

MEMORANDUM

Date: September 6, 2019

To: Members of the Board of Directors (the “Board”) of Canpotex Limited (“Canpotex”), Board advisors, and other authorized personnel

From: Canpotex Executive Leadership Team

Subject: **Market Update with Volumes and Netback Forecast**

The detailed regional updates are provided below.

Brazil

2018 Imports (Estimated)	10,200,000 MT	Up 6% compared to 2017
2019 Imports (Forecast)	10,200,000 MT	Same compared to 2018
2019 Canpotex Sales (Forecast)	2,840,743 MT	Down 8% compared to 2018
2019 Canpotex Market Share (Forecast)	28%	Down 2% compared to 2018

Fertilizer consumption is still estimated to be around 36-36.5 million MT of NPK in 2019; however, demand for the second crop is coming in a slower pace than expected, as customers are still reporting low sales volumes. Therefore, high inventories keep pressuring prices down and deterring distributors from committing to new imports.

Soybean and corn exports (combined) between January-July are 4.5 million MT higher (compared to the same period in 2018). While soybean exports are 4.5 million MT lower than last year due to a decrease in China’s consumption (because of Swine Flu) and fewer Brazilian exportable volumes, corn exports are 9.1 million MT higher since farmers enjoyed a good and advanced planting season and took advantage of a commercialization window on previous months. This concentration of exports may cause a shortage of trucks in the second semester to make the backhaul freight.

Since July, the exchange rate has been volatile. The first approval of the Pensions Reform plan helped to reduce it, but then tensions in the commercial war between USA and China, summed with a worsening in the economic crisis in Argentina and concerns of a global recession, pushed the R\$/US\$ ratio up. Even the efforts of the Brazilian Central Bank in a public bidding of swap contracts couldn’t stop the exchange rate from achieving the mark of R\$4.15/US\$1 at end-August.

USDA reports showed some scenarios for USA crops that were not as bad as expected; and this combined with the recent events of the commercial war resulted in a worsening of grains

prices. Soybeans that were listed at the CBOT around US\$8.70/bu in July, are now US\$8.54/bu. Corn prices moved from ~US\$4/bu in July to ~US\$3.60/bu. Despite the fall in CBOT prices, the depreciation of the exchange rate and a rise in the soybean premium at ports to US\$1.40-1.45/bu (an increase of US\$0.40-0.45/bu) are more than offsetting these losses.

Potash prices are still under pressure and reached US\$320-330/MT. With these new levels major suppliers (including Canpotex) have been taking away volumes from Brazil, reducing the expected level of imports from 10.5 million MT to 10.3 million MT.

APC (Arab Potash Company) is trying to make their first sales in Brazil through Keytrade (trader) but is reportedly struggling to find customers for their first shipment of approximately 40,000 MT.

Potash imports ended July at 1.24 million MT, an increase of 37.2% (+335,000 MT) compared to 2018, and a record amount for the month. With some volume slipping over to August, Canpotex represented 38% of this volume. August is following the same pace, with another record of imports for the month. Public sources show 1.33 million MT (+356,000 MT, +36.5%) were scheduled, 38% of which was from Canpotex. Considering volumes until August, we should expect January-August volumes to be approximately 7.2 million MT, 15% higher (931,000 MT) than January-August 2018.

China

2018 Imports	7,464,000 MT	Up 2% compared to 2017
2019 Imports (Forecast)	7,800,000 MT	Up 5% from 2018
2019 Canpotex Shipments (Forecast)	2,641,000 MT	Up 7% from 2018
2019 Canpotex Market Share (Forecast)	34%	Up 1% from 2018

With the upcoming shipping cut-off on volumes under the 2018 potash contract, China is projected to import 7.8 million MT potash in 2019, an increase of 5% from 2018 (7.46 million MT). Canpotex's market share is expected to reach 34%, up 1% from 2018, with a sales volume of 2.64 million MT, up 719,000 MT from 2018.

China potash imports (by arrival) totaled 6.2 million MT by end of July 2019, up 31% YOY. China imports from Canpotex totaled at 1.93 million MT, up 35% YOY. K+S Canada reportedly has shipped 453,298 MT, up 11% YOY. Uralkali reportedly has shipped 1.22 million MT to China, up 12%, including 604,311 MT seaborne and 616,296 MT by rail. Volume from ICL reportedly has gone up 86% YOY at 671,240 MT. BPC volume reportedly is up by 27% at 1.3 million MT. APC volume reportedly is up 110%, at 500,854 MT.

China's potash market is in the slow season; and the Chinese domestic price is stable. Spot prices at ports remain at RMB 2,150/MT (US\$260/MT CFR equivalent) for red standard grade and RMB 2,300/MT (US\$280/MT CFR equivalent) for granular and white grades.

The China Buying Committee members advised that that they have no immediate intention to start 2019 contract negotiations as China is at offseason and port inventory remains high. If the settlement delays into the fourth quarter, imports will be reduced in 2019 but increased in the first quarter 2020.

China has suspended imports of seaborne potash loaded after August 31 until a new contract is concluded.

Korea/Taiwan

Prices in Korea and Taiwan are stable. Korean potash imports totaled 432,449 MT by the end of July 2019. Canpotex accounted for 64% of imports, with 278,112 MT shipped, up 10% YOY. According to third party sources, BPC shipped 97,406 MT; its volume increased by 40% YOY, accounting for 23% of Korea's total MOP imports. ICL reportedly accounts for 7%, with 30,271 MT shipped. Canpotex's sales prices in the fourth quarter range from US\$315-340/MT CFR.

Taiwan potash imports totaled 182,226 MT by the end of July 2019. Canpotex accounted for 75% of total imports, at 135,883 MT, up 21% YOY. Based on public records, K+S Canada accounts for 15% of total imports, at 28,035 MT. Canpotex's sales prices in the fourth quarter range from US\$330-350/MT CFR.

Taiwan SOP producers are facing strong competition from China SOP exports, squeezing their margins. China SOP exports to Taiwan totalled 227,317 MT by the end of July 2019, 25 times the 2018 full year exports of 9,000 MT.

The Taiwan government lowered the NPK retail ceiling price in May. This is expected to further pressure the NPK manufacturers' margins and force them to reduce costs for input materials including potash.

