



March 6, 2026

The Honourable Mark Carney, Prime Minister of Canada
The Honourable Heath MacDonald, Minister of Agriculture and Agri-Food
The Honourable Francois-Phillipe Champagne, Minister of Finance and National Revenue

Subject: URGENT: Action Required on Fertilizer Price Spike and Supply Crisis Ahead of Spring Planting

Dear Prime Minister and Ministers,

I am writing to you today from Grain Farmers of Ontario, representing 28,000 barley, corn, oat, soybean, and wheat farmers, with profound urgency regarding the recent and severe spike in fertilizer prices, triggered by the escalating situation in the Middle East.

Canadian producers are facing an unprecedented crisis just weeks ahead of the spring planting season. Without immediate federal intervention, the financial viability of many farms will be at risk.

The Immediate Crisis: Skyrocketing Costs and Supply Shortages

The recent geopolitical developments have been devastating for the agricultural sector. Farmers have seen nitrogen prices jump 65% overnight. Because of this, many corn producers are now staring down production costs approaching \$1,000 per acre. To put this figure into perspective, these same costs were around \$630 per acre just five years ago.

This price shock is directly tied to the closure of the Strait of Hormuz, which has effectively removed nearly 30% of all global nitrogen supplies from the market as Qatar, Saudi Arabia, Oman, and Iran are unable to ship their products. The situation for phosphate fertilizers is similarly dire. With current grain prices being low, many farmers will struggle to break even.

The Canadian Disadvantage

While this is a global crisis, Canadian farmers are bearing a disproportionately heavy burden. Due to the Federal government's ongoing tariffs on Russian and Belarusian fertilizer, Canadian producers have now effectively lost access to nearly 50% of the global nitrogen fertilizer supply when combined with the Middle East disruptions.

Our suppliers and retailers are already sounding the alarm that access will be a critical issue this spring. We are also hearing that in some cases only about 60% of the usual supply is in place, a situation that could easily deteriorate further depending on how the conflict in the Middle East evolves.

Urgent Requests for Federal Action

To prevent a catastrophic disruption to Canadian food production and the livelihoods of our farmers, we urgently ask the Federal government to implement the following measures:

1. Remove Tariffs on Russian and Belarusian Fertilizer:

The current tariff policy is penalizing Canadian farmers without achieving its geopolitical goals. The United States does not impose these same tariffs. As a result, evidence strongly suggests that Russian fertilizer is simply being routed through the U.S. and sold into Canada. The objective of keeping Russian products at bay is not being met; the only result is that Canadian producers are forced to pay a significantly higher retail price compared to our southern competitors. Canada made an exception for cobalt and airplane parts from these countries, why not for food production given the UN Ambassador has stated food production should not be affected by the conflict in Ukraine.

2. Invest in Domestic Fertilizer Production:

While this will take time, we urge the government to make immediate and substantial investments in Canadian fertilizer production now so that in the future farmers will have the security of knowing supply exists in country. The near-constant, trade-driven, and geopolitical volatility in fertilizer prices presents an unacceptable access risk to our food supply. Securing a domestic source of nitrogen and phosphates, especially in eastern Canada, is essential for long-term stability.

3. Increase the Advance Payments Program (APP) Interest-Free Limit:

We request that the interest-free portion of the Advance Payments Program be immediately and permanently increased to \$350,000. This critical adjustment will help our farmers navigate the upcoming and inevitable cash flow issues caused by these sudden, crushing input costs.

4. Improve Business Risk Management (BRM) Programming:

The Federal government must enhance BRM programs to equip farmers to deal with sudden, flash events like this one. In Ontario, the Risk Management Program (RMP) is designed to handle such volatility and, by design, requires Federal participation yet it currently receives no Federal funding. We urgently request that the Federal government step up and participate in this program to mitigate the immense financial risk currently emerging for producers.

The window for action is rapidly closing. Farmers in Ontario cannot plant a crop they cannot afford to fertilize. We urge you to take immediate action to stabilize this situation for Canadian farmers, for Canada's food security, and for those who rely on our production globally. Please let us know when we can schedule a meeting to discuss this crisis by contacting Debra Conlon, Director Government Relations, dconlon@gfo.ca.

Sincerely,



Jeff Harrison
Chair, Grain Farmers of Ontario

c.c. Hon. Doug Ford, Premier of Ontario
Hon. Trevor Jones, Minister of Agriculture, Food and Agribusiness