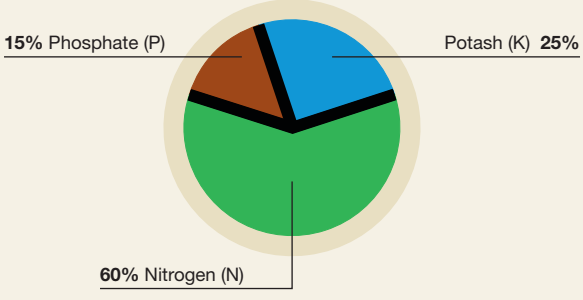
Argentina currently has only one small nitrogen plant and demand for fertilizers is primarily satisfied through imports. Profertil S.A. is a joint venture partnership between Agrium and YPF S.A. (a subsidiary of Repsol S.A.) ("YPF"). The Profertil nitrogen plant, currently under construction and scheduled to commence production by mid-year 2000, is capable of satisfying Argentina's entire current and future requirements. The plant, with an annual production capacity of 1.1 million tonnes of urea and 70,000 tonnes of ammonia for sale, is strategically located on tidewater for export capability and close to abundant sources of low cost natural gas that will be supplied under a long-term gas contract. Low transportation costs to nearby growing markets such as Uruguay, Paraguay and Brazil also provide a competitive advantage.

In the Pacific Rim, Agrium has been a major supplier of urea to the Australian market over the last ten years and has also made sales to New Zealand. The focus in these countries has been on providing a premium, granular product suited to bulk blending. Export sales from the Profertil plant, initially surplus to Argentinian requirements, will be targeted to these countries, to other South American countries, and possibly to Southern Africa.

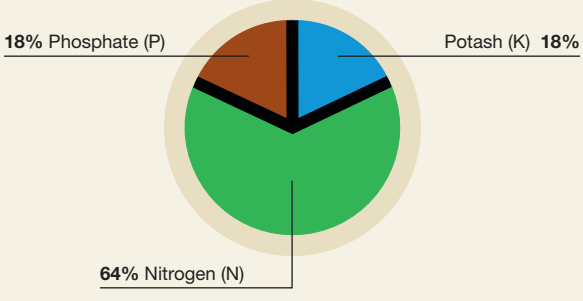


At Agrium's Vanscoy potash mine, a Heli Miner creates opening cuts and bore development for mining potash ore.

1999 Agrium Production of N, P & K
(Nutrient tonnes)

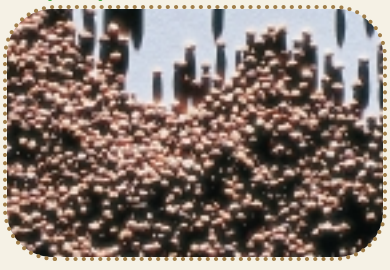


1999 World Consumption of N, P & K
(Nutrient tonnes)

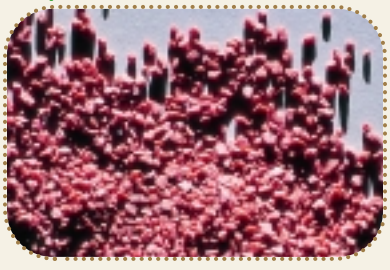


▼ urea

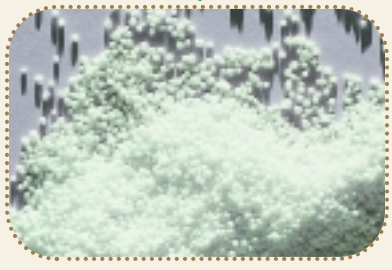
▼ phosphate

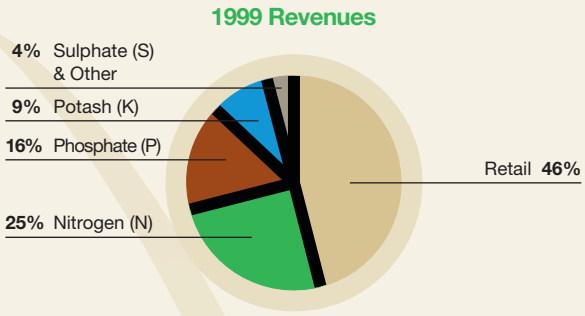


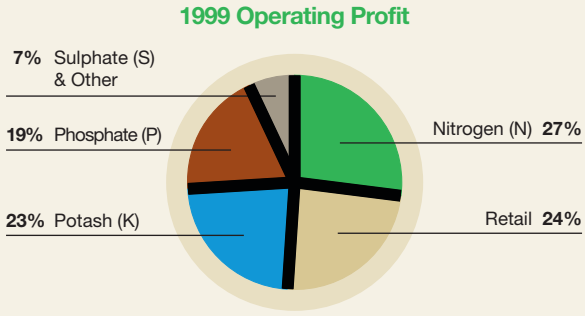
▼ potash



▼ ammonium sulphate







ALL LIVING THINGS require a balance among the four major nutrient groups ("macronutrients") to stay healthy, grow and reproduce. These nutrients are commonly referred to as nitrogen, phosphate, potassium ("potash") and sulphur. Nitrogen promotes protein formation in plants and crops and is a major component of chlorophyll which helps to promote green, healthy growth and high yields. Phosphates stimulate root development, promote flowering and help prevent disease and environmental stress. They also stimulate growth and produce uniform crop yields. Potash regulates many different functions and is required in large quantities for healthy crop growth and development. Sulphur is a building block for proteins, enzymes and vitamins and a key ingredient in the formation of chlorophyll, and helps to improve effective use of other nutrients. Sulphur is often provided in the form of ammonium sulphate, a combined nitrogen/sulphur product.

In addition to macronutrients, plants and crops also require lesser quantities of other nutrients to flourish. These nutrients include boron, calcium, copper, iron, manganese, magnesium and zinc and are commonly referred to as micronutrients.

Agrium is one of North America's largest and most diversified producers and marketers of nitrogen, phosphate, potash and sulphate fertilizers. In 1999, Agrium's Wholesale operations produced approximately 14% of North America's ammonia, 20% of its urea, 5% of its phosphates and 11% of its potash.

