AGRIUM INC.

ANNUAL INFORMATION FORM

Year Ended December 31, 2000

April 12, 2001

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Except for statements of historical fact appearing herein, as well as other statements included or incorporated by reference herein, certain statements constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of Agrium's business and operations, plans and references to the future results of Agrium. These forward-looking statements are based on certain assumptions and analyses made by Agrium in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the expectations and predictions of Agrium is subject to a number of risks and uncertainties, including, but not limited to, general economic, market and business conditions, which will, among other things, impact demand for Agrium's products; industry capacity; the ability of Agrium to implement its business strategy; changes in, or the failure to comply with, government regulations (especially safety and environmental laws and regulations); fluctuations in commodity, feedstock and fertilizer prices; uncertainty as to the feedstock reserves owned or under contract or otherwise available to Agrium; feedstock price increases that cannot be recovered through fertilizer price increases; fluctuations in foreign currency exchange rates; the ability of Agrium to deliver fertilizer to markets; competitive actions by other companies, including increased competition from other fertilizer producers; the integrity and reliability of Agrium's capital assets; Agrium's level of capital expenditures; the ability and willingness of parties with whom Agrium has material relationships to perform their obligations to Agrium including, but not limited to, key customers, suppliers, personnel and counter parties to financial instruments; the ability of Agrium to integrate The Unocal Fertilizer Assets, the performance of those assets, or; the ability to achieve synergies resulting from the assets; the opportunities (or lack thereof) that may be presented to and pursued by Agrium and the companies, partnerships or joint ventures in which Agrium has equity investments; labor unrest; conditions in and policies relating to the agriculture industry, risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those relating to economic, political and regulatory policies of local governments and laws and policies of the United States and Canada; the risks attendant with mining operations; the potential impact of increased competition in the markets Agrium operates within; and other factors, many of which are beyond the control of Agrium and the companies, partnerships or joint ventures in which Agrium has equity investments. Consequently, all of the forward-looking statements made herein and the documents incorporated herein by reference are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Agrium will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on Agrium.

Interpretation

In this annual information form, unless the context otherwise indicates, "Agrium" refers Agrium Inc., its subsidiaries and any partnership of which Agrium and its subsidiaries are the partners to, and "Corporation" refers to the corporate entity, Agrium Inc. References to "dollars", "$", and "US$" are to United States dollars, and references to "C$" are to Canadian dollars. The exchange rate between the Canadian dollar and the United States dollar used in this annual information form varies depending on the date and context of the information contained herein.

Summary of Principal Fertilizer Products

Product	Nutrient Grade[1] N-P-K-S	Description[2]
ammonia	82-0-0-0	Anhydrous ammonia (NH_3) containing 82.3% nitrogen, transported and stored as a low boiling liquid, injected in the soil as a gas.
ammonium nitrate	34-0-0-0	Dry granules or prills produced by reacting nitric acid with ammonia. Ammonium nitrate prills are also used to make industrial explosives. Typically 0.21 tonnes of ammonia are used to produce one tonne of ammonium nitrate.
ammonium phosphate	18-46-0-0 16-48-0-0	Dry granules containing di-ammonium phosphate, commonly referred to as DAP.
	12-51-0-0 11-52-0-0	Dry granules containing mono-ammonium phosphate, commonly referred to as MAP.
ammonium sulphate	21-0-0-24	Dry crystals or granules produced by crystallization of by-product ammonium sulphate solutions or by reacting ammonia with sulphuric acid.
ammonium phosphate sulphate	16-20-0-14	Dry granules containing ammonium sulphate and ammonium phosphate, commonly referred to as APS.
merchant grade acid	0-52-0-0	Clarified and evaporated phosphoric acid, commonly referred to as MGA, used to produce ammonium polyphosphate solution.
potash	0-0-60-0	Dry granules or crystals containing potassium chloride (KCl); principal size grades are granular, coarse and standard.
super phosphoric acid	0-70-0-0	Clarified and evaporated phosphoric acid, commonly referred to as SPA, used to produce ammonium polyphosphate solution.
UAN	32-0-0-0	Urea ammonium nitrate solution produced by combining urea 28-0-0-0 with ammonium nitrate and water.
urea	46-0-0-0	Dry granules or prills formed by reacting ammonia with carbon dioxide at high pressure. Typically 0.575 tonnes of ammonia are used to produce one tonne of urea.

[1] Nutrient Grade: The nutrient content of fertilizers is normally expressed in the form of N-P-K-S where N is the % of elemental nitrogen; P is the % of phosphorous expressed as equivalent P_2O_5; K is the % of potassium expressed as equivalent K_2O; and S is the % of sulphur.
[2] See glossary of technical terms on page 20.

ITEM 1: INCORPORATION

Incorporation

Agrium Inc. was incorporated by articles of incorporation under the Canada Business Corporations Act on December 21, 1992. The Corporation's head office and principal place of business is located at 13131 Lake Fraser Drive S.E., Calgary, Alberta, T2J 7E8.

Principal Subsidiaries, Associated Companies and Partnerships

	Jurisdiction of Incorporation or Organization	Ownership
Agrium Partnership	Alberta	100%
Agrium U.S. Inc.	Colorado	100%
Agrium Nitrogen Company	Colorado	100%
Crop Production Services, Inc.	Delaware	100%
Western Farm Service, Inc.	Delaware	100%
Agroservicios Pampeanos S.A.	Argentina	100%
Nu-West Industries, Inc.	Delaware	100%
Viridian Inc.	Canada	100%
Viridian Fertilizer Limited	Canada	100%
Profertil S.A.	Argentina	50%
Canpotex Limited	Canada	33 1/3%

ITEM 2: GENERAL DEVELOPMENT OF BUSINESS

History

Agrium was formed to facilitate the reorganization of the fertilizer division of Cominco Ltd. and the acquisition of the fertilizer assets of Alberta Energy Company Ltd. in 1993.