Japan

Two vessels of Canadian potash were identified in the Japanese customs database that could not be positively identified as ours. It is too early to make any conclusions and we are further investigating the situation. Next month we will have discussions with our customers at the Chicago TFI to fully confirm their procurement activities.

India

2018 Imports (Estimate)	4,500,000 MT	Down 7% compared to 2017
2019 Imports (Forecast)	4,225,000 MT	Down 6% compared to 2018
2019 Canpotex Sales (Forecast)	1,164,000 MT	Down 10% from 2018
2019 Canpotex Market Share (Forecast)	28%	Down 1% from 2018

Canpotex is forecasting imports of 4-4.5 million MT for 2019 reflecting some possible downside from 2018. January-July 2019 imports are an estimated 2,949,000 MT, up 7% from 2018.

Canpotex shipments of 856,000 MT represented 29% of this volume while BPC reportedly shipped 1,094,000 MT or 37% of total volumes --largely offsetting Uralkali's reduced participation in the market. January-July potash sales figures (importer to retailer) are down 12% (2018: 2,442,225 MT vs 2019: 2,141,786 MT).

Local potash inventories are higher than normal for this time of year; however, they are expected to be worked down in the coming months in the absence of fresh imports. Potash demand YTD has been down but remains fairly strong considering the US\$50 price increase at the retail level. While potash prices have risen, DAP prices have drastically come down in the past year which has lowered the traditional gap between the two nutrients in straight form but also when comparing high potash ratio NPKs with lower formula NPKs or NPs. The market has seen reduced and delayed potash purchasing as a result of these price fundamentals. This was expected and in fact we have seen potash demand become stickier and fairing much better than it would have compared to 5 or 10 years ago when the drop in demand, under similar pricing conditions, would have been much higher.

Potash MRP's remain at ₹19,000/MT (US\$266/MT), however, discounts ranging from ₹750 to ₹2,200/MT (US\$10-30/MT) (varying by state) have been increasing in order to clear stocks and importer margins are very thin (or could be negative considering holding costs). The fall in DAP prices, a depreciating rupee and the downward trend in international potash prices are all cited by importers as reasons why the next India contract price should be reduced. On the positive side, importers understand that potash is priced differently than DAP, India is currently enjoying the lowest potash price in the world, importers are ready to engage in meaningful discussions, and the recent rains are expected to drive improved fertilizer demand for the balance of the year.

Indonesia

2018 Imports (Estimate)	3,600,000 MT	Up 13% compared to 2017
2019 Imports (Forecast)	2,300,000 MT	Down 36% from 2018
2019 Canpotex Sales (Forecast)	837,000 MT	Down 38% compared to 2018
2019 Canpotex Market Share (Forecast)	36%	Down 2% from 2018

Canpotex is projecting total imports in 2019 to be down near 2.3 million MT. This reduction is a function of lower demand as well as an estimate of the de-stocking of inventory in the market.

Affordability remains a concern for plantations--especially smallholders, who have opted to delay fertilizer purchases and cut back on usage this year. Our customers estimate total fertilizer demand for the year will be down 30%. After dipping below RM 2,000/MT in July, crude palm oil (CPO) prices have recently rallied back to RM 2,250/MT. The current CPO price is now at the low end of what our customers view as a sustainable price level for improved fertilizer demand and prices will need to remain above this level for market sentiment to improve.

Despite the challenges in the market this year, Canpotex has maintained its firm stance on price while still maintaining market share which has led to very low margins for our customer base. Delayed shipments are being loaded in September at a price of US\$315 PMT CFR for standard grade however the fourth quarter pricing will have to more closely reflect the local market which today is below US\$300 CFR PMT.

Malaysia

2018 Imports (Estimated)	2,250,000 MT	Up 7% compared to 2017
2019 Imports (Forecast)	1,600,000 MT	Down 29% compared to 2018
2019 Canpotex Sales (Forecast)	582,000 MT	Down 25% compared to 2018
2019 Canpotex Market Share (Forecast)	36%	Up 2% from 2018

Canpotex is projecting 2019 potash imports of approximately 1.6 million MT, down 29% from 2018 levels.

Declining CPO prices and low yields experienced in 2018 resulted in plantations decreasing usage and cancelling commitments at the end of last year. This carried into the first half 2019 tender season with overall volumes down in excess of 30% YOY. The second half tender season is coming to an end with demand remaining lackluster. Second half volumes are estimated to be down YOY again, but it is difficult to say by how much at this point. As a result of the ongoing weak demand, tender prices are reflecting breakeven (after rebates) and even loss-making prices in Malaysia.

Similar to Indonesia, Canpotex is maintaining its stance on price over volume to protect the price increases we achieved last year. It is our view that our strong customer base and their willingness to write business at break-even levels has allowed Canpotex to defend market share throughout the year. With the second half tender season complete, efforts now shift towards the larger first half 2020 tender season which traditionally begins in October. The end of the fourth quarter is the most price sensitive time of the year in Malaysia as plantations try to reduce their fertilizer costs and importers will be looking to reset prices at a lower level to improve margins and increase competitiveness for the upcoming season.

As in Indonesia, we expect the highest price level we can achieve for fourth quarter shipments will be near to US\$300 CFR PMT.

Bangladesh

The Ministry of Agriculture has indicated an initial potash import allocation for the 2019-20 contract year of 800,000 MT (450,000 MT for the government sector contracts and 350,000 MT for the private sector tender), up 50,000 MT from the allocation in 2018-19. Given recent developments discussed below, this allocation may now be upwards of 950,000 MT. Canpotex will deliver 98,000 MT to Bangladesh under private sector tender and we have decided against renewing the government sector business through BADC.

In July, BPC and BADC agreed upon a contract for the full 450,000 MT annual requirement under the government sector purchases. It is now believed that Uralkali is expected to sign a contract for 150,000 MT next month bringing the 2019-20 government sector volumes to 600,000 MT. While MOP demand is not expected to grow significantly in Bangladesh this year, the additional 150,000 MT will likely offset the private sector requirements for next year. This has occurred in previous years when the Ministry of Agriculture had opted to purchase additional tonnage under the government channel, reducing private sector volumes.