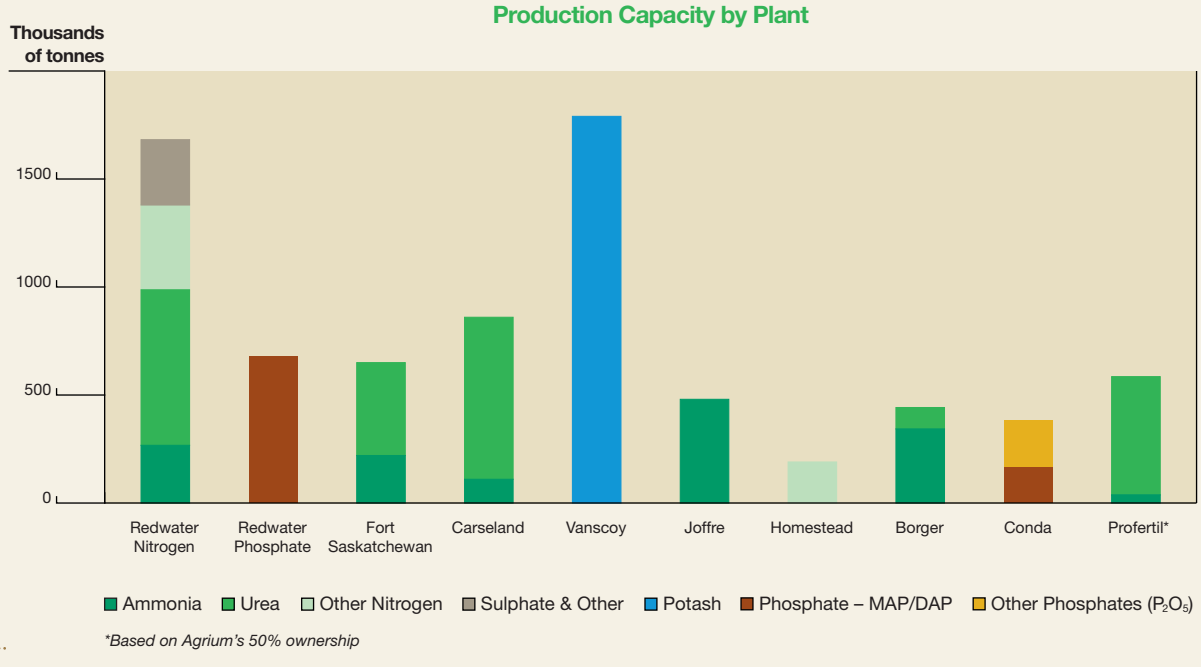
Although weighted towards the production of nitrogen fertilizers, the strategic balance of Agrium's production closely parallels consumption patterns in North America and the rest of the world. In Latin America, where the Profertil facility is currently under construction, the percentage of nitrogen consumption relative to overall consumption of fertilizers is somewhat less at 42%. With an increase in North American style retailers and agronomic information and technology, use of nitrogen fertilizers is expected to move more into line with North American and world consumption patterns.

In addition to the basic macronutrients, Agrium is also a producer and marketer of micronutrients and a developer of controlled-release urea which has both environmental and agronomic benefits. There is expected to be significant growth in demand for controlled-release urea as technological developments lead to lower cost production.

The diversity and balance of Agrium's operations and products also extends to its retail operations, both in the US and Argentina, where Agrium is a major supplier of products such as seed, chemicals and agronomic services in addition to fertilizers. Retail is an important link in the fertilizer value chain and helps to bring diversity and stability to Agrium in addition to providing Agrium with a platform for new product ideas and development. The Retail agribusiness produces consistent year-over-year revenue and operating profit which provides Agrium a solid base for the more cyclical production and Wholesale operations. In low points of the commodity cycle, as in 1999, Retail's contribution to earnings is significant.

Major projects in 1999 included the commissioning of the Kapuskasing phosphate rock mine and mill (below) and construction of the Profertil nitrogen facility (left).

Production Capacity by Plant



**Based on Agrium's 50% ownership*

AGRIUM CURRENTLY OWNS and operates nine major fertilizer plants within North America, six in Canada and three in the United States, with a total annual production capacity of more than seven million tonnes of fertilizer. In addition, Agrium owns major phosphate rock mining and milling operations in Kapuskasing, Ontario and Conda, Idaho, and several minor facilities producing micronutrients and blends in both the US and Canada. Internationally, Agrium's share of production from the Profertil nitrogen plant currently under construction in Argentina will exceed an additional half a million tonnes when the plant comes on stream in mid-year 2000.

On January 19, 2000, Agrium announced the signing of an agreement with Unocal to acquire the nitrogen-based production and distribution businesses operated by Unocal in Alaska, Washington, Oregon and California. The addition of Unocal's production facilities will make Agrium one of the largest nitrogen producers in the world. Unocal's facilities include two world scale ammonia and two world scale urea plants in Kenai, Alaska and ammonia, ammonium nitrate and nitrogen solution plants in Washington and California. The Kenai facility has total capacity of one million tonnes of urea and 590,000 net tonnes of ammonia.

PLANT EFFICIENCY

Agrium's plants are among the most modern and efficient in North America, due in part to the relative age of the facilities and recent modernization initiatives. Agrium has also adopted a systematic policy of preventative maintenance and careful monitoring which enables its major facilities to achieve extended production runs without the necessity for scheduled plant turnarounds each year. This strategy allows plant turnarounds to be staged at different times throughout the year so that specialized teams of maintenance personnel can be deployed from plant to plant to minimize contracted personnel and increase efficiency.

