

ONTARIO FARM INPUT MONITORING PROJECT
SURVEY #3 - June 8, 2011
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 45 farm inputs from 10 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 third survey for the 2011 year. On June 8, 2011, the Canadian dollar was higher than the U.S. dollar (\$1 C = \$1.0225 US) and is similar to the previous survey. Compared to the previous survey on May 25, 2011, any changes in fuel, fertilizer and pesticide average prices are relatively small.

On June 8, 2011, Regular Unleaded Gasoline prices ranged from \$1.03 to \$1.31 per litre with an average price of \$1.16. Diesel Fuel (coloured) averaged \$1.04 per litre with a range of \$0.96 to \$1.16. Propane (farm dryer) prices averaged \$0.58 per litre.

Fertilizer prices showed Anhydrous Ammonia prices ranging from \$895 to \$1,040 a tonne with an average price of \$1,010. Urea prices ranged from \$520 to \$651 a tonne. Nitrogen Solution (UAN) 28% prices ranged from \$350 to \$430 with an average price of \$392. Di-Ammonium Phosphate prices ranged from \$770 to \$840 with an average price of \$806. Muriate of Potash prices averaged \$661 per tonne with a range from \$617 to \$750. Liquid 10-34-0 averaged \$884/tonne.

With respect to pesticide prices, 2,4-D Amine prices ranged from \$7.00 to \$11.20 per litre with an average of \$9.78. Atrazine prices ranged from \$6.86 to \$8.79 per litre. Banvel II averaged \$34.99 per litre with a range of \$30.00 to \$44.13. Dual II Magnum prices averaged \$38.05 per litre. The price for MCPA Amine 500 ranged from \$8.25 to \$13.40 with an average of \$10.50 per litre while Roundup Weather Max varied from \$5.95 to \$11.20 with an average price of \$6.75 per litre. Gavel prices averaged \$18.49 per kilogram with a range of \$15.25 to \$22.10.

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

Some of the products higher priced in Ontario include: Regular Unleaded Gasoline +13%; Diesel Fuel +11%; Propane +13%; Anhydrous Ammonia +9%; Di-Ammonium Phosphate +4%; Atrazine +85%; Dual II Magnum +24%; and Reflex +33%.

Products lower priced in Ontario include: Urea -3%; Nitrogen Solution -6%; Muriate of Potash -1%; Roundup Weather Max -7%; Pardner -16%; Guthion -5%; Dithane Rainshield -25%; and Gavel -15%.

The average % differences between Ontario and nearby U.S. States showed that fuel prices averaged 13% higher in Ontario, fertilizer products were 3% higher in Ontario, and pesticide products were 64% higher in Ontario.

If the impact of the exchange rate is removed, the adjusted average % differences between Ontario and nearby U.S. States showed that fuel prices averaged 11% higher in Ontario, fertilizer products were less than 1% higher in Ontario, and pesticide products were 61% 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.

The next survey date is October 5, 2011.

ONTARIO/U.S. FARM INPUT MONITORING PROJECT
SURVEY #3 - June 8, 2011
ECONOMICS AND BUSINESS SECTION, RIDGETOWN CAMPUS - U OF G

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Results

(i) U.S. Prices

This is the third survey for the 2011 year. On June 8, 2011, the Canadian dollar was higher than the U.S. dollar (\$1 C = \$1.0225 US) and is similar to the previous survey. Compared to the previous survey on May 25, 2011, any changes in fuel, fertilizer and pesticide average prices are relatively small.

On June 8, 2011, Regular Unleaded Gasoline prices ranged from \$3.53 to \$4.18 per gallon with an average price of \$3.95. Diesel Fuel (farm) averaged \$3.62 per gallon with a range of \$3.45 to \$3.70. Propane (farm dryer) prices averaged \$1.98 per gallon.

Fertilizer prices showed Anhydrous Ammonia prices ranging from \$820 to \$950 a ton with an average price of \$863. Urea prices ranged from \$496 to \$580 a ton. Nitrogen Solution (UAN) 28% prices averaged \$388 per ton. Di-Ammonium Phosphate prices ranged from \$665 to \$765 with an average price of \$719 per ton. Muriate of Potash prices averaged \$621 per ton with a range from \$495 to \$700. Liquid 10-34-0 ranged from \$630 to \$875 with an average of \$745.