From 1993 to 1996, Agrium expanded its fertilizer activities by acquiring Crop Production Services, Inc. ("CPS") and Western Farm Service, Inc. ("WFS"), both of which serve the U.S. agricultural industry in the northwest, northeast, midwest and California markets. Agrium also acquired Nu-West Industries, Inc. ("Nu-West"), which produces phosphate-based fertilizer products from a plant located in Idaho.

In late 1995, Agrium began establishing retail sales outlets in the major agricultural areas of Argentina, which offer fertilizer, agricultural chemicals and related services. Agrium and YPF S.A. (a subsidiary of Repsol S.A.) ("YPF") have a 50% interest in a company, Profertil S.A. ("Profertil"), which has constructed a world-scale ammonia and urea production facility in Argentina. The ammonia plant commenced production in late 2000, and the urea plant in early 2001. The plant will remain under the control of the contractor until achievement of commercial acceptance which is expected in 2001.

In December, 1996, Agrium merged with Viridian, which operated nitrogen and phosphate-based fertilizer plants at Fort Saskatchewan and Redwater, Alberta. In late 1997, Agrium acquired a phosphate rock mine located close to its phosphate producing plant in Idaho. In 1998, Agrium commenced development of a phosphate rock mine and mill in Kapuskasing, Ontario which commenced operation in 1999. The final capital addition to this project, a crushing unit, was installed in the fourth quarter of 2000. Forecast production rates for 2001 are expected to average 90% of capacity, with full production expected to be achieved in the second half of 2001.

Effective September 30, 2000, Agrium acquired from Union Oil Company of California ("Unocal") ammonia and urea production facilities in Alaska and certain nitrogen based production and distribution assets in Washington, Oregon and California ("The Unocal Fertilizer Assets"). The consideration paid by Agrium to Unocal was approximately $321 million, including working capital and was subject to certain adjustments. In addition, Agrium granted to Unocal a right to receive an "Earn-out" payment pursuant to which Unocal will be entitled to receive, for each of the six years following the closing of the transaction, a payment equal to 35% of the amount by which certain industry recognized commodity price indices for ammonia and urea exceed certain forecasted prices for such commodities based on production capacity volumes of the Alaska production facilities acquired from Unocal. Concurrent with the purchase from Unocal, Agrium sold certain storage and distribution assets purchased from Unocal for proceeds of approximately $16 million.

ITEM 3: NARRATIVE DESCRIPTION OF BUSINESS

The Fertilizer Industry

Overview

Nitrogen, phosphorous, potassium and sulphur are the four major nutrients essential to the growth of all plants. The growing of crops depletes the soil of these essential nutrients. The application of fertilizer replaces depleted nutrients and balances their proportions to optimize the economic yield of crops under cultivation. Farmers determine the types, quantities and proportions of fertilizer to apply depending on the crop, soil and weather conditions, regional farming practices and fertilizer and crop prices.

There are four primary forms of nitrogen fertilizer - ammonia, urea, ammonium nitrate and nitrogen solutions. The basic building block of each form is ammonia which is manufactured by heating natural gas to high temperatures and reacting the resulting hydrogen with nitrogen.

The following table summarizes certain statistics for the North American nitrogen fertilizer, phosphate and potash industries for the last five years:

			Year ended December 31				
			2000	1999	1998	1997	1996
			(millions of tonnes except operating rates and price data)				
Nitrogen [1]	North America	Capacity [2]	16	18	18	17	16
		Production [2]	14	15	16	16	16
		Operating rate (%)	88	87	91	97	100
		Net imports [3]	4	4	4	3	3
		Net exports [3]	3	3	3	3	3
	Ammonia Price (US$/mt) [4]		186	120	133	190	208
	Urea Price (US$/mt) [4]		152	100	125	151	201
Potash [1]	North America	Capacity [5]	23	22	22	24	24
		Production [5]	17	15	17	17	16
		Operating rate (%)	73	67	75	72	65
	Price (US$/mt) [6]		130	129	123	123	123
Phosphate [1]	North America	Capacity [2]	12	12	12	12	11
		Production [2]	10	11	11	11	11
		Operating rate (%)	84	93	96	97	99
	Price (US$/mt) [4]		163	189	206	206	218

1. As provided The Fertilizer Institute ("TFI") semi-annual production survey report.
2. Million tonnes of nutrient (N, P_2O_5).
3. Million tonnes of nitrogen. Data provided by the US Department of Commerce ("USDC") through Blue Johnson & Associates.
4. Average price per tonne FOB New Orleans for domestic delivery by pipeline or barge as compiled by Blue Johnson & Associates.
5. Million tones of KCL assuming a 60.5% K_2O equivalent.
6. Average price per tonne FOB Vancouver, British Columbia, average of standard and premium grade potassium chloride as compiled by Blue Johnson & Associates.

Demand

Markets for fertilizer products in North and South America are seasonal with sales volumes typically highest in the spring with a secondary peak in the fall. Fertilizer production facilities operate throughout the year. Through late fall and winter, fertilizer producers are required to build up inventories in advance of the spring planting season.

In the long term, world fertilizer demand is driven primarily by population growth and by rising living standards that increase both the quantity of food consumed per capita and the quality (protein content) of food consumed. Production of higher protein foods such as meat and dairy products require larger amounts of grain and hence more fertilizer.

In the 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, energy prices, and temporary disruptions in fertilizer trade from government intervention such as changes in the buying patterns of China or India.