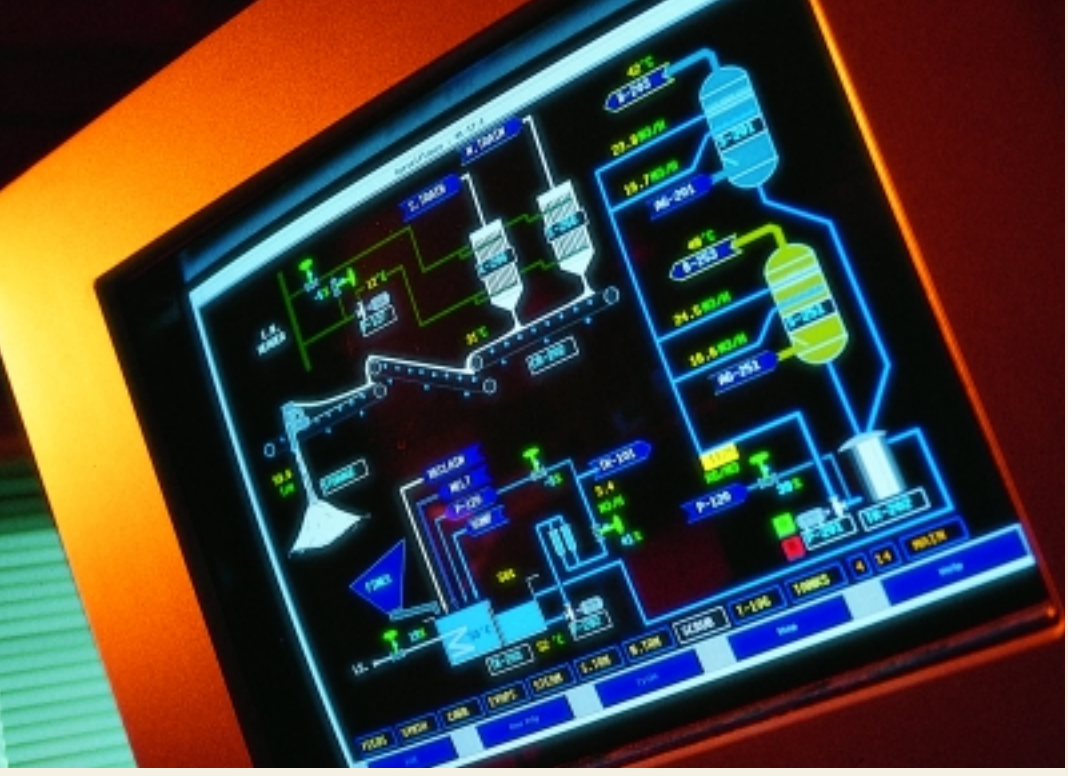
In 1999, there were no unscheduled production outages and monthly production records were achieved at Fort Saskatchewan, Joffre, Borger and Conda. Production overall, however, was lower than the previous year due to decisions to temporarily shut down Homestead and the smaller Redwater 1 ammonia facility for market-related reasons and because of an extended turnaround at Vanscoy Potash Operations for scheduled repairs and inventory control.

NEW PRODUCTION FACILITIES

Agrium's new phosphate rock mine and mill in Kapuskasing, Ontario was commissioned on schedule in July 1999, but start-up mechanical and process problems have delayed the achievement of full production rates. These problems are expected to be resolved by the end of the second quarter of 2000. The cost of the original project was $70 million. When producing at full design capacity, the plant is expected to produce and process sufficient phosphate rock to supply all of the requirements of the Redwater Phosphate Operations for the next 20 years. Once in full production, the plant is expected to achieve annual cash savings of more than $33 million over existing sources of supply.

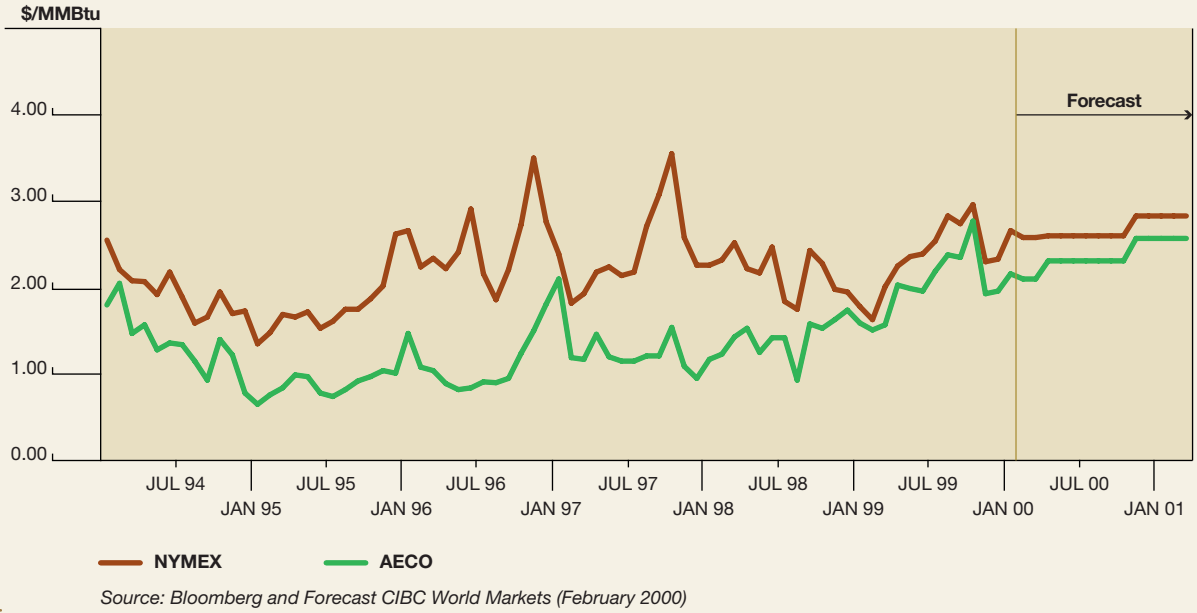
The construction of the Profertil plant in Argentina is proceeding well and start-up is still anticipated to be on schedule for mid-year 2000. When completed, the plant will be the largest single train urea plant in the world capable of producing 1.1 million tonnes of urea annually. The estimated total cost of the plant is $600 million, including interest during construction and value-added tax, with the bulk of these costs being incurred under a lump-sum turnkey contract.

In the Fall, Agrium announced an agreement to lease and operate an industrial grade PPA unit to be built by FMC at Agrium's Conda Phosphate facility in Idaho and to enter into a long-term supply contract with FMC for the sale of the output. Agrium's own investment to tie in this unit to its existing facilities is expected to be approximately $30 million over the next two years. The project is expected to come on stream in mid-year 2001 and will open up a new industrial market for Conda which will complement the traditional agricultural markets served by the facility.



Agrium's low production cost position in North America is the result of its access to low cost natural gas and its modern efficient plants.

Price Spread between Alberta and NYMEX



Source: Bloomberg and Forecast CIBC World Markets (February 2000)

RAW MATERIALS

Ammonia is the building block for all nitrogen fertilizers and the standard production process involves the conversion of natural gas and air into a mixture of hydrogen, carbon dioxide and nitrogen. After removal of the carbon dioxide, the mixture of hydrogen and nitrogen is passed over a catalyst at high temperatures to produce ammonia. Ammonia can then be sold directly or upgraded by reacting it with the carbon dioxide to produce urea.

