

ONTARIO FARM INPUT MONITORING PROJECT
SURVEY #1 - May 13, 2009
ECONOMICS AND BUSINESS GROUP, RIDGETOWN CAMPUS - U of G

Background

The Ontario Farm Input Monitoring Project is a survey of farm supply stores to collect cash retail prices that commercial farmers pay, when purchasing bulk fuels, fertilizers, and pesticides. Prices are collected on 44 farm inputs from 11 centres in Ontario, 4 in Michigan, 1 in Ohio and 1 in Indiana. Enumerators obtained current pricing from a minimum of 3 retail outlets in their assigned centre using the pre-designed survey form.

Results

(i) Ontario Prices

This is the first survey for the 2009 year. Of note this survey is the addition of numbers showing product prices for a few Quebec dealers. This is the first survey that Quebec data has been included and the prices should be viewed as preliminary numbers for information purposes as they represent only a few locations. They provide an interesting snapshot of the Quebec farm input sector.

On May 13, 2009, the Canadian dollar was lower than the U.S. dollar (\$1 C = \$0.8559 US). The Canadian dollar is down 13% relative to the U.S. dollar a year ago. Ontario product prices when compared to a year ago at this time (survey date: May 21, 2008), show that fuel prices are down an average of 33%, fertilizer prices are up 40% on average, and pesticide prices are up 10% on average.

However, since the previous survey on October 1, 2008, fuel average prices are down 27%, fertilizer average prices are down 14% while pesticide average prices are up 9%. Changes in the average prices for fuel products have seen Regular Unleaded Gasoline decrease \$0.22/litre (-19%), Diesel Fuel (coloured) decrease \$0.37/litre (-34%) and Propane (farm dryer) decrease \$0.16/litre (-27%). Changes in the average prices for fertilizer have seen some nitrogen products decrease \$80-\$352/tonne (14-31%) and some phosphate products decrease \$143-\$397/tonne (10-27%). Muriate of Potash increased \$108/tonne or 11%. Liquid 10-34-0 was up \$116/tonne or 9%.

On May 13, 2009, Regular Unleaded Gasoline prices ranged from \$0.82 to \$0.95 per litre with an average price of \$0.90. Diesel Fuel (coloured) averaged \$0.71 per litre with a range of \$0.61 to \$0.76. Propane (farm dryer) prices averaged \$0.45 per litre.

Fertilizer prices showed Anhydrous Ammonia prices ranging from \$950 to \$1,250 a tonne with an average price of \$1,159. Urea prices ranged from \$600 to \$1,100 a tonne. Nitrogen Solution (UAN) 28% prices ranged from \$415 to \$600 with an average price of \$494. Di-Ammonium Phosphate prices ranged from \$710 to \$1,175 with an average price of \$1,089. Muriate of Potash prices averaged \$1,078 per tonne with a range from \$960 to \$1,680. Liquid 10-34-0 ranged from \$1,170 to \$1,600 with an average of \$1,396.

With respect to pesticide prices, 2,4-D Amine prices ranged from \$7.37 to \$12.50 per litre with an average of \$9.29. Atrazine prices ranged from \$5.29 to \$11.77 per litre. Banvel II averaged \$41.56 per litre with a range of \$36.50 to \$46.68. Accent prices ranged from \$1.99 to \$2.96 per gram. Dual II Magnum prices averaged \$39.04 per litre. The price for Pursuit ranged from \$213.64 to \$290.33 with an average of \$244.82 per litre while Roundup Weather Max varied from \$13.40 to \$19.50 with an average price of \$16.38 per litre. Sencor prices averaged \$65.47 per kilogram with a range of \$56.00 to \$86.00.

(ii) Comparison Between Ontario and Nearby U.S. States

Some of the products higher priced in Ontario include: Regular Unleaded Gasoline +22%; Diesel Fuel +19%; Anhydrous Ammonia +25%; Urea +31%; Mono-Ammonium Phosphate +43%; Di-Ammonium Phosphate +46%; Atrazine +15%; Banvel +87%; Pursuit +49%; Treflan +103%; and Malathion +91%.

Products lower priced in Ontario include: Propane -16%; Roundup Weather Max -33%; Pardner -22%; Guthion -8%; Bravo -5%; and Dithane Rainshield -9%.