Current agricultural demand depends on factors such as total planted acreage, crop mix, input application rates and farm income. These factors are affected by current and projected grain and oilseed prices and inventories, government agricultural policies (including subsidy and acreage set-aside programs), improvements in production methods and application efficiency. Extreme weather conditions can have an effect on fertilizer consumption in a specific geographic area, but Agrium's broad geographic production and distribution capability helps to mitigate the potential impact of such variations in consumption.

In recent years, fertilizer demand in North America has been relatively stable and has been primarily satisfied by domestic production. World fertilizer consumption is forecast by the International Fertilizer Association ("IFA") to grow at a rate of 1.9% to 2.8% per annum through the year 2004. Most of the future increases in fertilizer demand are expected to be generated by less developed countries, particularly countries in Southeast Asia and South America, where the agricultural industry does not yet use fertilizer in sufficient amounts to optimize production and where growth rates of population and gross domestic product are expected to continue to increase.

In certain agricultural markets, local and federal laws have sought to restrict the amount of ground water contamination and nutrient run-off into rivers and oceans which may affect the demand for fertilizer in those markets. This legislation is usually enacted in areas where nutrient additions exceed nutrient loss from crop removal and where soil leaching conditions prevail. In Western Canada and the Western United States, these conditions typically do not exist because nutrient loss from crop removal exceeds nutrient additions and soil and environmental conditions result in low leaching potential.

Ammonia, urea and ammonium nitrate have a wide variety of non-agricultural uses. Ammonia is used in the manufacture of synthetic fibers, as a bleaching agent, as an effluent treatment agent for the pulp and paper industry, and as a refrigerant. Urea is sold to industrial customers to be used in the manufacture of adhesives, resins and as an animal feed ingredient. Ammonium nitrate is used to produce explosives.

Competition in agricultural input markets takes place largely on the basis of reliability of supply, price, delivery time and quality of service. Feedstock availability to production facilities and the cost and efficiency of production, transportation and storage facilities are also important competitive factors. Government intervention in international trade can also distort the competitive environment.

Supply

According to data compiled by the TFI and the International Fertilizer Development Center ("IFDC"), the North American nitrogen industry has operated at an average approximate rate of 94% of capacity between the period 1996 to 1999. However, as a result of rising input costs, it was estimated that as much as 50% of North American nitrogen production was shut in during the latter part of 2000. The overall average North American nitrogen operating rate was 88% for the year. This reduction in supply has resulted in a tightening of the balance of supply and demand from the last few years. Approximately 12% of North American production of nitrogen is exported in the form of phosphate fertilizers. Such production is balanced by imports of ammonia, urea and nitrogen solution. Potential suppliers of nitrogen fertilizers to North America are located in the Caribbean, the Middle East, West Africa, the former Soviet Union countries ("FSU") and South America. The supply of nitrogen fertilizer from imports may be limited by political or economic events as well as feedstock and transportation costs.

The major world sources of potash production are Canada, the FSU, Germany and the Middle East. Canpotex Limited ("Canpotex"), jointly owned by three Saskatchewan potash producers including Agrium, markets Saskatchewan produced potash outside of North America. According to the IFA, North America is a significant net exporter of potash, and in 1999, approximately 57% of North American potash production was sold offshore.

According to the IFA, North America is a large net exporter of processed phosphate fertilizers. The principal areas of phosphate fertilizer production in North America are Florida, Louisiana, North Carolina, Idaho, Utah, Wyoming and Alberta.

Competitors in the North American nitrogen and phosphate fertilizer markets include other North American and offshore producers. Sales are made through independent retailers, resellers, farmer co-operatives affiliated dealer organizations and brokers. Some North American producers are subsidiaries or divisions of energy or chemical companies while others are owned by farmer co-operatives. Agrium's principal potash competitors include two producers in Saskatchewan, small producers elsewhere in North America and potash producers located outside of North America.

Pricing

The price of fertilizers sold into the agricultural market is generally determined by negotiation at the time of sale depending on supply and demand for each nutrient and for the particular forms of product. Prices vary from region to region based largely on transportation costs. Prices in regional areas are also affected by localized conditions such as weather and the level of product inventories in the region available for delivery during the application period. Most of the products produced by Agrium are sold as fertilizers in the agricultural market, although some of the production is sold into the industrial market. Industrial sales are priced under one year or longer term contracts where pricing may be fixed, related to the benchmark price plus transportation costs or related to gas costs.

Agrium

General

Agrium is the largest North American and second largest global producer of nitrogen-based fertilizers. It is also a major producer of potash and phosphate-based fertilizers, and one of the largest independent retailers of fertilizers, seed, chemicals and agronomic services in North America through its 225 retail farm centres.

Agrium produces a full range of fertilizers. Nitrogen-based fertilizers are produced in Canada at four plants located at Carseland, Fort Saskatchewan, Joffre and Redwater, Alberta. Sulphur and phosphate-based fertilizers are also produced at the Redwater plant which utilizes phosphate ore from Agrium's phosphate mine located at Kapuskasing, Ontario. Additionally, Agrium owns and operates a potash mine and production facility at Vanscoy, Saskatchewan. In the United States, Agrium owns and operates nitrogen-based fertilizer production in plants in Borger, Texas, Beatrice, Nebraska, Kenai, Alaska, West Sacramento, California and Kennewick, Washington and a phosphate-based fertilizer production facility near Soda Springs, Idaho. Agrium is also a 50% participant in the Profertil world scale nitrogen-based fertilizer plant in Bahia Blanca, Argentina.