The key raw material used in the production of nitrogen fertilizers is natural gas and the proximity to abundant supplies of low cost Alberta natural gas is a competitive advantage for Agrium. Natural gas accounts for approximately 70% of the cost of producing ammonia. Gas prices in Alberta have historically remained well below other markets in North America. However, recent completion of additional pipeline capacity from Alberta to the US, including the Alliance pipeline system scheduled to start-up in late 2000, has resulted in gas price differentials narrowing substantially. The differential is expected to widen again in the medium-term as the pipeline capacity fills up and in the long-term it is expected to be at least equal to the cost of transportation to US markets ($0.60 to $0.80 per MMBtu).

Gas requirements for the Profertil plant in Argentina are contracted at a favourable fixed price contract plus a variable component linked to international market indicators. The primary gas contract is with YPF for a period of 12 years subject to various renewal options.

Phosphate fertilizers are produced from phosphate rock reserves which are mined and processed into feedstock for the phosphate fertilizer operations. The resulting feedstock is then treated with sulphuric acid to form gypsum and phosphoric acid which is the base for all phosphate fertilizers. The primary feedstock for this process at Agrium's Conda Phosphate Operation is supplied to the facility from Agrium's Rasmussen Ridge mine in Idaho and at the Redwater facility from the Kapuskasing mine and mill in Ontario. The estimated reserve life of the Rasmussen Ridge and Kapuskasing mines is 11 and 20 years respectively and will ensure Agrium has a secure supply of low cost phosphate rock well into the 21st Century. The Kapuskasing mine is a much more cost effective means of supplying Redwater than the previous source, Togo, in West Africa.

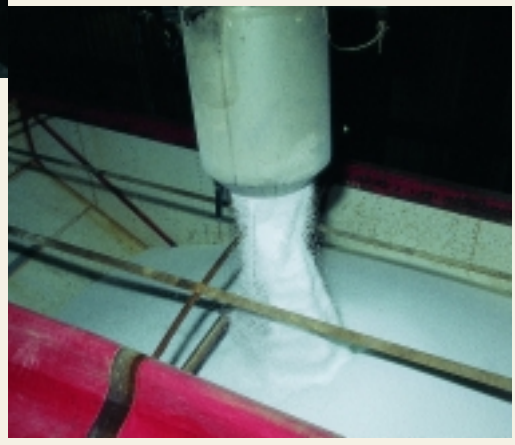
Potassium (potash) fertilizers occur naturally in the form of mineral deposits deep underground and are mined and crushed before removing unwanted minerals using a de-sliming and froth flotation process. Agrium's reserves are located near Saskatoon, Saskatchewan and are estimated to last in excess of 100 years based on current depletion rates. In addition, Agrium has identified a number of potential expansion projects which would substantially increase production capacity should demand increase.

Sulphur is used extensively in the production of ammonium sulphate fertilizers and in the manufacture of sulphuric acid which is used extensively in the production of phosphate fertilizers. The current surplus of sulphur in Alberta is expected to last indefinitely due to ongoing production of sour gas in the province. This surplus will ensure that the cost of sulphur used in Agrium's various production processes remains low for some time to come.

LOW COST PRODUCTION

A combination of a stable committed work force, secure access to low cost raw material inputs, modern efficient plants and ongoing process and maintenance optimization has enabled Agrium to remain amongst the lowest cost producers in the North American industry. This low cost position provides Agrium the ability to generate significant earnings and cash flow during low periods of the commodity price cycle.

Agrium's significant investment in distribution and storage infrastructure allows it to better serve its customers during the Spring and Fall application seasons.



North American Production & Distribution Facilities

- Anhydrous Ammonia Storage
- Anhydrous Ammonia Pipeline (Williams owned)
- Anhydrous Ammonia Distribution Facility
- Solution Production Facility
- Solution Storage
- Nitrogen Production Facility
- Phosphate Production Facility
- Dry Storage
- NPK Granulation/Micro Production Facility
- Phosphate Mine
- Potash Mine
- Corporate Headquarters
- Retail Headquarters

distribution and storage

AGRIUM HAS DEVELOPED a sustainable competitive advantage in its distribution and storage network due to superior quality terminal facilities, geographic diversity and a multi-modal distribution system. By servicing customers and internal warehouses by rail, pipeline, truck and barge, Agrium is able to minimize transportation costs and enhance its position as a low cost supplier.

Underlying the Wholesale business is the need to transport approximately 6.5 million tonnes of fertilizer sales to Agrium warehouses or directly to customers and three million tonnes of raw materials to manufacturing facilities each year. Rationalization and optimization of transportation and distribution systems and the elimination of duplicate facilities has been one of the major success stories following the 1996 merger with Viridian Inc. and has significantly reduced Agrium's total annual distribution costs both directly and indirectly.

RAIL TRANSPORTATION

Of the 6.5 million tonnes of fertilizer sales shipped annually by Agrium, the majority is shipped by rail and requires more than 50,000 individual rail car loads. Agrium's rail fleet, which is partially owned and partially leased, consists of 1,300 tank cars for the transportation of liquid fertilizers and 953 covered hopper cars for dry fertilizers. During the peak shipping seasons in early Spring and Fall, this fleet is supplemented with an additional 2,500 rail cars supplied by rail companies.

PIPELINE TRANSPORTATION

Although rail is generally the most efficient means of transportation for dry fertilizers, pipelines are the lowest cost mode of transportation for ammonia. Agrium utilizes the Williams Ammonia Pipeline system for the transportation of ammonia from its Borger, Texas facility to its plant in Homestead, Nebraska where it is used in the production of ammonium nitrate fertilizers or shipped directly to the Midwest US markets. Other ammonia pipeline opportunities are also being explored in transportation corridors where Agrium transports large quantities of anhydrous ammonia.

TRUCKS AND BARGES

The remainder of Agrium's North American transportation requirements are met through an extensive network of independently owned trucks and through utilization of barges and lake vessels where efficient waterway systems exist, primarily in the Great Lakes and West Coast regions.

STORAGE

In order to ensure product is readily available when customers need it, Agrium has strategically located a network of storage facilities in its prime market areas in Central and Western Canada and in the Western and Central United States. These facilities include two dry storage terminals, 11 ammonia terminals, three liquid fertilizer locations and three major terminals with storage capacity for liquids, solutions and dry product. In addition to these terminals, Agrium also leases approximately 84 facilities throughout Canada and the US. The total storage capacity including terminals, leased warehouses and on-site storage is 1.6 million tonnes.