The average % differences between Ontario and nearby U.S. States showed that fuel prices averaged 8% higher in Ontario, fertilizer products were 32% higher in Ontario, and pesticide products were 35% higher in Ontario.

The exact implications at the farm level of this variability between Ontario and the U.S. for farm inputs depends greatly on individual producer product selections and purchase timing.

ONTARIO/U.S. FARM INPUT MONITORING PROJECT
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ECONOMICS AND BUSINESS SECTION, RIDGETOWN CAMPUS - U OF G

Background

The Ontario/U.S. Farm Input Monitoring Project is a survey of farm supply stores to collect cash retail prices that commercial farmers pay, when purchasing bulk fuels, fertilizers, and pesticides. Prices are collected on 44 farm inputs from 11 centres in Ontario, 4 in Michigan, 1 in Ohio and 1 in Indiana. Enumerators obtained current pricing from a minimum of 3 retail outlets in their assigned centre using the pre-designed survey form.

Results

(i) U.S. Prices

This is the first survey for the 2009 year. Of note this survey is the addition of numbers showing product prices for a few dealers in the province of Quebec. This is the first survey that Quebec data has been included and the prices should be viewed as preliminary numbers for information purposes as they represent only a few locations. They provide an interesting snapshot of the Quebec farm input sector.

On May 13, 2009, the Canadian dollar was lower than the U.S. dollar (\$1 C = \$0.8559 US). The Canadian dollar is down 13% relative to the U.S. dollar a year ago. U.S. product prices when compared to a year ago at this time (survey date: May 21, 2008), show that fuel prices are down an average of 38%, fertilizer prices are down 19% on average, and pesticide prices are up 13% on average.

However, since the previous survey on October 1, 2008, fuel average prices are down 34%, fertilizer average prices are down 39% while pesticide average prices are up 12%. Changes in the average prices for fuel products have seen Regular Unleaded Gasoline decrease \$1.25/gallon (-35%), Diesel Fuel (farm) decrease \$1.80/gallon (-48%) and Propane (farm dryer) decrease \$0.39/gallon (-18%). Changes in the average prices for fertilizer have seen some nitrogen products decrease \$202-\$540/ton (38-48%) and phosphate products decrease \$578-\$654/ton (50-53%). Muriate of Potash decreased \$47/ton or 5%. Liquid 10-34-0 was down \$278/ton or 23%.

On May 13, 2009, Regular Unleaded Gasoline prices ranged from \$2.10 to \$2.57 per gallon with an average price of \$2.37. Diesel Fuel (farm) averaged \$1.93 per gallon with a range of \$1.80 to \$2.27. Propane (farm dryer) prices averaged \$1.74 per gallon.

Fertilizer prices showed Anhydrous Ammonia prices ranging from \$685 to \$875 a ton with an average price of \$722. Urea prices ranged from \$385 to \$550 a ton. Nitrogen Solution (UAN) 28% prices ranged from \$300 to \$375. Mono-Ammonium Phosphate prices ranged from \$516 to \$675 per ton with an average price of \$611. Di-Ammonium Phosphate prices ranged from \$500 to \$650 with an average price of \$579 per ton. Muriate of Potash prices averaged \$838 per ton with a range from \$775 to \$875. Liquid 10-34-0 ranged from \$725 to \$1,150 with an average of \$915.

With respect to pesticide prices, 2,4-D Amine prices ranged from \$15.01 to \$22.50 per gallon with an average of \$18.39. Atrazine prices ranged from \$16.80 to \$28.77 per gallon. Accent prices ranged from \$36.52 to \$45.00 per ounce. Dual II Magnum prices averaged \$116.45 per gallon. The price for Pursuit ranged from \$10.67 to \$13.20 with an average of \$11.70 per ounce while Roundup Weather Max varied from \$60.56 to \$89.13 with an average price of \$78.62 per gallon. Furadan prices averaged \$85.16 per gallon with a range of \$70.89 to \$101.65.

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Products lower priced in Ontario include: Propane -16%; Roundup Weather Max -33%; Pardner -22%; Guthion -8%; Bravo -5%; and Dithane Rainshield -9%.

The average % differences between Ontario and nearby U.S. States showed that fuel prices averaged 8% higher in Ontario, fertilizer products were 32% higher in Ontario, and pesticide products were 35% higher in Ontario.

The exact implications at the farm level of this variability between Ontario and the U.S. for farm inputs depends greatly on individual producer product selections and purchase timing.