Agrium has an extensive storage and wholesale distribution network serving Western Canada, the Pacific Northwest, California, the Midwest Cornbelt and the Great Plains regions of the United States.

In the past, Agrium has benefited from relatively low costs of natural gas, the primary raw material used in the production of fertilizers as natural gas prices in Alberta have traditionally been below US prices. This differential narrowed in 2000. The North American benchmark price for natural gas, the New York Mercantile Exchange (NYMEX) three day average, increased from an average of $2.27 per MMBtu in 1999 to $3.91 per MMBtu in 2000, with much of the increase occurring in the second half of the year. Average natural gas market prices in 2001 are expected to be higher than 2000 but the overall increase for Agrium will be mitigated due to a portion of its North American requirements for 2001 being hedged below current market prices. In addition, Agrium has favourable long-term gas contracts related to the Profertil plant and the Kenai plant acquired with The Unocal Fertilizer Assets.

Agrium has two phosphate rock mines which supply plants at Redwater, Alberta and Conda, Idaho. A new mine and mill near Kapuskasing, Ontario was commissioned in July, 1999. The mill encountered start-up mechanical and process problems that delayed achievement of full production rates. The majority of these problems have now been addressed and it is expected that the mine will operate at close to its full capacity of 1 million tonnes of phosphate rock annually. In 1997, Agrium acquired a phosphate rock mine located close to the Conda plant. These mines have, or are expected to, result in significant raw material cost savings and enhanced security of supply. Agrium also regularly upgrades and maintains its production facilities to enhance efficiency and maintain low operating costs.

Agrium's North America - Retail Division is one of the largest and most geographically diverse farm retailers in the United States. With 225 retail facilities in the United States as of December 31, 2000, Agrium provides fertilizers, crop protection products, seeds and services to growers in 22 states, principally in the US Northwest, Northeast, Midwest and California. It also owns and operates 18 retail farm centres in Argentina.

Production Facilities

Agrium produces fertilizer at the following plants and facilities. All facilities are owned by Agrium except that potash and phosphate reserves are located, in part, on leased lands and the Profertil facility in which Agrium has a 50% share.

Production Plants		**Product**	**Production Capacity**	
			Gross [1]	**Net** [1]
			(tonnes per year)	
Nitrogen				
Canada	Redwater, Alberta	Ammonia	960,000	250,000
		Urea		720,000
		Ammonium Nitrate		215,000
		Ammonium Sulphate		300,000
		Nitrogen Solutions		180,000
	Carseland, Alberta	Ammonia	535,000	110,000
		Urea		750,000
	Joffre, Alberta	Ammonia		480,000
	Fort Saskatchewan, Alberta	Ammonia	465,000	220,000
		Urea		430,000
	Other Alberta Plants	Nitrogen Solutions		120,000
United States	Kenai, Alaska	Ammonia	1,250,000	670,000
		Urea		1,000,000
	Borger, Texas	Ammonia[2]	490,000	343,000
		Urea		99,000
	Beatrice, Nebraska	Ammonium Nitrate		190,000
	Kennewick, Washington [3]	Ammonia	180,000	-
		Ammonium Nitrate		225,000
		Nitrogen Solutions and Other Products		320,000
	West Sacramento, California	Nitrogen Solutions and Other Products		185,000
Argentina	Profertil, Bahia Blanca [4]	Ammonia	355,000	35,000
		Urea		550,000
Total				7,392,000
Phosphate				
Canada	Redwater, Alberta	Mono-Ammonium Phosphate[5] (P_2O_5 Equivalent)		345,000
United States	Conda, Idaho	Phosphates (P_2O_5 Equivalent)		280,000
Total P_2O_5 Equivalent				625,000
Potash				
Canada	Vanscoy, Saskatchewan	Potash (KCL)		1,790,000

1. "Gross" means total plant ammonia production capacity; "net" means gross production capacity less ammonia used in upgrading or available for sale to third parties for agricultural and industrial use.
2. The net ammonia production capacity for Borger is based on the assumption that the Beatrice ammonium nitrate plant operates at full capacity using ammonia from the Borger plant.
3. Kennewick includes Finley ammonia plant.
4. Production capacity shown represents Agrium's 50% share only.
5. 680,000 tonnes per year of MAP.

Agrium and Repsol-YPF S.A. each own 50% in the Profertil joint venture. The plant is the largest single train urea plant in the world, with a gross nameplate production capacity of 1,100,000 million tonnes of urea and 70,000 tonnes of net ammonia annually. The estimated cost of the plant is $425 million (excluding recoverable value added tax of $105 million and capitalized interest of $ 70 million). The process of starting up the facility began with the ammonia plant in mid-year 2000 and is continuing with the urea plant. During commissioning of the urea plant, a number of deficiencies were encountered which led to low level ammonia releases. These were addressed by the installation of an ammonia flare stack in late 2000. The plant remains under the control of the contractor until commercial production is achieved, now expected in 2001.

In October, 2000, Agrium's Conda Phosphate plant near Soda Springs, Idaho was shut down as a result of a failure of a phosphoric acid digester tank. The plant was restarted in early December 2000. Production at the plant will be limited to approximately 85% of capacity until July 2001 when the previously announced construction of an industrial grade purified phosphoric unit is scheduled to be completed.