Retail provides a complete product offering to growers, including fertilizer chemicals, seeds and application and agronomic services.

NORTH AMERICA

Agrium's US Retail operations provide an outlet for Agrium's Wholesale operations but also operate independently, covering geographically diverse markets with distinct agricultural economies. In the Pacific Northwest and California, operations are conducted under the name Western Farm Service ("WFS") and throughout the Northeast and Midwest US under the name Crop Production Services ("CPS"). The California market, which accounts for nearly half of Agrium's Retail sales, is a diverse agricultural economy with emphasis on high-value crops including vegetables, fruits, nuts, grapes and cotton. In the Pacific Northwest, major crops are potatoes and wheat. In the Northeast and Midwest US, the primary crops are corn and soybeans. This diversification reduces Retail's exposure to price fluctuations in any one crop or to adverse weather conditions in any specific region.

Retail strives to create collaborative relationships with growers through value-added professional services and a commitment to the grower's success. To better serve the customer, Agrium's Retail operations provide a complete product offering of fertilizers, chemicals, seeds and application and agronomic services. An important aspect of this is Retail's commitment to technological advancements in agriculture and, specifically, to precision agriculture and pest prediction software. Retail also monitors new technology facing North American agriculture such as genetically enhanced seeds which reduce the need for certain chemicals and produce enhanced crop outputs. There has been significant growth in the use of these seeds over the past five years. Up to now the commercial focus has been on minimizing chemical usage however, the long-term focus will be directed towards producing desirable crop characteristics.

Since the adoption of the Freedom to Farm Act in 1996, the number of planted acres in the US has been fairly consistent. Prior to this Act, the US Government pursued a policy of deliberately taking agricultural land out of production under the Acreage Reduction Program ("ARP") when there were high crop inventories. The new policy has resulted in more consistency in acres planted which in turn provides more stability to Agrium's Retail operations. In 1999, Retail EBIT of $43 million on net sales of $794 million was a record. In a cyclical fertilizer business, these results provide Agrium with a consistent base level of earnings.

SOUTH AMERICA

In Argentina, Agrium operates 18 farm centres through its subsidiary ASP. These farm centres, which are based on the CPS model in North America, are spread throughout Argentina and are focused on developing the bulk and blended granular fertilizer market and on supplying a range of other agronomic products and services. ASP also operates an extensive distribution and storage infrastructure.

The December 31, 1999 share price plus dividends paid represents 340% of the 1993 Initial Public Offering price. Agrium's 1999 revenue was 509% of its 1993 levels. Agrium's nitrogen plant operating rate was 93% in 1999 versus the North American average rate of 87%.

Ken Beynon
General Manager,
Redwater Fertilizer Operations

93%
nitrogen operating efficiency rate

Tom Van Der Weide
Branch Manager,
Western Farm Service

Todd Denzin
Dealer Sales Manager,
Canadian Region

1999 revenue
509%
of 1993 levels

Melissa Craig
Human Resources Manager,
Redwater Fertilizer Operations

share price plus dividends
340%
of Initial Public Offering price

AGRIUM'S MANAGEMENT TEAM is comprised of experienced professionals committed to a proactive style which is both responsive to opportunity and balanced towards risk and reward. The management team also believes that responsibility and accountability should rest with the individual as far as possible and should be delegated to the level in the organization best suited to the situation.

Management also believes in a structured approach to risk management that encompasses a broad framework of corporate, market, operational, financial, competitive and environmental risks. Hedging techniques, insurance and other tools are used to mitigate those risks on a continuous basis.

Management has not been passive during the current down cycle in the industry. In the belief that the current environment represents the best opportunity to leverage earnings when prices improve, it has completed and announced projects to improve immediate performance and better position the Company for future growth and profitability. These initiatives include expansion of activity in Argentina at both the production and retail levels, the development of the Kapuskasing phosphate rock mine and mill in Ontario, the Carseland debottlenecking project and the recently announced Conda PPA project. On January 19, 2000, Agrium announced the signing of an agreement with Unocal to acquire the nitrogen-based production and distribution businesses operated by Unocal in Alaska, Washington, Oregon and California. This will be a historic move for Agrium, launching the Company into the status of a major international nitrogen player and, at the same time, strengthening its position as the low cost producer in North America.

Early in the year management also initiated a review of all major business processes to determine if there were a more efficient and effective way to operate and to ensure that Agrium became the easiest Company to do business with for customers and suppliers. A Corporate restructuring resulted from this review which is expected to reduce SG&A expenses in the year 2000 and beyond by over $20 million over 1998 levels. Many key processes were overhauled and the Strategic Business Unit structure was eliminated. The closure of the Spokane and Saskatoon offices together with the Lethbridge research facility and the resulting consolidation of all activity into the Denver and Calgary offices were also a result of this initiative. Factors which were critical in the success of this restructuring were the significant advances made in the development of Agrium's Enterprise Resource Planning system, SAP, and the completion of the new Corporate Head Office building in late 1998.

The success of the SG&A initiative has led to several other cost saving and efficiency initiatives which were beyond the scope of the original SG&A study. These include a supply chain optimization review, a review of selling expenses and farm centre profitability in the US Retail operations and reviews of the operating structures at Agrium's largest production facility at Redwater, Alberta and other operations. Initial indications are that savings from these studies will also be substantial.

Management has also long felt the need to instill a sense of pride and ownership in the Company's employees and to develop a single, homogeneous high performing culture from the best attributes of the cultures of the many predecessor companies. The principal elements of a high performance culture are: *accountability* for results and impact on people; *commitment* to the success of the organization and each other; and *partnerships* throughout all parts of the organization. The concept of making employees think and act like owners and aligning their personal goals to the Company goal of reaching a $50 share price within 5 years resulted in the introduction of new incentive initiatives, such as SARs and the Retail 401(k) Profit Sharing Plan, to enable employees to participate in the benefits of increased prosperity for Agrium. The principles embodied in the high performing culture have also been entrenched in Agrium's employee performance management system.

Agrium has a proven track record of acquisitions and mergers since going public in 1993.