DATA COLLECTION METHODOLOGY

Survey Details

- Sample size - Approximately 30 Ontario and 21 U.S. retail outlets were surveyed.
- Method - The fertilizer and pesticide prices were obtained by personal visits to a cross section of outlet stores. Petroleum prices were collected by a combination of both personal visit and phone.
- Locations - Refers to geographic trading areas.

Terms and Conditions

- Price - The price collected was defined as the cash retail price an average commercial farmer would pay when purchasing a minimum amount of fuel, fertilizer, and pesticide.
- Volume - Price reductions due to large volumes, bulk purchases, special memberships, or year end sales incentives were not considered. Price quotes were for cash and carry.
- Services - All additional services i.e. delivery, testing or application, were excluded from the price quote.
- Levy - The Canadian container recycling levy was not subtracted from the Canadian price.
- Petroleum - In Ontario the fuel tank and pump is assumed to be owned by the fuel supplier while in the U.S. the tank and pump is owned by the farmer.

Price Comparisons

- Exchange - The May 13, 2009 average noon spot rate for the Bank of Canada was used. i.e. \$1.1683 Canadian equals \$1 U.S. (or \$0.8559 U.S. equals \$1 Canadian)
- Average - The arithmetic average of all price quotes for each geographic centre was calculated.
- Conversion - U.S. prices were converted to their Canadian equivalent by adjusting for exchange rate, measure, and concentration.
- Values - For mixing cost, \$.01 designates no charge.
- GST - Where applicable, GST was excluded from the input cost.

Price Comparison in Canadian Dollars Between Ontario, Quebec and Nearby American States for May 13, 2009