Southeast Asia

The Vietnamese market is currently off-season in the main rice and coffee producing regions in South and Central Vietnam, with most fertilizer importers still saddled with high levels of inventory due to poor demand throughout the year. In recent weeks, our competitors' local channels have dropped local MOP prices in an effort to liquidate their stocks, with prices now at VND6,800/KG (US\$276/MT CFR) for standard grade and VND7,700/KG (US\$314/MT CFR) for granular grade. Due to very challenging market conditions, three out of Canpotex's five exclusive customers have recorded operating losses this year. The country's main rice planting season is expected to commence in second-half October but unless crop prices improve substantially there remains a risk that soft fertilizer demand will persist. In order to keep our customers competitive, Canpotex lowered pricing for the first time this year to Vietnam (by US\$15/MT) to US\$300/MT and US\$320/MT for standard and granular grades respectively for August shipment.

Thailand's new government has unveiled measures to provide relief for the four million rice farming households in light of poor rice prices and the country's worst drought in a decade. A US\$682 million rice price insurance scheme will be rolled out, where the government will agree to pay farmers a fixed price for a set amount of production if market prices fall below benchmark prices during the main harvest seasons. In addition, a separate economic stimulus package will enable each rice farming household to receive 500 baht (US\$16.33) per 1,600 sqm of farmland, and interest will be reduced to 0.1% for one year for loans of up to 300,000 baht (US\$9,800). While this has uplifted the bearish sentiment in the market, it is likely to have limited impact on fertilizer demand as the main rice planting season is already nearing its end. Due to the poor market conditions and aggressive competitor prices, for the first time this year to Thailand, Canpotex reduced pricing by US\$15/MT to US\$300/MT and US\$320/MT for standard and granular grades respectively for September shipment. On the other hand, Canpotex secured a US\$10/MT increase for our industrial grade, in line with the price increment achieved for second half shipments to Japan.

In the Philippines, agricultural output contracted in the second quarter according to the Philippine Statistics Authority, with local crop production down 5.7% compared to the same period a year ago. Rice and corn in particular suffered heavy production losses of 5.8% and 8.7% respectively as a result of El Nino-induced dry weather. Declines in the production of other major crops such as coconut, sugarcane, banana and cassava were also recorded, but the country also saw production gains in crops such as pineapple, mango, tobacco and rubber. For

September shipments to the Philippines, Canpotex secured a rollover pricing of US\$315/MT for standard grade.

For Myanmar's 2018/2019 rice fiscal year, the country's export earnings are estimated to be down by 37% from the previous fiscal year due to lower crop prices as well as reduced export volumes. Fertilizer application rates have been impacted negatively as a result of poor market sentiments. After the loss of an important customer to BPC, Canpotex has had to reduce pricing by US\$10/MT to US\$305/MT (standard grade) and US\$325/MT (granular grade) for August–October shipments in order to protect our channels' remaining customer base from BPC's further pursuit.

Following is a summary of estimated Laos exports in first-half 2019:

	FH 2019		FH 2019
CHINA*	101,968	INDONESIA	54,000
VIETNAM	106,715	THAILAND	19,207
KOREA*	6,598	JAPAN*	15,420
PHILIPPINES	16,911	TAIWAN*	1,515
GRAND TOTAL	322,334		

* Arrival Basis

Australia/New Zealand

In Queensland and New South Wales, the persistent drought conditions have resulted in a very poor winter crop and have now led to rising concerns for the upcoming summer season. Both sugarcane and cotton, major potash consuming crops in the region, have an unfavorable outlook at this time with the sugarcane application season about six weeks delayed and cotton plantings prospects significantly lower than normal. South Australia, Victoria and Tasmania have all experienced more positive conditions throughout the winter months with improved summer growing prospects. Favorable weather and crop and dairy prices have helped maintain fertilizer demand.

The Western Australia market has experienced a very inconsistent season this year. June started off extremely dry, followed by a very positive July rainfall and now have faced a dry August, leading to some level of uncertainty to how the season will conclude. The outlook today is average but is not expected to exceed 2018's excellent harvest. Despite the uncertainties across Australia, potash prospects remain positive.

In New Zealand, the season is off to a slow start with regards to fertilizer sales (mainly nitrogen and phosphates) being down approximately 30% on the back of a very wet spring. It is too early to assess the impact on potash as sales generally occur during October/November/ December. Despite this, Ballance has revised down their fourth quarter requirements in anticipation of slower potash sales. Canpotex shipments to Ballance have been recently priced at US\$305/MT FOB granular.

Europe

Demand and supply of industrial KOH remains steady as projected. KOH producers continue to express concerns with the transportation of raw materials through mainland Europe due to the low water levels affecting key hydro channels like the Rhine river. Volume for Canpotex industrial grade is on track as forecasted while prices remain stable at €300-305/MT CFR.

Regarding agricultural grades, both ICL and K+S have been aggressive on volume and prices. Meanwhile, the uncertainty of Brexit's impact on regional trade flow in conjunction with the drop of the exchange rate between the British pound and the Euro have kept British importers out of the market for P and K purchases for winter crops.

Reportedly, Eurochem is currently offering granular MOP at €280/MT FCA Rouen, France while most products offered in western Europe are in the range of €275-285/MT CFR. Price expectations for September forward will likely be lower as ICL is already indicating to customers that it plans further price reductions in preparation for pre-winter application.

Africa

After a relatively quiet and disappointing first half tender season, importers have stepped into the market as expected with a much more positive outlook and purchase plan for the balance of 2019. For 2020, OCP's forecast for Morocco is around 450,000 MT representing another year of double digit growth.

Key importers continue to project a total volume of close to one million tonnes on the West Coast. The majority of tenders are expected to take place in the coming weeks. Current prices for granular products are in the range of US\$305-315/MT CFR. Meanwhile, healthy demand is also seen on the East Coast for fourth quarter delivery.

Latin America (Excluding Brazil) and Mexico

2018 Imports (Estimated)*	2,068,000 MT	Up 11% compared to 2017
2019 Imports (Forecast)*	2,241,000 MT	Up 8% compared to 2018
2019 Canpotex Sales (Forecast)	933,000 MT	Down 7% compared to 2018
2019 Canpotex Market Share (Forecast)** 39%		Down 5% from 2018
<i>*for agriculture **participated markets</i>		

The overall mood across this region is positive as key importers are confident with consumption. Most countries have forecasted single digit growth and this region is on track for another record year as a result of increases in exports of cash crops and strong domestic demand for staple crops.

