

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission  
The Manitoba Securities Commission

Dear Sirs

**Agrium Inc. (the "Company")**

We refer to the short form prospectus of the Company dated November 8, 2000 relating to the qualification for distribution of 2,627,983 common shares of the Company, US\$50,000,000 of 6% convertible junior subordinated debentures due September 30, 2030 and 4,177,912 common shares of the Company issuable upon conversion of the 6% convertible junior subordinated debentures of the Company.

We are the auditors of the Company and under date of March 5, 2000 we reported on the following financial statements incorporated by reference in the short form prospectus:

Consolidated balance sheets as at December 31, 1999 and 1998;

Consolidated statements of operations, cash flows and changes in shareholders' equity for each of the years in the three-year period ended December 31, 1999.

Also incorporated by reference in the short form prospectus is the following unaudited interim financial information which has been filed with the securities regulatory authorities prior to the date of this letter.

Consolidated balance sheets as at March 31, 2000, June 30, 2000 and September 30, 2000;

Consolidated statements of operations and cash flow for the three-months ended March 31, 2000; and

Consolidated statements of operations and retained earnings and cash flow for the six months ended June 30, 2000 and the nine months ended September 30, 2000.

We have not audited any financial statements of the Company as at any date or for any period subsequent to December 31, 1999. Although we have performed an audit for the year ended December 31, 1999, the purpose and therefore the scope of the audit was to enable us to express our opinion on the consolidated financial statements as at December 31, 1999 and for the year then ended, but not on the financial statements for any interim period within that year.

Therefore, we are unable to and do not express an opinion on the above-mentioned unaudited interim consolidated financial statements incorporated by reference in the short form prospectus.

We have, however, performed review procedures which meet the standards established by The Canadian Institute of Chartered Accountants relating to unaudited interim financial statements in prospectuses. Based on the results of these procedures, nothing has come to our attention which causes us to believe that the above-mentioned unaudited interim financial information is not presented, in all material respects, in accordance with Canadian generally accepted accounting principles for interim reporting purposes.

The procedures referred to in the preceding paragraph do not constitute an audit and would not necessarily reveal material adjustments which might be required to present fairly, in all material respects, the financial position of the Company as at March 31, 2000, June 30, 2000 and September 30, 2000 and the results of its operations and cash flows for the three, six and nine-month periods ending March 31, 2000, June 30, 2000 and September 30, 2000, respectively, in accordance with Canadian generally accepted accounting principles for interim reporting purposes.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be relied on for any other purpose.

Yours very truly

(signed) KPMG LLP

Chartered Accountants

Calgary, Canada  
November 8, 2000

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