John Van Brunt
President and Chief Executive Officer

William Robertson
Executive Vice President and Chief Operating Officer

Chris Tworek
Vice President, Supply Management

Dorothy Bower
Vice President, Strategic Development and Planning

Leslie O'Donoghue
Vice President, General Counsel and Corporate Secretary

Michael Klein
Vice President, Human Resources

Richard Gearheard
Vice President, North American Retail

William McClung
Vice President, Operations

Patrick Freeman
Treasurer

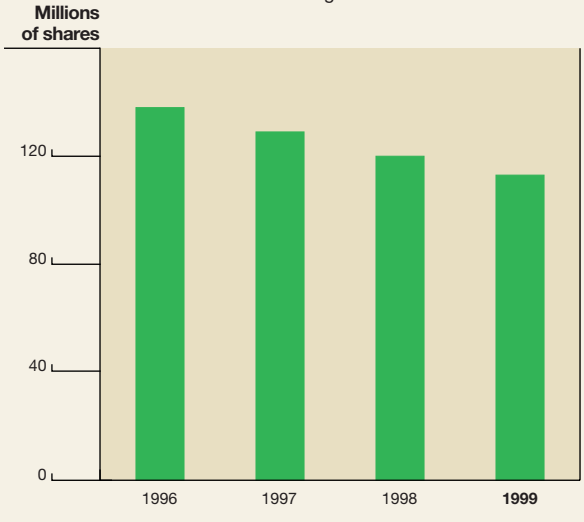
Robert Rennie
Vice President, South America

Ian Hornby-Smith
Controller

John Yokley
Vice President, Marketing and Distribution

Proven Share Buyback Record*

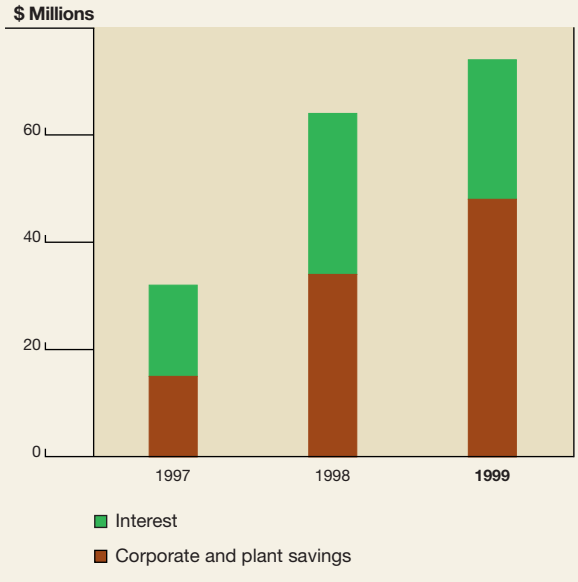
Average for Year



*112 million shares outstanding February 2000.

Proven Acquisition and Integration Record

Agrium/Viridian Merger Synergies



AGRIUM'S NET EARNINGS of $70 million or $0.55 per share, before restructuring charges, represent a significant decline from previous years, and cash flow from operations of $138 million or $1.15 per share, before restructuring charges, shows a similar decline. These results primarily reflect the impact of a difficult farm economy which has led to substantially lower prices combined with higher raw material input costs, particularly natural gas. Despite these factors, earnings and cash flow remain strong and reflect the diversity and quality of Agrium's asset portfolio relative to competitors.

1999 net earnings and cash flow also reflect the impact of one-time restructuring costs, start-up costs relating to new projects and other one-time impairment provisions. Agrium is now positioned to recover from the current down cycle, to improve the quality of its asset mix and to provide a firm foundation for future growth.

Lower earnings and share prices in 1999 have provided Agrium with an attractive opportunity to continue to buy back its shares in order to leverage the impact of recovery and future growth for the remaining shareholders. In the belief that its shares have remained undervalued throughout the year, 3.7 million shares were repurchased at an average cost of $8.83. This brings the total number of shares repurchased since 1996 to 31.1 million.

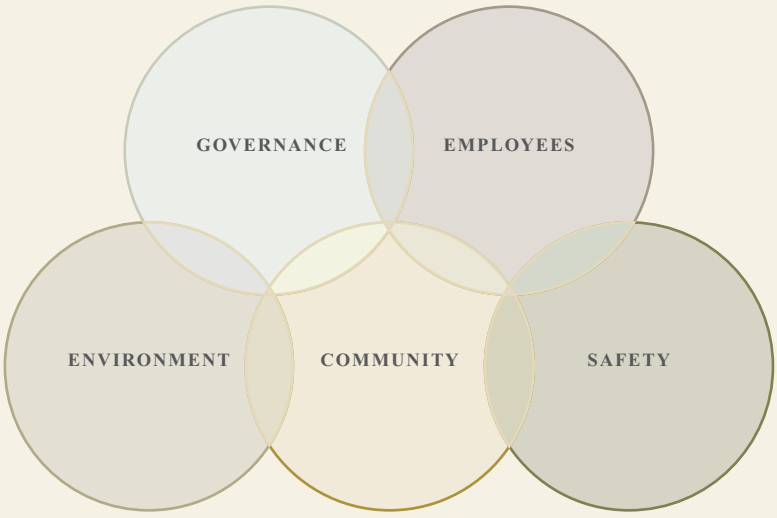
The quality and stability of Agrium's asset portfolio reflects the strategic acquisitions that have been completed in recent years. These include Agrium's entry into Retail operations in the United States through the acquisition of CPS in 1993, and WFS in 1995, the acquisition of Nu-West Industries and the Conda Phosphate Operations in 1995 and the merger with Viridian in late 1996. This merger almost doubled the size of Agrium's Wholesale operations giving it much needed critical mass as a major player in North America. Overall, Agrium's strategic acquisitions and mergers have proved successful. They have been based on achieving three objectives: to be accretive immediately, to offer opportunities for cost savings and other synergies and to increase market share in key markets.

WFS and CPS have been strong financial performers for Agrium. Retail's return on investment (measured as net cash flow divided by Agrium's net investment) has averaged 15% over the past three years.

The Nu-West Industries acquisition has proved successful providing a return on investment averaging 15% since 1995. The subsequent acquisition of the Rasmussen Ridge phosphate mine in late 1998 and the recently announced PPA project will further enhance this return.

The Viridian merger provided significant strategic benefits and economies of scale to Agrium. Specifically, the merger provided the opportunity to rationalize marketing and transportation operations, retire Viridian's high coupon rate debt, and also to achieve substantive savings of Corporate SG&A expense. The impact of savings from these initiatives is in excess of $74 million annually.