Mexico

The market has been quiet in the last month as importers draw down inventory before the next high season in September for October and November delivery. The general sentiment from the market is positive in terms of demand and price stability, but we are still noticing a delay in demand as a result of the major supply surplus earlier in the year. We also see a risk of competitors' aggressive offers on the east coast where Canpotex is trying to regain position.

In the Pacific, customer forecasts for the next few months are on pace with the same period last year. Some smaller importers have been caught with inventory that was purchased before the supply surplus at US\$10-15 higher than the current level. Current price is stable from the last update at US\$312-320/MT CFR on the East Coast and US\$320-325/MT CFR on the West Coast where Canpotex maintains a 30% share.

Caribbean

Major Cuban importer Quimimport has currently returned to the market looking for RSTD for the winter sugar season. Canpotex has been the sole-supplier of Cuba's sugar sector. However, it is reported that, for the first time, Quimimport has offers from at least one other competitor from the Baltic. We are relatively confident that Canpotex will close the business at US\$320-325/MT FOB Saint John.

With most publications indicating soft prices over the short term, and a posted price of US\$275/MT FOB equivalent for re-export tons, there is increasing pressure on Canpotex to adjust the pricing guidelines to retain its market position in the Caribbean.

Central America/Colombia

Demand is beginning to pick up in Central America in anticipation of the fall application season. Canpotex current price levels are stable in the range of US\$315-325/MT CFR, with potential for higher prices for opportunistic sales in Colombia.

Overall 2019 third quarter demand for Canpotex products on the East Coast of Central America is considerably less than the same period last year as a result of extremely competitive offers from the Baltics and challenging weather conditions in the region. However, Canpotex third quarter shipments for Central America and Colombia are on pace as projected but significantly lower (20%) than 2018. Reportedly, a couple of cargos diverted from another market have been offered along the Pacific coast at very low levels to traditional Canpotex buyers—we will monitor these developments closely.

Argentina/Paraguay/Uruguay

The October presidential elections in Argentina continue to awaken much uncertainty in the Argentinian agricultural industry. The current government, led by president Mauricio Macri, has supported the development of farming conditions in Argentina by lowering the export taxes imposed by the previous government on soybeans and corn. Current voting projections are

favoring the opposition party causing farmers to halt their consumption of fertilizer due to a now imminent return of the opposition government that would result in the increase of export tariffs on grain exports.

Nitron and Uralkali have partnered with the National Group of Fertilizer importers in Argentina (fertilizer) to sponsor research aimed at demonstrating the need to replenish K in Argentina. This research indicates that there are K deficiencies (in many cases extreme) not only in the Pampas region but also in the Entre Rios region and the eastern part of Santa Fe (areas that are avid grain producers).

Paraguay and Uruguay continue to show promising growth/demand this year given current optimism around corn pricing. Paraguayan farmers are expected to harvest close to an estimated 10 million tons of soy beans in the current 2018/2019 season (similar to the 2017/2018 season).

Canpotex prices for the River Plate region continue to be in the range of US\$330-335/MT CFR.

Ecuador/Peru/Chile

In Ecuador cereal output is forecasted to be below average in 2019, despite a modest increase in maize production. Although planted areas in the main season rebounded from the last year's low level, it is expected to remain at below-average levels, reflecting the recent declining trends. Plantings of the minor season, which accounts for about 20% of the annual production, are expected to contract slightly due to the low level of farm gate prices combined with relatively high prices of fertilizers.

Canpotex recent sales to Ecuador are at US\$323/MT CFR and US\$313/MT CFR for granular and white standard respectively. Current indications are that pricing remains competitive at this price point.

The Peruvian market has been competitive. Prices are in the range of US\$310-320/MT CFR, a US\$5-10/MT reduction compared to previous business. Most importers are done with their 2019 purchase programs. However, both BPC and Uralkali reportedly continue to try to push products without success.

Reportedly, major Chilean importers received offers for white standard potash from Fertisur S.A., a Bolivian standard MOP producer. Canpotex will continue to monitor its volume and logistical capacity to service the area. Canpotex concluded its third quarter WSTD and granular cargos at price levels of US\$339/MT and US\$337-340/MT CFR respectively.

Volumes & Netback Forecast








Nutrien

September 6, 2019



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Comments & Assumptions

1. Sales volumes and net sale prices are based on actuals for January – July and forecasted amounts for August – December.
2. Rail billings for the third quarter are estimated at 3,098,000 MT, 547,000 MT below budget, with a further downside risk of 200,000 MT.
3. Shipments for the third quarter are estimated at 2,699,000 MT, 911,000 MT below budget, with a further downside risk of 110,000 MT.
4. Sales volumes for the third quarter are estimated at 3,390,000 MT, 246,000 MT below budget, with a further downside risk of 310,000MT and potential upside realization of 153,000 MT.
5. Net sale prices for the third quarter are projected to average \$304.04/MT (\$318.98/MT invoice price), an increase of \$6.61/MT from budget.
6. Ocean Freight rates for the third quarter are projected to average approximately \$27.49/MT CFR, a decrease of \$7.32/MT from the budget. This decrease is primarily due to lower hire rates and bunker prices. The \$27.49/MT CFR average equates to \$25.61/MT on all tonnes compared to the budget of \$31.94/MT, a decrease of \$6.33/MT.
7. The US/CDN \$ exchange rate is projected to average approximately 1.33 for the third quarter, compared to the budget rate of 1.27.
8. Monthly inland and terminal costs are allocated evenly by load port, regardless of grade, on a \$/MT basis.
9. Inland Freight for the third quarter is projected to be \$2.23/MT lower than budget, primarily due to favourable foreign exchange and favourable load port split.
10. Terminal expense for the third quarter is projected to be \$0.04/MT lower than budget due to favourable foreign exchange and lower variable costs at PBT partially offset by decrease in volumes.
11. S&A expenses for the third quarter are projected to be \$0.19/MT higher than budget, due to a decrease in sales volume.
12. Other Costs for the third quarter are projected to be \$0.24/MT lower than budget, due to a decrease in warehouse and EDC costs partially offset by volume decrease and timing of market development costs.
13. Average Netbacks are projected to be \$234.11/MT for the third quarter, an increase of \$15.27/MT from budget.
14. Lifting estimates are our most current projection.
15. All \$ amounts are in USD and all volumes are in KCI metric tons.
16. The \$/MT amounts may vary by \$0.01/MT due to rounding.
17. Once the netback results are available for each subsequent month, these results are used to recalculate the average year-to-date (“YTD”) netback for each grade pool. The YTD tonnage lifted from each Producer, for each grade pool, is recalculated using the updated netbacks, to determine the positive or negative netback adjustment by Producer.