Production Volumes

		Year ended December 31				
		2000	1999	1998	1997	1996
		(thousands of tonnes)				
Nitrogen	Ammonia					
	Redwater I	168	167	221	238	240
	Redwater II	603	660	663	698	596
	Carseland	501	462	520	513	439
	Joffre	444	412	350	380	403
	Fort Saskatchewan I [(1)]	-	-	-	-	118
	Fort Saskatchewan II	462	457	360	453	446
	Kenai [(2)]	210	-	-	-	-
	Borger	465	490	454	441	409
	Kennewick [(2)]	33	-	-	-	-
	Total	2,886	2,648	2,568	2,723	2,651
	Production transfers [(3)]	(1,383)	(1,387)	(1,452)	(1,412)	(1,359)
	Net available for sale	1,503	1,261	1,116	1,311	1,292
	Urea					
	Redwater	603	619	648	710	623
	Carseland	738	673	763	709	529
	Fort Saskatchewan I [(1)]	-	-	-	-	90
	Fort Saskatchewan II	433	430	325	381	390
	Kenai [(2)]	119	-	-	-	-
	Borger	100	99	95	92	74
	Total	1,993	1,821	1,831	1,892	1,706
	Ammonium Nitrate					
	Redwater	125	133	126	210	211
	Homestead	114	142	161	161	174
	Kennewick [(2)]	285	-	-	-	-
	West Sacramento [(2)]	27	-	-	-	-
	Total	551	275	287	371	385

	Nitrogen Solutions and Other Products[4]					
	Redwater	125	131	140	147	133
	Standard & Granum	87	65	77	-	-
	Kennewick [2]	59	-	-	-	-
	West Sacramento [2]	49	-	-	-	-
	Total	320	196	217	147	133
	Total Nitrogen	4,367	3,553	3,451	3,721	3,516
Ammonium Sulphate and other	Redwater	270	299	245	247	255
Phosphate	Redwater					
	MAP[4]	493	534	702	690	670
	Conda					
	SPA[5]	95	133	143	131	131
	MGA[5]	6	9	8	8	8
	MAP (11-52-0)[4]	222	252	215	198	163
	APS (16-20-0)[4]	47	58	56	73	82
	DAP[4]	14	30	26	26	34
	Total Phosphate	877	1,016	1,150	1,126	1,088
Potash[6]	Premium	1,045	1,049	1,231	1,155	711
	Standard	471	438	350	327	211
	Total Potash	1,516	1,487	1,581	1,482	922

1. Fort Saskatchewan I operations were sold to Sherritt International in October, 1996 and only include production prior to the sale.
2. Includes production from date of acquisition (October 1, 2000) only. Kennewick includes Finley ammonia plant and West Sacramento includes Fresno nitrate facility.
3. Ammonia is a feedstock for urea, ammonium sulphate and ammonium nitrate production
4. Cargo weight.
5. P2O5 equivalent.
6. Low production in 1996 primarily due to a 17 week labour dispute.

Raw Materials

Natural gas is the primary raw material used in the production of nitrogen-based fertilizer and accounts for the majority of cost in the production of ammonia. Total annual natural gas consumption by Agrium's North and South American fertilizer operations at full capacity is approximately 168 billion and 14 billion cubic feet, (net to Agrium) respectively. The ammonia operations are well located with respect to gas supplies and deliverability.

Agrium's natural gas requirements for its nitrogen facilities in Kenai Alaska and the Profertil facility in Argentina are supplied under long-term, fixed base-price contracts subject to adjustments. The Kenai gas contract is a reserve-based contract which is subject to risks relating to exploration, development and production of the reserves. The remainder of Agrium's natural gas requirements are purchased from a number of suppliers under contracts that contain mostly one year terms, with some longer term contracts in place with its major suppliers. Natural gas prices under these contracts are generally market indexed with hedging employed to reduce the impact of the volatility of gas prices. Small amounts of spot market gas are used to meet peak requirements. At Joffre, Alberta, hydrogen and nitrogen feedstocks, which are by-products recovered from nearby petrochemical plants, are purchased under cost-based supply agreements that expire in 2015.

Phosphate rock, sulphuric acid and sulphur are the principal raw materials and account for the major cost elements in the manufacture of phosphate.

In 1999, the Kapuskasing phosphate rock mine and mill came on stream although mechanical problems and required process changes delayed the achievement of full production rates. When producing at full capacity, now expected in 2001, the mine is expected to supply 100% of the phosphate rock required by the Redwater plant for approximately 18 years and to result in significant raw material costs savings, relative to other sources of supply.

Phosphate rock for the Conda, Idaho plant is supplied by a nearby mine which was acquired by Agrium in late 1997. It is expected that this mine will continue to satisfy the plant's phosphate rock requirements for approximately 10 more years based on current capacity. In addition, Agrium currently has access to additional reserves of phosphate rock, which are located on lands leased primarily from federal and state governments under long-term leases.

Transportation, Storage and Distribution

A significant portion of delivered costs of fertilizer products to certain customers is attributable to transportation costs. Agrium has entered into various rail, pipeline and other transportation agreements to provide reliable and competitive transportation services. Agrium leases or owns a fleet of rail tank and hopper cars, some of which are specially designed to transport fertilizer products. This fleet is supplemented by railroad-supplied cars as needed to meet peak season transportation requirements. Agrium owns atmospheric and pressurized anhydrous ammonia storage facilities at locations in Western Canada the Pacific Northwest, California, the Midwest Cornbelt and the Great Plains regions of the United States. These facilities, when combined with the dry storage capacity throughout its market areas and at its production facilities, provide a network of field and production site storage capacity sufficient to meets its requirements.

Agrium also owns and operates approximately 225 retail farm centres in California, the Midwestern United States, the Pacific Northwest of the United States and a further 18 centres in Argentina.

North America Wholesale ("Wholesale") Sales

Agrium markets fertilizers from its Wholesale operations in North America and internationally. North American markets include Western Canada, the Midwestern United States and the Western United States, and international markets include China and Korea. Agrium has an extensive distribution network throughout North America. In 2000, approximately 33% of Agrium's potash production was marketed outside North America through Canpotex.