In an effort to continue to grow through acquisitions, on January 19, 2000, Agrium announced that it had entered into an agreement with Unocal to acquire the nitrogen production and distribution businesses operated by Unocal in Alaska, Washington, Oregon and California. Similar to previous acquisitions, these assets are complementary to Agrium's existing business and should offer significant synergies.



AGRIUM BELIEVES THE stewardship function extends from protecting the interests of its shareholders, to protecting the quality of the environment in which it operates and to ensuring the health and safety of its employees, customers and members of the public impacted by its operations, products and services.

ENVIRONMENT, HEALTH & SAFETY

In order to manage its environmental, health and safety ("EH&S") risks, Agrium has established rigorous processes and regular independent reviews to ensure compliance with these processes and all related laws and regulations. Responsible management of EH&S matters must not only be integrated into the value chain, but must be carefully considered as Corporate strategies and action plans are being formulated. For this reason, environmental projects which prevent or reduce future contamination are separately identified.

This process is based on the latest ISO 14000 standard and standardizes policy and procedures across the Company. A key element of the process is the EH&S audits. Agrium's policy is to audit each major production facility every three years, at a minimum, and each retail outlet every two years. Agrium has employees who are qualified to perform compliance, system, process and regulatory EH&S audits. In addition, external EH&S specialists are engaged where appropriate to review the audit processes and standards. Follow-up procedures are also in place to ensure deficiencies are addressed and performance results are reported to the Environment, Health & Safety Committee of the Board of Directors on a quarterly basis.

In addition to ongoing audits of active facilities and farm centres, the EH&S group is also charged with the responsibility to monitor and recommend remedial action on inactive sites and to advise on the environmental and economic implications of future decommissioning of facilities. Other responsibilities of the group include the maintenance, communication and testing of Agrium's emergency response plan.

Since 1996, reportable environmental incidents at Agrium's facilities have declined dramatically. However, 1999 has shown an increase over 1998 levels due in part to the standardization of incident reporting and raising awareness of EH&S issues generally within Agrium. The severity of the reported incidents has declined and none of the incidents have caused measurable harm to the environment.

On the safety side, Agrium's 1999 performance as measured by lost time accidents has remained comparable to prior years, but the severity has decreased significantly. The records of certain facilities are excellent and, in this regard, in June 1998, Agrium's Conda Phosphate Plant achieved its re-certification as a *"Star"* site in OSHA's (the US Occupational Safety and Health Administration) Voluntary Protection Program. This program engages employees, management and OSHA in a cooperative effort to continually improve workplace safety. Certification is achieved by fewer than one percent of US work sites.

EMPLOYEES

Agrium's work force at the end of 1999 was comprised of 4,536 individuals in three different countries, a net reduction of 58 from the previous year. Following the Corporate restructuring, employees in the Corporate and Wholesale areas decreased by 143 with a further 18 positions scheduled to be eliminated in 2000. These reductions were partially offset by the addition of 55 new positions at Kapuskasing Phosphate Operations, 44 new positions in Argentina and 14 in the US Retail system.

To achieve Agrium's Corporate goal of a $50 share price, employees are acquiring new skills and developing more efficient and strategically focused ways of working together. The creation of a high performance culture has become one of the Company's key priorities with employees at all locations participating in personal and professional growth initiatives. By fostering open communication and an overall commitment to a spirit of shared ownership, mutual accountability and continuous improvement, these programs will empower and motivate employees at all levels.

Ultimately, shareholder value is created by people. Agrium's ongoing commitment to providing its employees with challenging, rewarding and strategically-focused employment means not only that the Company is well-served by its current staff members, but also that recruiting efforts will continue to provide strong candidates for Corporate leadership in future years.

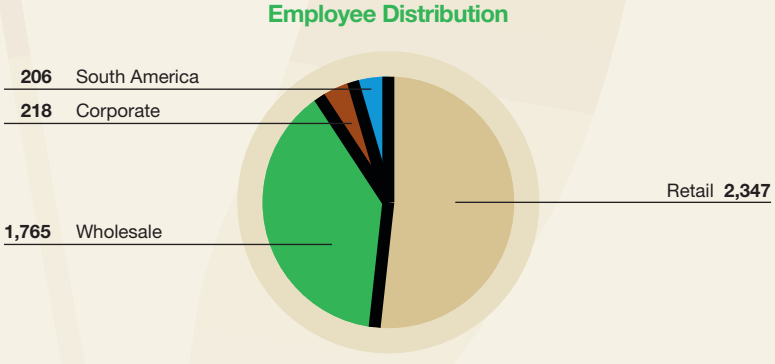
COMMUNITY RELATIONS

Agrium believes strongly in cooperation and communication with the communities in which it operates and particularly with regards to potential hazards which may affect them. This communication is carried out in conjunction with various fertilizer industry associations and through Agrium's own community relations personnel.

Agrium and its employees are also active supporters of local United Way campaigns, each year winning awards for both participation and per-capita donations. The Company's practice is to match employee contributions. In addition to the United Way, Agrium supports various civic, cultural, educational, environmental and community organizations through its Corporate donations program.

GOVERNANCE

Agrium's Board of Directors and its four committees are responsible for the stewardship of the business and the affairs of the Company. Formal terms of reference are in place which govern the Board's activities and each of these Committees. The Board reviews and approves the Strategic Plan of the Company each year and monitors management's progress in achieving financial and business plans throughout the year. The Board represents a wide spectrum of experience and is currently comprised of eleven directors, ten of whom are independent of the day to day operations of the Company. Agrium's statement on compliance with the guidelines of the Toronto Stock Exchange Committee on Corporate Governance is detailed in the Company's Information Circular.



BOARD OF DIRECTORS

*non-voting member

AUDIT COMMITTEE

The Audit Committee reviews Agrium's annual financial statements and quarterly earnings releases before they are approved by the Board. It monitors internal control procedures and risk management issues, and in the discharge of its duties, the Committee meets regularly with both internal and external auditors. It also examines the fees and expenses for audit services, assesses the independence of the external auditors, and recommends their appointment by the shareholders. This Committee met on seven occasions in 1999.

HUMAN RESOURCES & COMPENSATION COMMITTEE

The Human Resources & Compensation Committee's responsibilities include establishing, for the Board's approval, the President and Chief Executive Officer's compensation and policies relating to compensation of Agrium's executive officers. This Committee is also responsible for fixing the amount and composition of annual compensation to be paid to members of the Board and its Committees, and reviewing and assessing the design and competitiveness of Agrium's compensation and benefits programs generally. This Committee met on eight occasions in 1999.