ONTARIO PRODUCT	UNIT	ALL ONT. LOCATIONS			ALL Quebec. LOCATIONS			ALL U.S. LOCATIONS		
		MIN	MAX	AVG	MIN	MAX	AVG	MIN	MAX	AVG
Regular Unleaded Gasoline	LITRE	0.82	0.95	0.90				0.65	0.79	0.73
Diesel Fuel (coloured)	LITRE	0.61	0.76	0.71				0.56	0.70	0.60
Propane (farm dryer)	LITRE	0.31	0.54	0.45				0.34	0.85	0.54
Anhydrous Ammonia 82-0-0 (no servic	TONNE	950.00	1250.00	1158.57	1015.00	1200.00	1095.00	882.15	1126.84	929.37
Urea 46%	TONNE	600.00	1100.00	798.96	867.00	989.00	915.33	495.81	708.30	611.91
Nitrogen Solution (UAN) 28%	TONNE	415.00	600.00	494.42	550.00	550.00	550.00	385.96	482.93	428.65
Ammonium Nitrate 34%	TONNE	445.00	913.00	711.31	900.00	989.00	944.50			
Mono-Ammonium Phosphate 11-52-0	TONNE	730.00	2160.00	1128.15	1154.00	1200.00	1177.00	664.13	869.28	786.35
Di-Ammonium Phosphate 18-46-0	TONNE	710.00	1175.00	1088.50	1080.00	1189.00	1124.33	643.91	837.08	745.28
Triple Superphosphate 0-46-0	TONNE	1075.00	2584.00	1357.95	1071.00	1100.00	1085.50	734.06	766.25	750.16
Muriate of Potash 60%	TONNE	960.00	1680.00	1077.70	1112.00	1239.00	1167.00	998.06	1126.84	1079.75
Liquid 10-34-0	TONNE	1170.00	1600.00	1396.44	1350.00	1600.00	1483.33	933.67	1480.99	1178.87
Mixing Charge (no GST or PST)	TONNE	5.00	20.00	11.00	50.00	50.00	50.00	6.44	15.45	9.87
2,4-D Amine 600 (564 g/l EC)	LITRE	7.37	12.50	9.29	8.50	10.40	9.53	5.45	8.17	6.58
Atrazine 480 (480 g/l SU)	LITRE	5.29	11.77	7.48	7.45	8.93	8.20	5.19	8.88	6.53
Banvel II 480 (480 g/l SN)	LITRE	36.50	46.68	41.56	42.48	46.60	45.19	16.32	27.40	22.20
Accent 75 DF (75 DF)	GRAM	1.99	2.96	2.24	2.20	2.51	2.40	1.51	1.85	1.64
Dual II Magnum (915 g/l EC)	LITRE	32.92	48.49	39.04	39.65	44.17	42.55	31.02	43.77	35.94
Dual II Magnum (915 g/l EC) bulk	LITRE	35.00	43.03	38.46	43.00	43.00	43.00	29.16	40.39	35.05
Frontier (900 g/L EC)	LITRE	34.00	49.83	42.52	45.50	48.00	47.10	28.97	34.39	31.68
MCPA Amine 500 (500 g/l SN)	LITRE	8.06	11.55	9.97	8.63	9.90	9.38	5.63	10.25	7.10
Pursuit (240 g/l SN)	LITRE	213.64	290.33	244.82	250.02	275.15	266.57	149.59	185.06	164.00
Reglone (240 g/l SN)	LITRE	26.50	35.01	31.12	27.50	35.00	32.30	34.48	45.75	40.12
Roundup Weather Max (540 g/l SN)	LITRE	13.40	19.50	16.38	17.00	19.00	17.73	18.69	27.51	24.27
Sencor 75 DF (75% WG)	KILOG	56.00	86.00	65.47	62.00	72.00	68.53	40.39	50.38	43.96
Select (240 g/L EC)	LITRE	101.67	139.77	118.07	125.49	139.33	132.41	38.31	62.43	44.91
Basagran (480 g/l SN)	LITRE	27.38	39.55	31.55	33.56	36.67	34.97	23.23	36.47	29.18
Prowl (400 g/l EC)	LITRE	9.89	13.44	11.25	11.36	12.42	12.07	7.73	14.73	10.99
Pardner (280 g/l EC)	LITRE	16.25	24.08	20.73	21.31	23.75	22.73	22.28	31.94	26.74
Treflan EC (480 g/l EC)	LITRE	14.97	20.04	16.74	18.40	18.84	18.62	7.36	10.06	8.26
Devrinol 50 DF (50% DF)	KILOG	25.41	37.81	32.78	32.23	38.67	36.34	24.67	32.92	28.16
Furadan 480F (480 g/l F)	LITRE	38.43	50.57	41.52	41.18	45.50	43.89	21.88	31.38	26.29
Malathion 500 EC (500 g/l EC)	LITRE	12.32	25.81	18.84	13.20	15.78	14.49	6.68	12.75	9.86
Sevin XLR+ (480 g/l LI)	LITRE	14.00	19.31	16.86	16.90	18.70	18.07	10.77	16.07	13.16
Counter 15 G (15% G)	KILOG	7.30	7.85	7.63	8.38	8.38	8.38	4.60	6.18	5.25
Force 3 G (3% G)	KILOG	12.50	16.52	14.49	15.75	16.50	16.13	10.95	14.04	12.32
Guthion Solupac (50% WP)	KILOG	26.43	33.53	29.07	33.48	33.48	33.48	27.92	34.33	31.68
Matador 120EC (120 g/L EC)	LITRE	154.76	205.52	174.79	182.20	193.12	188.78	73.54	137.23	95.17
Thiodan 4 EC (400 g/L EC)	LITRE	14.90	19.83	18.15	18.28	20.50	19.69	9.29	10.96	10.02
Bravo (500 g/l SC)	LITRE	12.40	16.38	13.71	12.69	15.30	14.36	10.57	16.70	14.37
Captan 80 W (80% DG)	KILOG	17.08	25.87	22.40	23.29	25.80	24.90	10.97	18.83	14.91
Dithane DG Rainshield (80% WP)	KILOG	9.50	12.94	11.02	10.00	12.25	11.33	9.74	13.52	12.15
Nova 40 W (40% WP)	KILOG	217.86	268.82	242.21	201.68	251.78	233.89	146.30	204.40	168.41
Ethrel (240 g/l LI)	LITRE	18.10	23.92	19.60	20.47	21.70	21.16	14.19	17.61	15.53

Exchange Rate: 1.1683

**PRICE COMPARISON BETWEEN ONTARIO AND NEARBY AMERICAN STATES FOR MAY 13, 2009
AVERAGE ONTARIO/U.S. PRICE IN CDN DOLLARS AND PERCENT DIFFERENCE**