Canpotex serves as the unified marketing operation for potash production outside of Canada and the United States for all Saskatchewan potash production. In 2000, Canpotex marketed approximately 5.9 million tonnes of potash estimated to be approximately 21% of world potash sales. In general, Canpotex sales are allocated among the three producers based on production capacity in Saskatchewan. In 2000, Agrium's potash sales through Canpotex were approximately $45 million or approximately 9.38% of Canpotex sales for the year. Agrium's current entitlement is 9.38% of Canpotex sales based on current sales and expected capacity of the other two members.

Wholesale Sales Volume

The following table summarizes Agrium's Wholesale sales volumes in tonnes for the periods indicated:

			Year ended December 31				
			2000	1999	1998	1997	1996
			(thousands of tonnes)				
Sales [1]	Nitrogen [2]	Canada	1,750	1,461	1,939	1,722	1,897
		United States	1,995	1,727	1,676	1,683	1,698
		Offshore	481	291	37	225	23
		Total	4,226	3,479	3,652	3,630	3,618
	Phosphate [3]	Canada	620	673	693	758	717
		United States	289	410	369	371	365
		Offshore	0	-	-	6	7
		Total	909	1,083	1,062	1,135	1,089
	Potash (KCl)	Canada	118	153	255	161	182
		United States	824	783	814	908	778
		Offshore	556	497	435	415	258
		Total	1,498	1,433	1,504	1,484	1,218
	Sulphate and other	Canada	247	299	232	182	292
		United States	114	65	73	141	308
		Offshore	65	37	12	39	106
		Total	426	401	317	362	706
Total Sales			7,059	6,396	6,535	6,611	6,631

1. Includes intercompany sales which are eliminated in Agrium's consolidated financial statements; includes both produced products as well as purchased from other producers for resale. Excludes all retail sales.
2. Includes nitrogen solutions stated on a cargo weight basis
3. P_2O_5 equivalent for SPA and MGA; cargo weight for the remaining phosphate products.
4. In the above table, certain prior year data has been reclassified to conform with current presentation.

Wholesale Net Sales Revenue

The following table summarizes Agrium's Wholesale net sales revenues for the periods indicated:

	Years ended December 31 [1][2]				
	2000	1999	1998	1997	1996
	(millions of dollars)				
Nitrogen	$ 637	$ 422	$ 501	$ 633	$ 692
Phosphate	196	255	262	279	280
Potash (KCl)	151	145	160	140	112
Other	61	65	70	72	90
Total	$ 1,045	$ 887	$ 993	$ 1,124	$ 1,174

1. In the table, certain prior year financial data has been reclassified to conform with current presentation.
2. Includes intercompany sales which are eliminated in the consolidated financial statements of Agrium. Figures exclude all retail sales and are net of distribution costs.

North America Retail ("Retail") Sales and Service

Agrium conducts its retail sales and services operations in the United States through two wholly-owned subsidiaries, Crop Production Services Inc. ("CPS") and Western Farm service Inc ("WFS"). These subsidiaries provide a full range of agricultural inputs including fertilizers, chemicals, seed, custom application and agronomic consulting through farm centres throughout the U.S. agricultural areas in the northwest, northeast, midwest and California.

Retail Net Sales Revenue

The following table summarizes Agrium's Retail net sales revenues for the periods indicated:

	Year ended December 31 [1]				
	2000	1999	1998	1997	1996
	(millions of dollars)				
Fertilizers	$ 352	$ 357	$ 377	$ 410	$ 380
Chemicals	358	345	361	351	337
Other products and services	105	92	83	69	64
Total	$ 815	$ 794	$ 821	$ 830	$ 781

1. In the table, certain prior year financial data has been reclassified to conform with current presentation.

South America - Retail

Agrium conducts retail operations in Argentina through its wholly-owned subsidiary, Agroservicios Pampeanos S.A.

South America Retail Net Sales Revenue

The following table summarizes Agrium's South American retail net sales revenues for the periods indicated:

	Year ended December 31 (millions of dollars)				
	2000	1999	1998	1997	1996
Fertilizers	$ 47	$ 46	$ 33	$ 33	$ 19
Other products and services	22	14	17	3	-
Total	$ 69	$ 60	$ 50	$ 36	$ 19

South America – Wholesale

Agrium conducts its wholesale operations in South America through its 50% interest in Profertil S.A. Prior to September 30, 1999 wholesale activity consisted only of distribution of imported product and was conducted through a wholly owned subsidiary.

The following table summarizes South American wholesale net revenues for the periods indicated.

	Year ended December 31 [(1)] (millions of dollars)				
	2000	1999	1998	1997	1996
Fertilizers	$ 12	$ 34	$ -	$ -	$ -
Total	$ 12	$ 34	$ -	$ -	$ -

[(1)] Effective September 30 1999, wholesales operations were sold to Profertil S.A in order to consolidate all wholesale activity under Profertil. For 2000 net sales represents only Agrium's 50% share of Profertil.