September 2019 Interim Pricing, in USD

(pricing to be used for invoicing)

	<u>\$/MT K20</u>
Standard	334.00
Premium	380.00

Netback Variance Analysis (\$/mt) - 2019 Quarter 3

		Qtr 3 2019 Forecast	Qtr 3 2019 Budget	Variance	Comments
Volume (000's)	Rail Billings	3,098	3,645	(547)	Reduced customer demand
	Shipments	2,699	3,610	(911)	Reduced customer demand
	Sales	3,390	3,636	(246)	Reduced customer demand
Net Sales Price		\$ 304.04	\$ 297.42	\$ 6.61	Price strength, strategy execution
Ocean Freight		25.61	31.94	6.33	Lower hire rates and bunker prices
Inland Freight		28.60	30.83	2.23	Favourable FX rate and load port split
Terminal		8.40	8.44	0.04	Favourable FX rate offset by decrease in volumes
S&A		2.92	2.73	(0.19)	Decrease in volumes
Other Cost ⁽¹⁾		4.39	4.63	0.24	Decrease in warehouse and EDC costs partially offset by decrease in volumes and timing of market development costs
Netback		\$ 234.11	\$ 218.85	\$ 15.27	

¹ Includes Warehouse, Credit & Other, Commissions, Market Development, Digital Transformation, Finance Costs, Pension Consulting, Other Income, FX, and Tax.

Netback Forecast, by Region

	Jul-19 YTD		Aug-19		Sep-19		Oct-19		Nov-19		Qtr 1 2019		Qtr 2 2019		Qtr 3 2019		Qtr 4 2019		2019	
	Actual		Forecast		Forecast		Forecast		Forecast		Actual		Actual		Forecast		Forecast		Forecast	
	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)
All Regions	7,651,023	\$ 229.45	1,150,794	\$ 243.14	994,738	\$ 224.99	944,412	\$ 233.02	494,150	\$ 200.63	3,117,646	\$ 222.36	3,289,271	\$ 234.81	3,389,638	\$ 234.11	2,024,498	\$ 217.47	11,821,053	\$ 228.36
Asia	4,923,573	\$ 217.90	429,313	\$ 229.71	615,283	\$ 213.24	364,345	\$ 217.76	213,500	\$ 189.19	2,264,391	\$ 213.95	2,002,346	\$ 223.43	1,701,432	\$ 217.93	884,081	\$ 205.01	6,852,250	\$ 216.56
STD_P	3,413,487	212.67	344,692	219.08	320,836	209.90	241,625	206.48	132,000	188.21	1,461,540	208.48	1,465,477	217.76	1,151,998	212.66	591,625	192.91	4,670,640	210.45
PRM_P	1,510,086	229.72	84,621	273.01	294,447	216.88	122,720	239.98	81,500	190.78	802,851	223.91	536,869	238.92	549,434	229.00	292,456	229.50	2,181,610	229.63
Latin America	2,065,418	\$ 257.39	636,335	\$ 257.10	311,467	\$ 243.35	395,337	\$ 247.48	192,850	\$ 213.92	595,830	\$ 256.02	971,586	\$ 260.08	1,445,804	\$ 253.01	802,887	\$ 230.70	3,816,107	\$ 250.58
STD_P	108,536	228.22	29,562	230.15	24,705	218.12	18,602	241.89	30,800	204.42	36,199	217.27	69,082	234.45	57,522	224.29	75,402	214.20	238,205	222.98
PRM_P	1,956,882	259.01	606,773	258.42	286,762	245.52	376,735	247.76	162,050	215.73	559,631	258.52	902,504	262.04	1,388,282	254.20	727,485	232.41	3,577,902	252.42
Oceania	300,169	\$ 236.74	6,311	\$ 248.28	45,988	\$ 249.67	64,050	\$ 260.99	8,800	\$ 238.81	98,492	\$ 227.28	152,686	\$ 235.68	101,290	\$ 254.12	97,850	\$ 247.97	450,318	\$ 240.66
STD_P	23,706	215.53	-	-	-	-	1,000	284.74	-	-	13,891	208.93	8,780	217.38	1,035	288.49	16,000	216.39	39,706	215.88
PRM_P	276,463	238.56	6,311	248.28	45,988	249.67	63,050	260.62	8,800	238.81	84,601	230.29	143,906	236.79	100,255	253.76	81,850	254.14	410,612	243.06
Europe	312,240	\$ 224.47	46,062	\$ 220.98	22,000	\$ 242.13	72,480	\$ 225.07	79,000	\$ 194.81	158,933	\$ 216.32	113,030	\$ 228.40	108,339	\$ 234.41	191,480	\$ 210.15	571,782	\$ 220.07
STD_P	7,112	185.53	8,804	189.22	-	-	13,027	197.74	19,000	170.87	7,112	201.47	-	-	8,804	188.80	32,027	181.80	47,943	183.71
PRM_P	305,128	225.37	37,258	228.48	22,000	242.13	59,453	231.06	60,000	202.40	151,821	217.02	113,030	229.37	99,535	238.44	159,453	215.85	523,839	223.40
Africa	49,623	\$ 210.79	32,773	\$ 178.27	-	\$ -	48,200	\$ 204.49	-	\$ -	-	\$ -	49,623	\$ 211.34	32,773	\$ 177.93	48,200	\$ 192.70	130,596	\$ 195.95
STD_P	23,915	205.38	32,773	178.27	-	-	20,700	198.79	-	-	-	-	23,915	206.15	32,773	177.94	20,700	171.33	77,388	184.79
PRM_P	25,708	215.81	-	-	-	-	27,500	208.78	-	-	-	-	25,708	216.15	-	-	27,500	208.78	53,208	212.18