With respect to pesticide prices, 2,4-D Amine prices ranged from \$13.70 to \$20.68 per gallon with an average of \$17.55. Atrazine prices averaged \$15.91 per gallon. Banvel averaged \$58.54 per gallon with a range of \$42.34 to \$67.01. Dual II Magnum prices averaged \$119.08 per gallon. The price for MCPA Amine ranged from \$17.43 to \$23.75 with an average of \$20.69 per gallon while Roundup Weather Max varied from \$23.00 to \$31.24 with an average price of \$28.22 per gallon. Gavel prices averaged \$10.05 per pound with a range of \$8.68 to \$11.74.

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DATA COLLECTION METHODOLOGY

Survey Details

- Sample size - Approximately 30 Ontario and 18 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 June 8, 2011 average noon spot rate for the Bank of Canada was used. i.e. \$0.9780 Canadian equals \$1 U.S. (or \$1.0225 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 Jun 08, 2011

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	1.03	1.31	1.16				0.91	1.08	1.02
Diesel Fuel (coloured)	LITRE	0.96	1.16	1.04				0.89	0.96	0.93
Propane (farm dryer)	LITRE	0.49	0.83	0.58				0.44	0.59	0.51
Anhydrous Ammonia 82-0-0 (no servic	TONNE	895.00	1040.00	1010.00				884.00	1024.15	930.36
Urea 46%	TONNE	520.00	650.60	569.69				534.60	625.27	587.29
Nitrogen Solution (UAN) 28%	TONNE	350.00	430.00	392.11				388.10	463.56	417.94
Ammonium Nitrate 34%	TONNE	490.00	579.55	547.43						
Mono-Ammonium Phosphate 11-52-0	TONNE	779.00	900.00	817.99				716.90	851.66	793.63
Di-Ammonium Phosphate 18-46-0	TONNE	770.00	840.00	806.25				716.90	824.71	775.43
Triple Superphosphate 0-46-0	TONNE	735.00	930.00	847.07				792.37	792.37	792.37
Muriate of Potash 60%	TONNE	617.00	750.00	661.46				533.58	754.63	669.03
Liquid 10-34-0	TONNE	500.00	1500.00	883.87				679.17	943.29	802.63
Mixing Charge (no GST or PST)	TONNE	2.00	20.00	9.75				5.39	12.94	8.27
2,4-D Amine 600 (564 g/l EC)	LITRE	7.00	11.20	9.78				4.17	6.29	5.34
Atrazine 480 (480 g/l SU)	LITRE	6.86	8.79	7.62				3.18	5.43	4.11
Banvel II 480 (480 g/l SN)	LITRE	30.00	44.13	34.99				10.94	17.31	15.12
Accent 75 DF (75 DF)	GRAM	1.79	2.44	2.16				1.04	1.71	1.30
Dual II Magnum (915 g/l EC)	LITRE	34.83	42.98	38.05				24.60	34.34	30.77
Dual II Magnum (915 g/l EC) bulk	LITRE	35.00	39.50	37.35				27.13	31.45	29.80
Frontier MAX (720 g/L EC)	LITRE	53.33	71.44	63.66				23.03	23.03	23.03
MCPA Amine 500 (500 g/l SN)	LITRE	8.25	13.40	10.50				4.70	6.40	5.58
Pursuit (240 g/l SN)	LITRE	149.24	192.12	171.57				129.10	137.90	132.97
Reglone (240 g/l SN)	LITRE	25.00	41.10	30.20						
Roundup Weather Max (540 g/l SN)	LITRE	5.95	11.20	6.75				5.94	8.07	7.29
Sencor 75 DF (75% WG)	KILOG	58.80	71.60	64.66				30.70	43.01	37.17
Select (240 g/L EC)	LITRE	100.00	123.00	110.80				24.42	48.47	37.09
Basagran (480 g/l SN)	LITRE	29.33	34.67	31.66				19.38	29.91	25.12
Prowl (400 g/l EC)	LITRE	10.32	13.37	11.65				7.84	13.00	10.42
Pardner (280 g/l EC)	LITRE	16.25	23.25	20.67				15.09	45.91	24.48
Treflan EC (480 g/l EC)	LITRE	15.24	18.94	16.81				6.45	7.60	6.87
Devrinol 50 DF (50% DF)	KILOG	27.45	38.67	31.85				25.05	29.13	27.21
Assure II (96 g/L EC)	LITRE	70.00	79.33	77.15				23.73	34.82	28.06
Reflex (240 g/L EC)	LITRE	37.50	45.60	40.92				28.51	33.31	30.86
Furadan 480F (480 g/l F)	LITRE	40.50	47.57	42.84				18.47	22.99	21.43
Malathion 500 EC (500 g/l EC)	LITRE	14.81	28.40	21.17				5.87	9.60	7.98
Sevin XLR+ (480 g/l LI)	LITRE	13.50	19.70	17.37				11.31	13.44	12.50
Force 3 G (3% G)	KILOG	13.85	16.85	15.13				9.98	11.51	10.89
Guthion Solupac (50% WP)	KILOG	26.83	28.63	28.32				28.46	30.44	29.72
Matador 120EC (120 g/L EC)	LITRE	160.05	197.50	176.41				78.78	128.04	108.18
Thiodan 4 EC (400 g/L EC)	LITRE	17.60	22.22	19.45				9.88	11.27	10.34
Bravo (500 g/l SC)	LITRE	9.50	15.44	10.60				5.05	6.83	6.01
Captan 80 W (80% DG)	KILOG	19.61	28.60	23.31				12.83	20.59	16.89
Dithane DG Rainshield (80% WP)	KILOG	7.68	10.94	8.44				11.28	11.28	11.28
Nova 40 W (40% WP)	KILOG	196.73	262.78	239.51				124.19	163.86	142.61
Gavel 75DF	KILOG	15.25	22.10	18.49				18.71	25.31	21.66
Ethrel (240 g/l LI)	LITRE	18.60	22.50	20.08				13.89	14.82	14.31