Environmental Matters

Agrium is subject to laws and regulations in Canada, the United States and Argentina governing emissions and disposal of gaseous, liquid and solid wastes and the storage and transportation of materials. In addition, the nature of the business carried on by Agrium requires the handling of certain hazardous substances. Spills or other accidental releases of hazardous substances can cause property damage, injury or contamination that may result in material costs to Agrium. In addition, legislation requires that facility sites that are abandoned be reclaimed to the satisfaction of regulatory authorities. Agrium is involved in the assessment and remediation of certain properties conducted pursuant to federal, state or provincial laws with varying degrees of regulatory involvement. Agrium also monitors the impact of international accords on climate change. A liability in the aggregate amount of $89 million at December 31, 2000 has been recorded to provide for total estimated remedial and reclamation costs, including those identified as pertaining to the assets acquired from Unocal. Agrium has established a Corporate Environmental, Health and Safety committee comprised of three of its officers and the Director of Environment, Health and Safety. The committee is charged with the responsibility of ensuring that Agrium complies with environmental laws and regulations. The committee reports on an ongoing basis to the President of the Corporation and on a quarterly basis to the Environmental, Health and Safety Committee of the Board of Directors. Agrium conducts environmental audits of its operations on a regular basis and manages its environmental, health and safety risks to ensure compliance with all existing applicable laws and regulations.

Employees

As of December 31, 2000 Agrium employed 4,958 people – 3,312 in the United States 1,405 in Canada and 241 in Argentina. In total, 2,208 people are employed in North American Wholesale, 2,271 in North American Retail, 241in South America and 238 in corporate administration.

Hourly employees at the following plants are represented by labor unions with the contract expiration date for each plant shown in parenthesis: Fort Saskatchewan, Alberta (March 31, 2002); Kenai, Alaska (April 1, 2002); Vanscoy, Saskatchewan (April 30, 2003); Beatrice, Nebraska (November 17, 2003). The Henry, Illinois agreement reopens August 1, 2001 and August 1, 2002 for wages and pension only. The entire contract expires July 31, 2003.

Management believes that its relations with both its unionized and non-unionized employees are good.

ITEM 4: SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The selected financial information set forth below has been derived from and should be read in conjunction with Agrium's consolidated financial statements.

	Year ended December 31 [1]		
	2000	1999	1998
	(millions of dollars except per share amounts)		
Operating Results:			
Net sales	1,873	1,716	1,805
Net earnings	82	62	119
Basic earnings per share (in dollars)	0.65	0.47	0.94
Average outstanding shares (in millions)	112	113	120
Fully diluted earnings per share (in dollars)	0.63	0.46	0.92
Average outstanding shares (in millions)	120	118	125

	As at December 31 [1] (millions of dollars)		
Consolidated Balance Sheet Data:	2000	1999	1998
Total assets	2,371	1,959	1,783
Long-term debt	507	497	482

1. In the table, certain prior year financial data has been reclassified to conform with current presentation. Information is audited.

Dividends and Securities Charges

The Corporation's present intention is to pay regular dividends on its common shares. A semi-annual cash dividend of US$0.055 per share has been paid during the period July, 1996 to January, 2001 to shareholders. The declaration, amount and date of payment of dividends will be decided by the Board of Directors from time to time and will be

subject to earnings and financial requirements, any covenants in debt financing agreements and other conditions prevailing at the time.

The Corporation has the option to defer payment of securities charges on its 8% and 6% junior subordinated debentures for up to 20 consecutive periods, subject to certain restrictions. Its present intention is to pay these securities charges when they are due and payable. Since issuing the subordinated debentures, all charges have been paid when due.

ITEM 5: MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of results for the 3-year period ended December 31, 2000 as included in Agrium's Annual Report for the year ended December 31, 2000 is hereby incorporated by reference.

ITEM 6: MARKET FOR SECURITIES

The Common Shares of the Corporation are listed for quotation and trading on The Toronto Stock Exchange and the New York Stock Exchange under the symbol: "AGU". In April, 1998, Agrium issued $175 million principal amount of 8% junior subordinated debentures which are listed on the New York Stock Exchange under the symbol: "AGU Pr".

ITEM 7: DIRECTORS AND OFFICERS

Information is given below with respect to each of the current Directors, including all current positions held with Agrium, present principal occupation and principal occupations during the last five years. The Directors were re-elected at the May 10, 2000 Annual and Special Meeting of Shareholders; the term of office of each Director expires at the end of the 2001 Annual Meeting.

Name and Municipality of Residence	Year first became Director of the Corporation	Present principal occupation or employment
Frank W. Proto, Chairman[2][4] Regina, Saskatchewan	1993	Retired President and Chief Executive Officer of Wascana Energy Inc. (a oil and gas exploration and production company).
Dr. Carroll G. Brunthaver[1][4] Memphis, Tennessee	1998*	Retired President, Sparks Companies, Inc. (agricultural research and consulting company).
Neil Carragher[1][2] Toronto, Ontario	1996	President, The Corporate Partnership Ltd. (a mergers and acquisitions company).
Dr. Ralph S. Cunningham[1][4] Montgomery, Texas	1996	Retired President and Chief Executive Officer of CITGO Petroleum Corporation.
D. Grant Devine[3][4] Regina, Saskatchewan	1993	Farm and Ranch Consultant and Former Premier of Saskatchewan.
Frank W. King[3][4] Calgary, Alberta	1996	President and Chief Executive Officer, Metropolitan Investment Corporation (a private venture capital and management company).
G. Woody MacLaren,[1][2] London, England	1993	Chairman, Macluan Capital Corporation (private international investment company).
Harry G. Schaefer[1][3] Calgary, Alberta	1998	Retired Chairman of the Board of TransAlta Utilities Corporation and Crestar Energy Inc.
T. Don Stacy[2][3] Houston, Texas	1995	Retired Chairman and President of Amoco Eurasia Petroleum Company and President of Amoco Canada Petroleum Company.
Thomas M Taylor[2][3] Fort Worth, Texas	1998	General Partner of TMT Partners LP (an investment consulting firm).
John M. Van Brunt Calgary, Alberta	1993	President and Chief Executive Officer, Agrium Inc.