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

The Corporate Governance & Nominating Committee is responsible for the development and maintenance of Agrium's Corporate governance practices. Its duties include identifying and recommending to the Board appropriate director candidates and establishing Board Committee structure, composition and membership. The Committee's responsibilities include reporting annually to the Board on the effectiveness of the performance of the Board as a whole, including specifically reviewing ways in which the Board's effectiveness may be enhanced. This Committee also submits to the Board for its approval the Company's statement of Corporate Governance practices contained in the Company's information circular. The Committee met on three occasions in 1999.

ENVIRONMENT, HEALTH & SAFETY COMMITTEE

This Committee's particular focus is on the Company's environmental responsibilities and ensuring that effective processes are in place for environmental management. The Committee met on four occasions in 1999.

OFFICERS OF THE COMPANY

Frank W. Proto
Chairman of the Board of Directors

John M. Van Brunt
President and Chief Executive Officer

Dorothy E.A. Bower
Vice President, Strategic Development & Planning

Patrick J. Freeman
Treasurer

Richard L. Gearheard
Vice President, North American Retail

Ian C. Hornby-Smith
Controller

Michael J. Klein
Vice President, Human Resources

William C. McClung
Vice President, Operations

Leslie A. O'Donoghue
Vice President, General Counsel and Corporate Secretary

Chris W. Tworek
Vice President, Supply Management

Robert J. Rennie
Vice President, South America

William J. Robertson
Executive Vice President and Chief Operating Officer

John D. Yokley
Vice President, Marketing & Distribution

PRINCIPAL OFFICES

CORPORATE AND NORTH AMERICAN WHOLESALE HEAD OFFICE

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Calgary, Alberta
Canada T2J 7E8
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Fax (403) 225-7609

NORTH AMERICAN RETAIL HEAD OFFICE

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4582 South Ulster Street
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Fax (303) 804-4482

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Denver, Colorado
United States 80237
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Fax (303) 804-4473
J. Muse, *Regional Manager*

SOUTH AMERICAN RETAIL OFFICE

Agroservicios Pampeanos ("ASP")
Dardo Rocha 3278 – Piso 2
(1640) Buenos Aires, Argentina
Greg McGlone, *General Manager*

SHARE CAPITAL

Agrium Inc. is incorporated under the *Canada Business Corporation Act* and is authorized to issue an unlimited number of common and preferred shares issuable in series.

ANNUAL MEETING

The Annual Meeting of the shareholders of Agrium Inc. will be held at 11:00 a.m. (MDT) on Wednesday, May 10, 2000, at the Palliser Hotel, Alberta Room, 133 – 9 Avenue SW, Calgary, Alberta. Shareholders of record on March 30, 2000, are urged to attend and participate in the business of the meeting.

STOCK EXCHANGES AND TRADING SYMBOLS

Common shares are listed on the Toronto and New York Stock Exchange under AGU. COPrS are listed on the New York Stock Exchange under AGU Pr.

AGRIUM INC. DIVIDENDS

A cash dividend of 5.5 cents per common share was paid on January 10, 2000, to shareholders of record on December 23, 1999. A cash dividend of 5.5 cents per common share was paid on July 5, 1999 to shareholders of record on June 14, 1999.

INVESTOR RELATIONS CONTACT

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Director, Investor Relations
Telephone (403) 225-7357
Fax (403) 225-7602
E-mail: investor@agrium.com

AUDITORS

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Calgary, Alberta
Canada T2P 4B9
Telephone (403) 691-8000
Fax (403) 691-8008

TRANSFER AGENT – COMMON SHARES

The CIBC Mellon Trust Company
Suite 600, 333 – 7 Avenue SW
Calgary, Alberta
Canada T2P 2Z1
Fax (403) 264-2100
E-mail: inquiries@cibcmellon.ca
Website: www.cibcmellon.ca

TRUSTEE – UNSECURED NOTES AND DEBENTURES

Chase Manhattan Trust Company
NA Global Trust Services
450 West 33rd Street
New York, NY
United States 10001

TRUSTEE – COPrS

IBJ Whitehall Bank & Trust Company
One State Street
New York, NY
United States 10004

WEBSITE

www.agrium.com

PRINCIPAL SUBSIDIARIES AND ASSOCIATED COMPANIES

	Country of Operation	Ownership
Agrium Partnership	Canada	100%
Agrium US Inc.	United States	100%
Agrium Nitrogen Company	United States	100%
Nu-West Industries, Inc.	United States	100%
Crop Production Services, Inc.	United States	100%
Western Farm Services, Inc.	United States	100%
Agroservicios Pampeanos	Argentina	100%
Agrium Argentina S.A.	Argentina	100%
Profertil S.A.	Argentina	50%
Canpotex Limited	International	33 1/3%
Viridian Inc.	Canada	100%
Viridian Fertilizers Ltd.	Canada	100%

board of directors & shareholder information

Frank W. Proto
Regina, Saskatchewan

Neil Carragher
Toronto, Ontario

Frank W. King
Calgary, Alberta

D. Grant Devine
Regina, Saskatchewan

T. Don Stacy
Houston, Texas

Thomas M. Taylor
Fort Worth, Texas

Carrol G. Brunthaver
Memphis, Tennessee

Harry G. Schaefer
Calgary, Alberta

Ralph S. Cunningham
Montgomery, Texas

John M. Van Brunt
Calgary, Alberta

G.Woody MacLaren
London, England

AGRIUM INC. 1999 PRICE RANGE AND TRADING VOLUMES – COMMON SHARES

Quarter Ended	Stock Exchange	High	Low	Close	Volume
					(millions of shares)
March 31	Toronto (C$)	14.75	11.85	13.95	22.9
	NYSE (US$)	9.81	7.75	9.19	17.8
June 30	Toronto (C$)	14.60	12.30	12.90	17.0
	NYSE (US$)	10.19	8.31	8.81	8.5
September 30	Toronto (C$)	15.75	12.80	14.50	16.1
	NYSE (US$)	10.63	8.50	9.94	5.4
December 31	Toronto (C$)	15.15	11.20	11.20	9.7
	NYSE (US$)	10.19	7.50	7.88	6.8

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