Allocation %:

All Regions																				
Asia	64.4%	61.1%	37.3%	35.2%	61.9%	58.6%	38.6%	36.1%	43.2%	40.7%	72.6%	69.9%	60.9%	57.9%	50.2%	46.7%	43.7%	41.2%	58.0%	55.0%
STD_P	44.6%	41.4%	30.0%	27.0%	32.3%	30.1%	25.6%	22.7%	26.7%	25.1%	46.9%	44.0%	44.6%	41.3%	34.0%	30.9%	29.2%	25.9%	39.5%	36.4%
PRM_P	19.7%	19.8%	7.4%	8.3%	29.6%	28.5%	13.0%	13.4%	16.5%	15.7%	25.8%	25.9%	16.3%	16.6%	16.2%	15.9%	14.4%	15.2%	18.5%	18.6%
Latin America	27.0%	30.3%	55.3%	58.5%	31.3%	33.9%	41.9%	44.5%	39.0%	41.6%	19.1%	22.0%	29.5%	32.7%	42.7%	46.1%	39.7%	42.1%	32.3%	35.4%
STD_P	1.4%	1.4%	2.6%	2.4%	2.0%	2.4%	2.0%	2.0%	6.2%	6.4%	1.2%	1.1%	2.1%	2.1%	1.7%	1.6%	3.7%	3.7%	2.0%	2.0%
PRM_P	25.6%	28.9%	52.7%	56.0%	28.8%	31.5%	39.9%	42.4%	32.8%	35.3%	18.0%	20.9%	27.4%	30.6%	41.0%	44.5%	35.9%	38.4%	30.3%	33.5%
Oceania	3.9%	4.0%	0.5%	0.6%	4.6%	5.1%	6.8%	7.6%	1.8%	2.1%	3.2%	3.2%	4.6%	4.7%	3.0%	3.2%	4.8%	5.5%	3.8%	4.0%
STD_P	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.4%	0.4%	0.3%	0.2%	0.0%	0.0%	0.8%	0.8%	0.3%	0.3%
PRM_P	3.6%	3.8%	0.5%	0.6%	4.6%	5.1%	6.7%	7.5%	1.8%	2.1%	2.7%	2.8%	4.4%	4.4%	3.0%	3.2%	4.0%	4.7%	3.5%	3.7%
Europe	4.1%	4.0%	4.0%	3.6%	2.2%	2.4%	7.7%	7.4%	16.0%	15.5%	5.1%	5.0%	3.4%	3.3%	3.2%	3.2%	9.5%	9.1%	4.8%	4.7%
STD_P	0.1%	0.1%	0.8%	0.6%	0.0%	0.0%	1.4%	1.2%	3.8%	3.3%	0.2%	0.2%	0.0%	0.0%	0.3%	0.2%	1.6%	1.3%	0.4%	0.3%
PRM_P	4.0%	3.9%	3.2%	3.0%	2.2%	2.4%	6.3%	6.2%	12.1%	12.2%	4.9%	4.8%	3.4%	3.4%	2.9%	3.0%	7.9%	7.8%	4.4%	4.3%
Africa	0.6%	0.6%	2.8%	2.1%	0.0%	0.0%	5.1%	4.5%	0.0%	0.0%	0.0%	0.0%	1.5%	1.4%	1.0%	0.7%	2.4%	2.1%	1.1%	0.9%
STD_P	0.3%	0.3%	2.8%	2.1%	0.0%	0.0%	2.2%	1.9%	0.0%	0.0%	0.0%	0.0%	0.7%	0.6%	1.0%	0.7%	1.0%	0.8%	0.7%	0.5%
PRM_P	0.3%	0.3%		0.0%	0.0%	0.0%	2.9%	2.6%	0.0%	0.0%	0.0%	0.0%	0.8%	0.7%	0.0%	0.0%	1.4%	1.3%	0.5%	0.4%

Netback Forecast, by Country

	Jul-19 YTD		Aug-19		Sep-19		Oct-19		Nov-19		Qtr 1 2019		Qtr 2 2019		Qtr 3 2019		Qtr 4 2019		2019	
	Actual		Forecast		Forecast		Forecast		Forecast		Actual		Actual		Forecast		Forecast		Forecast	
	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)	mt	Netback (\$/mt)
Brazil	1,595,427	\$ 261.33	566,887	\$ 258.71	245,939	\$ 246.73	330,037	\$ 250.75	89,850	\$ 213.74	496,957	\$ 260.91	730,591	\$ 264.03	1,180,705	\$ 255.53	529,887	\$ 235.79	2,938,140	\$ 255.00
STD_P	-	-	11,003	235.10	6,555	250.12	8,002	229.20	6,300	196.21	-	-	-	-	17,558	240.49	20,302	206.70	37,860	222.33
PRM_P	1,595,427	261.33	555,884	259.18	239,384	246.64	322,035	251.29	83,550	215.06	496,957	260.91	730,591	264.03	1,163,147	255.76	509,585	236.95	2,900,280	255.42
China	1,991,634	\$ 215.71	22,395	\$ 242.73	301,836	\$ 202.91	115,570	\$ 201.56	64,000	\$ 170.79	917,751	\$ 210.95	812,002	\$ 220.84	586,112	\$ 210.50	202,570	\$ 189.62	2,518,435	\$ 212.32
STD_P	968,982	212.99	22,395	242.73	60,646	196.01	70,550	200.81	23,000	168.87	361,961	208.66	441,713	215.08	248,349	214.14	116,550	190.80	1,168,573	210.47
PRM_P	1,022,652	218.28	-	-	241,190	204.65	45,020	202.74	41,000	171.86	555,790	212.44	370,289	227.71	337,763	207.81	86,020	188.02	1,349,862	213.91
India	856,060	\$ 198.35	77,963	\$ 187.39	93,515	\$ 183.90	58,206	\$ 173.26	-	\$ -	310,313	\$ 194.56	303,814	\$ 199.37	413,411	\$ 195.11	126,206	\$ 168.04	1,153,744	\$ 193.12
STD_P	856,060	198.35	77,963	187.39	93,515	183.90	58,206	173.26	-	-	310,313	194.56	303,814	199.37	413,411	195.11	126,206	168.04	1,153,744	193.12
PRM_P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Netback Forecast, by Grade