ONTARIO PRODUCT	UNIT	AVERAGE ONTARIO PRICE	AVERAGE U.S. PRICE	ONTARIO VS U.S.	ONTARIO 2009 VS ON 2008
Regular Unleaded Gasoline	LITRE	0.90	0.73	22.25%	-26.57%
Diesel Fuel (coloured)	LITRE	0.71	0.60	18.70%	-44.62%
Propane (farm dryer)	LITRE	0.45	0.54	-15.86%	-28.33%
Anhydrous Ammonia 82-0-0 (no service)	TONNE	1,158.57	929.37	24.66%	12.11%
Urea 46%	TONNE	798.96	611.91	30.57%	22.69%
Nitrogen Solution (UAN) 28%	TONNE	494.42	428.65	15.34%	13.06%
Ammonium Nitrate 34%	TONNE	711.31		0.00%	34.20%
Mono-Ammonium Phosphate 11-52-0	TONNE	1,128.15	786.35	43.47%	25.04%
Di-Ammonium Phosphate 18-46-0	TONNE	1,088.50	745.28	46.05%	36.14%
Triple Superphosphate 0-46-0	TONNE	1,357.95	750.16	81.02%	55.82%
Muriate of Potash 60%	TONNE	1,077.70	1,079.75	-0.19%	84.84%
Liquid 10-34-0	TONNE	1,396.44	1,178.87	18.46%	76.02%
Mixing Charge (no GST or PST)	TONNE	11.00	9.87	11.41%	11.56%
2,4-D Amine 600 (564 g/l EC)	LITRE	9.29	6.58	41.24%	8.67%
Atrazine 480 (480 g/l SU)	LITRE	7.48	6.53	14.58%	3.98%
Banvel II 480 (480 g/l SN)	LITRE	41.56	22.20	87.22%	9.10%
Accent 75 DF (75 DF)	GRAM	2.24	1.64	37.04%	9.39%
Dual II Magnum (915 g/l EC)	LITRE	39.04	35.94	8.62%	6.09%
Dual II Magnum (915 g/l EC) bulk	LITRE	38.46	35.05	9.73%	5.21%
Frontier (900 g/L EC)	LITRE	42.52	31.68	34.20%	-0.55%
MCPA Amine 500 (500 g/l SN)	LITRE	9.97	7.10	40.36%	7.67%
Pursuit (240 g/l SN)	LITRE	244.82	164.00	49.28%	0.12%
Reglone (240 g/l SN)	LITRE	31.12	40.12	-22.42%	6.08%
Roundup Weather Max (540 g/l SN)	LITRE	16.38	24.27	-32.50%	16.09%
Sencor 75 DF (75% WG)	KILOG	65.47	43.96	48.93%	-1.64%
Select (240 g/L EC)	LITRE	118.07	44.91	162.87%	-0.58%
Basagran (480 g/l SN)	LITRE	31.55	29.18	8.14%	0.81%
Prowl (400 g/l EC)	LITRE	11.25	10.99	2.41%	0.36%
Pardner (280 g/l EC)	LITRE	20.73	26.74	-22.48%	-7.43%
Treflan EC (480 g/l EC)	LITRE	16.74	8.26	102.82%	16.04%
Devrinol 50 DF (50% DF)	KILOG	32.78	28.16	16.42%	37.90%
Furadan 480F (480 g/l F)	LITRE	41.52	26.29	57.94%	8.85%
Malathion 500 EC (500 g/l EC)	LITRE	18.84	9.86	91.00%	42.95%
Sevin XLR+ (480 g/l LI)	LITRE	16.86	13.16	28.14%	2.87%
Counter 15 G (15% G)	KILOG	7.63	5.25	45.40%	4.00%
Force 3 G (3% G)	KILOG	14.49	12.32	17.59%	8.79%
Guthion Solupac (50% WP)	KILOG	29.07	31.68	-8.24%	-1.89%
Matador 120EC (120 g/L EC)	LITRE	174.79	95.17	83.65%	1.47%
Thiodan 4 EC (400 g/L EC)	LITRE	18.15	10.02	81.15%	20.09%
Bravo (500 g/l SC)	LITRE	13.71	14.37	-4.60%	11.00%
Captan 80 W (80% DG)	KILOG	22.40	14.91	50.24%	25.40%
Dithane DG Rainshield (80% WP)	KILOG	11.02	12.15	-9.30%	48.11%
Nova 40 W (40% WP)	KILOG	242.21	168.41	43.82%	5.23%
Ethrel (240 g/l LI)	LITRE	19.60	15.53	26.19%	1.74%

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