Exchange Rate: 0.978

PRICE COMPARISON BETWEEN ONTARIO AND NEARBY AMERICAN STATES FOR JUNE 8, 2011
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 2011 VS ON 2010
Regular Unleaded Gasoline	LITRE	1.16	1.02	13.22%	25.65%
Diesel Fuel (coloured)	LITRE	1.04	0.93	11.30%	29.94%
Propane (farm dryer)	LITRE	0.58	0.51	13.21%	15.80%
Anhydrous Ammonia 82-0-0 (no service)	TONNE	1,010.00	930.36	8.56%	39.90%
Urea 46%	TONNE	569.69	587.29	-3.00%	14.16%
Nitrogen Solution (UAN) 28%	TONNE	392.11	417.94	-6.18%	24.73%
Ammonium Nitrate 34%	TONNE	547.43			5.40%
Mono-Ammonium Phosphate 11-52-0	TONNE	817.99	793.63	3.07%	34.75%
Di-Ammonium Phosphate 18-46-0	TONNE	806.25	775.43	3.97%	10.86%
Triple Superphosphate 0-46-0	TONNE	847.07	792.37	6.90%	25.84%
Muriate of Potash 60%	TONNE	661.46	669.03	-1.13%	18.78%
Liquid 10-34-0	TONNE	883.87	802.63	10.12%	43.00%
Mixing Charge (no GST or PST)	TONNE	9.75	8.27	17.94%	-18.34%
2,4-D Amine 600 (564 g/l EC)	LITRE	9.78	5.34	83.23%	2.73%
Atrazine 480 (480 g/l SU)	LITRE	7.62	4.11	85.40%	1.91%
Banvel II 480 (480 g/l SN)	LITRE	34.99	15.12	131.38%	-15.74%
Accent 75 DF (75 DF)	GRAM	2.16	1.30	65.89%	-4.30%
Dual II Magnum (915 g/l EC)	LITRE	38.05	30.77	23.65%	-3.75%
Dual II Magnum (915 g/l EC) bulk	LITRE	37.35	29.80	25.33%	-1.88%
Frontier MAX (720 g/L EC)	LITRE	63.66	23.03	176.42%	0.20%
MCPA Amine 500 (500 g/l SN)	LITRE	10.50	5.58	88.22%	-0.87%
Pursuit (240 g/l SN)	LITRE	171.57	132.97	29.03%	-29.11%
Reglone (240 g/l SN)	LITRE	30.20			-5.44%
Roundup Weather Max (540 g/l SN)	LITRE	6.75	7.29	-7.37%	-27.37%
Sencor 75 DF (75% WG)	KILOG	64.66	37.17	73.95%	-3.93%
Select (240 g/L EC)	LITRE	110.80	37.09	198.76%	-5.48%
Basagran (480 g/l SN)	LITRE	31.66	25.12	26.03%	0.63%
Prowl (400 g/l EC)	LITRE	11.65	10.42	11.79%	5.52%
Pardner (280 g/l EC)	LITRE	20.67	24.48	-15.55%	-1.23%
Treflan EC (480 g/l EC)	LITRE	16.81	6.87	144.72%	2.49%
