



Media Release

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Wheat Growers comment on Viterra sale

The Western Canadian Wheat Growers Association sees the Glencore acquisition of Viterra and Richardson's expanded presence to be a generally positive development for prairie grain farmers, so long as competition concerns in the farm input sector are adequately addressed.

"While we welcome Glencore as a new player to the Canadian grain industry, we do have some concerns about how this deal might affect competition in the farm input sector," says Kevin Bender, President of the Wheat Growers.

As currently structured, the deal would see Glencore and Richardson each hold about a 34% market share in Canada's grain handling capacity. Viterra currently has a 45% share and Richardson has 25%. The deal would also see Richardson increase its port terminal capacity and take over four oat processing plants and a U.S. wheat mill now operated by Viterra.

"We see this rebalancing as a positive move in promoting greater competition and greater market reach for our grain," says Bender. "Glencore's global grain connections should improve our access to markets around the world. Richardson too has a solid reputation of providing good value to prairie farmers, and so we welcome their increased commitment to western agriculture."

The deal contemplates the transfer of Viterra's equity interest in Canadian Fertilizer Limited and the sale of 90% of Viterra's farm input retail network to Agrium. This aspect of the deal raises some competition concerns for the Wheat Growers.

"The sale of farm retail outlets to Agrium could result in too few competitive options for some farmers in the purchase of their fertilizer and other farm inputs," says Bender. "We will be asking the Competition Bureau to ensure good competition remains in all areas of the prairies."

The Wheat Growers are pleased to note that Glencore intends to base its North American agricultural operations in Regina and increase funding to research and educational institutions in Western Canada.

"Overall we see this deal as being positive for prairie farmers," says Bender, "as long as it results in increased competition and greater market opportunities."

For further comment, please contact:

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