	Jul-19 YTD			Aug-19			Sep-19			Oct-19			Nov-19			Qtr 1 2019			Qtr 2 2019			Qtr 3 2019			Qtr 4 2019			2019		
	Actual			Forecast			Forecast			Forecast			Forecast			Actual			Actual			Forecast			Forecast			Forecast		
	mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)		mt	Netback (\$/mt)	
All_Grades	7,651,023	\$	229.45	1,150,794	\$	243.14	994,738	\$	224.99	944,412	\$	233.02	494,150	\$	200.63	3,117,646	\$	222.36	3,289,271	\$	234.81	3,389,638	\$	234.11	2,024,498	\$	217.47	11,821,053	\$	228.36
STD_P	3,576,756	\$	213.06	415,831	\$	216.02	345,541	\$	210.49	294,954	\$	208.05	181,800	\$	189.15	1,518,742	\$	208.66	1,567,254	\$	218.24	1,252,132	\$	212.18	735,754	\$	194.51	5,073,882	\$	210.44
ISTD	122,848		194.02	-		-	-		-	-		-	-		-	122,848		193.29	-		-	-		-	-		-	122,848		194.02
RSTD	2,234,057		211.97	280,068		213.92	238,340		208.91	129,088		211.50	122,300		195.92	881,039		209.01	988,733		216.34	882,693		209.81	451,388		191.85	3,203,853		209.08
PSTD	293,742		208.95	32,773		178.27	-		-	-		-	-		-	87,202		207.81	166,868		209.05	72,445		196.23	-		-	326,515		205.87
WSTD	236,047		238.13	26,408		245.76	40,055		231.87	36,800		218.75	17,500		188.28	87,065		229.23	128,739		242.26	86,706		240.37	84,800		210.45	387,310		231.94
WFSS	545,283		215.95	55,099		233.43	60,646		196.01	87,550		204.54	23,000		168.87	270,800		209.57	250,453		220.27	139,775		218.83	133,550		194.52	794,578		212.04
RFSS	144,779		202.57	21,483		219.74	6,500		271.62	41,516		195.25	19,000		170.87	69,788		203.12	32,461		209.74	70,513		210.31	66,016		192.19	238,778		203.12
PRM_P	4,074,267	\$	243.84	734,963	\$	258.49	649,197	\$	232.71	649,458	\$	244.36	312,350	\$	207.31	1,598,904	\$	235.37	1,722,017	\$	249.89	2,137,506	\$	246.97	1,288,744	\$	230.58	6,747,171	\$	241.83
AGRN	35,850		249.45	22,768		251.46	1,050		235.92	23,208		245.21	19,000		204.99	14,142		224.29	10,843		262.99	34,683		256.39	48,208		222.20	107,876		237.57
PGRN	513,144		232.95	15,243		259.65	84,996		231.20	123,503		238.21	47,800		198.97	190,697		225.86	274,491		233.60	148,195		242.62	201,303		224.32	814,686		231.13
CGRN	323,045		203.53	-		-	26,253		182.95	45,020		202.74	41,000		171.86	120,917		193.35	140,548		208.26	87,833		203.83	86,020		188.02	435,318		199.23
5GRN	13,465		247.70	4,000		251.78	-		-	-		-	5,000		231.44	8,980		242.31	4,485		260.15	4,000		249.91	5,000		231.44	22,465		244.81
2GRN	23,636		233.42	-		-	-		-	6,600		230.10	-		-	10,761		218.10	6,539		254.35	6,336		237.84	6,600		230.10	30,236		232.70
7GRN	2,577,786		249.27	627,212		257.99	456,046		230.40	348,333		247.65	148,550		216.68	988,175		239.47	1,061,065		257.76	1,611,804		247.74	690,383		232.62	4,351,427		245.91
G5I5	12,331		305.22	7,014		309.24	-		-	-		-	-		-	6,836		307.03	5,495		302.97	7,014		309.24	7,500		292.17	26,845		302.62
F2I5	154,420		257.81	25,383		270.51	20,021		248.05	-		-	30,000		207.37	57,916		253.76	80,544		261.94	61,364		258.28	38,900		228.48	238,724		253.56
G6I1	117,170		241.19	-		-	-		-	17,494		256.68	-		-	73,737		228.03	35,433		258.53	8,000		285.71	23,494		248.22	140,664		242.37
F1I1	67,623		245.75	8,321		302.25	10,800		292.12	34,800		263.38	-		-	35,145		240.92	7,467		283.03	44,132		265.29	67,800		246.50	154,544		252.36
G1I1	235,689		251.59	25,022		236.85	49,995		262.99	50,500		257.84	21,000		225.45	91,562		256.00	95,071		249.04	124,073		251.92	113,500		248.33	424,206		251.19
CWIC	108		847.35	-		-	36		817.66	-		-	-		-	36		850.90	36		801.27	72		853.77	36		813.56	180		834.65