1. Member of the Audit Committee
2. Member of the Human Resources & Compensation Committee
3. Member of Corporate Governance & Nominating Committee
4. Member of the Environment, Health & Safety Committee

* Dr. Brunthaver previously served as a director of Agrium from March, 1995 to December, 1996.

All directors have held the office and principal occupation identified above for not less than five years except as follows: Mr. Proto was President and Chief Executive Officer of Wascana Energy Inc. (a natural resource company) from January 1994 to December, 1997; Dr. Brunthaver retired as President of Sparks Companies, Inc. in January, 1998; Dr. Cunningham was President and Chief Executive Officer of CITGO Petroleum Corporation (a natural resource company) from May, 1995 to May, 1997; Mr. King was President and Chief Executive Officer of Cambridge Environmental Systems Inc. (an environmental services firm) from July, 1993 to April, 1996; prior to May, 1996, Mr. Schaefer was Chairman of the Board of TransAlta Utilities Corporation (generation and sale of electric energy); and Mr. Stacy was President of Amoco Eurasia Petroleum Company (a natural resource company) from November, 1993 to August, 1997.

Officers

Name and Municipality of Residence	Position with the Corporation and Principal Occupation
Frank W. Proto, Regina, Saskatchewan	Chairman of the Board of Directors
John M. Van Brunt Calgary, Alberta	President and Chief Executive Officer
Dorothy E.A. Bower Calgary, Alberta	Vice President, Strategic Development and Planning
Patrick J. Freeman Calgary, Alberta	Vice President and Treasurer
Richard L. Gearheard Aurora, Colorado	Senior Vice President, North American Retail
Ian C. Hornby-Smith Calgary, Alberta	Vice President and Controller
Michael J. Klein Calgary, Alberta	Vice President, Human Resources
William C. McClung Calgary, Alberta	Vice President, Operations
Leslie A. O'Donoghue, Calgary, Alberta	Vice President, General Counsel and Corporate Secretary
Chris W. Tworek Calgary, Alberta	Vice President, Supply Management
Robert J. Rennie Lethbridge, Alberta	Vice President, South America
Mike M. Wilson Calgary, Alberta	Executive Vice President and Chief Operating Officer
Bruce G. Waterman Calgary, Alberta	Senior Vice President, Finance and Chief Financial Officer
John D. Yokley Calgary, Alberta	Senior Vice President, Marketing & Distribution

All of the officers have held the office and principal occupation identified above or a substantially similar position for not less than five years with the exception of Mr. Proto who was President and Chief Executive Officer of Wascana Energy Inc. (a natural resource company) from January 1994 to December, 1997; Mr. Hornby-Smith was Director of Accounting, TransCanada Energy Management Limited from February, 1995 to February, 1997; Mr. McClung, who prior to September, 1999 was General Manager, Potash operations of Agrium and prior to August, 1995 was General Manager, Lake Minerals Corporation; Ms. O'Donoghue who prior to October, 1999 was a partner at the law firm of Blake Cassels & Graydon; Mr. Tworek, who prior to July, 1999 was Vice President, Transportation and Logistics of Agrium and prior to December, 1996 was Vice President, Marketing of Viridian Inc.; Dr. Rennie, who prior to October, 1998 was Vice President, New Products of Agrium; Mr. Wilson who prior to August 2000 was Executive Vice president Methanex Corporation.; Mr. Waterman who prior to April, 2000 was Vice-President Finance and Chief Financial Officer of Talisman Energy Inc. and prior to January, 1996 was Senior Financial Manager, Amoco Corporation; and Mr. Yokley, who prior to July, 1999 was Vice President, Marketing of Agrium and prior to January, 1997 was Regional Manager, Great Plains Region of Agrium.

Directors and officers as a group beneficially own, directly or indirectly, or exercise control or direction over approximately 420,000 common shares or 0.4% of the common shares outstanding , as at January 31, 2000.

ITEM 8: ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interest of insiders in material transactions, where applicable, is provided in Agrium's information circular for its most recent annual meeting of shareholders that involved the election of directors, and additional financial information as provided in Agrium's consolidated financial statements for its most recently completed financial year.

The Corporation will provide to any person, upon request made to the Corporate Secretary of Agrium Inc., 13131 Lake Fraser Drive S.E., Calgary, Alberta, T2J 7E8:

(a) When the securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed and respecting a distribution of its securities;

  (i) one copy of this annual information form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference herein;

  (ii) one copy of the consolidated financial statements of the Corporation for its most recently completed financial year, together with the accompanying report of its auditor, and one copy of any interim financial statements of the Corporation subsequent to the financial statements for its most recently completed financial year;

  (iii) one copy of the information circular of the Corporation with respect to its most recent annual meeting of shareholders that involved the election of directors; and

  (iv) one copy of any documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under items (i) to (iii) above; or

(b) at any time, one copy of any other documents referred to in items (a) (i), (ii) and (iii) above.

Glossary of Technical terms

CO_2 Carbon Dioxide

GJ Gigajoule is a unit of energy approximately equal to 0.948 million BTU (British Thermal Units). Natural gas contains approximately 1.055 GJ per thousand cubic feet.

KCl Potassium chloride, the most common form of potash fertilizer.

K_2O K_2O is the industry standard reference for grades of potash fertilizer. Grades are normally expressed as % of equivalent K_2O.

P_2O_5 P_2O_5 is the industry standard reference for grades of phosphorus in phosphate fertilizers.

prill A dry form of ammonium nitrate and urea fertilizers formed by spraying and solidifying droplets of molten nitrate or urea in a stream of air.

ton 2,000 pounds. Also referred to as a "short ton".

Tonne 2,205 pounds or 1,000 kilograms. Also referred to as a "metric tonne".