Devrinol 50 DF (50% DF)	KILOG	31.85	27.21	17.07%	-3.59%
Furadan 480F (480 g/l F)	LITRE	42.84	21.43	99.93%	0.16%
Malathion 500 EC (500 g/l EC)	LITRE	21.17	7.98	165.18%	5.19%
Sevin XLR+ (480 g/l LI)	LITRE	17.37	12.50	38.94%	-0.02%
Force 3 G (3% G)	KILOG	15.13	10.89	38.89%	0.57%
Guthion Solupac (50% WP)	KILOG	28.32	29.72	-4.72%	-0.02%
Matador 120EC (120 g/L EC)	LITRE	176.41	108.18	63.08%	0.95%
Thiodan 4 EC (400 g/L EC)	LITRE	19.45	10.34	88.07%	2.76%
Bravo (500 g/l SC)	LITRE	10.60	6.01	76.34%	-18.21%
Captan 80 W (80% DG)	KILOG	23.31	16.89	38.05%	-0.88%
Dithane DG Rainshield (80% WP)	KILOG	8.44	11.28	-25.16%	-11.14%
Nova 40 W (40% WP)	KILOG	239.51	142.61	67.95%	5.21%
Ethrel (240 g/l LI)	LITRE	20.08	14.31	40.33%	3.17%
Assure II (96 g/L EC)	LITRE	77.15	28.06	174.89%	-0.46%
Reflex (240 g/L EC)	LITRE	40.92	30.86	32.59%	0.68%
Gavel 75DF	KILOG	18.49	21.66	-14.62%	-10.01%

Exchange Rate: .9780

Seed Pricing, June 8, 2011

Exchange Rate:

0.978

Commodity	Unit	Ontario (\$CAD)			U.S. (\$CAD)			Ontario vs. U.S.
		MIN	MAX	AVG	MIN	MAX	AVG	AVG
Wheat	22.7 kg	18.11	28.00	21.05	9.58	23.37	16.91	24.45%
Corn RR	80,000 seeds	196.00	300.00	259.05	176.04	284.60	230.24	12.52%
Corn Conventional	80,000 seeds	132.00	230.00	190.14	127.14	195.60	164.79	15.39%
Soybean RR	140,000 seeds	47.50	70.00	59.82	38.14	53.79	47.75	25.28%
Soybean Conventional	22.7 kg	21.45	46.00	33.82	20.32	41.08	32.35	4.55%

Commodity	Unit	U.S. (\$USD)			Ontario (\$USD)			U.S. vs. Ontario
		MIN	MAX	AVG	MIN	MAX	AVG	AVG
Wheat	50 lb	9.79	23.90	17.29	18.52	28.63	21.52	-24.45%
Corn RR	80,000 seeds	180.00	291.00	235.42	200.41	306.75	264.88	-12.52%
Corn Conventional	80,000 seeds	130.00	200.00	168.49	134.97	235.17	194.42	-15.39%
Soybean RR	140,000 seeds	39.00	55.00	48.83	48.57	71.57	61.17	-25.28%
Soybean Conventional	50 lb	20.78	42.00	33.07	21.93	47.03	34.58	-4.55%