Two Year Rail Billings Forecast, by Grade - Nutrien

2019 Forecasted Rail Billings (MT)													
	Jan-19 Actual	Feb-19 Actual	Mar-19 Actual	Apr-19 Actual	May-19 Actual	Jun-19 Forecast	Jul-19 Forecast	Aug-19 Forecast	Sep-19 Forecast	Oct-19 Forecast	Nov-19 Forecast	Dec-19 Forecast	Total 2019
All_Grades	722,517	538,094	683,254	824,932	803,329	859,514	718,575	689,696	617,333	162,398	400,578	740,278	7,760,497
STD_P	364,915	197,121	273,575	365,296	286,034	321,411	255,500	300,369	244,778	25,000	182,934	509,178	3,326,110
IFSS	21,225	-	-	42,492	21,258	-	-	21,252	-	-	-	21,000	127,227
ISTD	49,164	35,192	-	157,657	60,121	112,154	67,770	85,901	41,918	-	143,234	147,013	900,124
PSTD	17,557	-	-	17,577	67,916	-	32,877	-	-	-	17,500	-	153,427
RFSS	8,899	4,437	7,058	5,708	-	5,078	8,804	32,231	-	25,000	1,000	5,500	103,715
RSST	-	-	-	-	-	33,062	-	-	-	-	-	-	33,062
RSTD	268,070	157,492	266,518	141,862	136,739	171,116	146,049	160,984	202,860	-	21,200	335,666	2,008,555
PRM_P	357,603	340,973	409,678	459,636	517,295	538,104	463,075	389,327	372,555	137,398	217,644	231,100	4,434,387
2GRN	-	-	-	-	-	-	-	-	-	-	-	-	-
5GRN	4,095	-	4,871	-	-	4,498	-	4,037	-	-	5,000	-	22,502
7GRN	233,581	212,960	243,708	262,022	334,216	242,683	220,947	174,741	227,138	46,038	94,963	59,205	2,352,202
CWIC	-	-	36	-	-	36	-	36	-	-	3,000	-	3,108
F1I1	53,703	8,329	52,185	37,499	13,541	8,516	13,541	26,994	26,910	-	26,725	48,000	315,942
F2I5	13,503	34,068	25,746	30,322	31,574	18,248	7,164	20,147	-	30,000	25,000	26,000	261,772
GRNS	-	-	-	-	-	-	-	-	-	-	-	-	-
PGRN	52,721	85,616	83,132	129,792	137,964	264,123	221,424	163,372	118,508	61,360	62,956	97,895	1,478,861

Two Year Rail Billings Forecast, by Grade - Nutrien

2020 Forecasted Rail Billings (MT)													
	Jan-20 Forecast	Feb-20 Forecast	Mar-20 Forecast	Apr-20 Forecast	May-20 Forecast	Jun-20 Forecast	Jul-20 Forecast	Aug-20 Forecast	Sep-20 Forecast	Oct-20 Forecast	Nov-20 Forecast	Dec-20 Forecast	Total 2020
All_Grades	335,875	558,460	745,067	747,905	804,473	831,184	734,500	690,979	516,577	619,197	535,235	602,770	7,722,221
STD_P	137,002	187,618	360,285	298,563	319,803	356,126	332,419	327,812	192,672	211,006	266,304	299,702	3,289,311
IFSS	21,000	-	21,000	-	21,000	-	21,000	21,000	21,000	-	21,000	-	147,000
ISTD	22,365	43,398	37,654	99,559	79,775	49,780	38,292	79,775	36,377	49,780	36,377	43,398	616,530
PSTD	11,169	20,742	6,382	33,506	9,573	-	-	6,382	27,124	-	47,865	-	162,741
RFSS	10,000	24,900	7,000	6,000	12,800	6,000	-	24,000	7,000	-	11,500	12,800	122,000
RSST	-	-	-	-	-	-	-	-	-	-	-	-	-
RSTD	72,468	98,579	288,249	159,498	196,655	300,346	273,127	196,655	101,172	161,226	149,561	243,504	2,241,041
PRM_P	198,873	370,841	384,783	449,342	484,670	475,058	402,081	363,168	323,904	408,190	268,931	303,068	4,432,909
2GRN	-	-	-	-	-	-	-	-	-	-	-	-	-
5GRN	-	5,000	-	5,000	-	5,000	-	5,500	-	-	5,000	-	25,500
7GRN	47,149	121,135	207,055	256,782	308,688	340,671	265,648	165,389	164,930	205,018	116,699	13,391	2,212,555
CWIC	-	-	36	-	-	36	-	-	36	-	-	36	144
F1I1	20,000	35,300	30,500	36,000	18,600	10,000	10,000	27,700	38,000	21,000	30,500	19,200	296,800
F2I5	30,000	28,300	23,700	30,000	35,500	20,000	20,000	19,200	10,000	31,000	-	35,500	283,200
GRNS	-	-	-	-	-	-	-	-	-	-	-	-	-
PGRN	101,724	181,107	123,491	121,560	121,882	99,351	106,432	145,379	110,938	151,172	116,732	234,941	1,614,710

Two Year Rail Billings Forecast, by Grade - Nutrien

2021 Forecasted Rail Billings (MT)													
	Jan-21 Forecast	Feb-21 Forecast	Mar-21 Forecast	Apr-21 Forecast	May-21 Forecast	Jun-21 Forecast	Jul-21 Forecast	Aug-21 Forecast	Sep-21 Forecast	Oct-21 Forecast	Nov-21 Forecast	Dec-21 Forecast	Total 2021
All_Grades	389,058	611,643	798,251	747,905	804,473	831,184	734,500	690,979	516,577				6,124,570
STD_P	137,002	187,618	360,285	298,563	319,803	356,126	332,419	327,812	192,672				2,512,300
IFSS	21,000	-	21,000	-	21,000	-	21,000	21,000	21,000				126,000
ISTD	22,365	43,398	37,654	99,559	79,775	49,780	38,292	79,775	36,377				486,975
PSTD	11,169	20,742	6,382	33,506	9,573	-	-	6,382	27,124				114,876
RFSS	10,000	24,900	7,000	6,000	12,800	6,000	-	24,000	7,000				97,700
RSST	-	-	-	-	-	-	-	-	-				-
RSTD	72,468	98,579	288,249	159,498	196,655	300,346	273,127	196,655	101,172				1,686,749
PRM_P	252,057	424,024	437,966	449,342	484,670	475,058	402,081	363,168	323,904				3,612,270
2GRN	-	-	-	-	-	-	-	-	-				-
5GRN	-	5,000	-	5,000	-	5,000	-	5,500	-				20,500
7GRN	47,149	121,135	207,055	256,782	308,688	340,671	265,648	165,389	164,930				1,877,447
CWIC	-	-	36	-	-	36	-	-	36				108
F1I1	20,000	35,300	30,500	36,000	18,600	10,000	10,000	27,700	38,000				226,100
F2I5	30,000	28,300	23,700	30,000	35,500	20,000	20,000	19,200	10,000				216,700
GRNS	-	-	-	-	-	-	-	-	-				-
PGRN	154,908	234,290	176,675	121,560	121,882	99,351	106,432	145,379	110,938				1,271,415