

ORIGINAL

PUBLIC VERSION

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION



In the Matter of

Agrium Inc.

a corporation.

UAP Holding Corporation,

a corporation.

Docket No. C-4219

PETITION OF AGRIMUM INC.
FOR APPROVAL OF PROPOSED DIVESTITURE

Pursuant to Section 2.41(f) of the Federal Trade Commission (the "Commission") Rules of Practice and Procedure, 16 C.F.R. 2.41(f), and Paragraph II.A of the Decision and Order in the above-captioned matter (the "Decision and Order"), Agrium Inc., ("Agrium") hereby petitions the Commission to approve the divestiture of the Farm Supply Assets (as defined in the Decision and Order) to Helena Chemical Company ("Helena").

I. CONSENT AGREEMENT, COMPLAINT, HOLD SEPARATE AGREEMENT AND DECISION AND ORDER

On May 5, 2008, the Commission issued a complaint alleging that Agrium's proposed acquisition of UAP Holding Corp. ("UAP") violated federal antitrust laws. On May 1, 2008 the Commission accepted for public comment an Agreement Containing Consent Orders ("Consent Agreement"), and issued its Order to Hold Separate and Maintain Assets ("Hold Separate Order") against Agrium and UAP (collectively, "Respondents"). The Consent Agreement expressly provides that it does not constitute an admission by Agrium that the law had been violated or that the facts alleged by the

Commission in its Complaint are true. The Commission subsequently issued a Decision and Order on June 10, 2008 after having placed the Decision and Order on the public record for thirty days. The Hold Separate Order became final on May 12, 2008 and Decision and Order became final on June 12, 2008.

The Commission's Complaint charged that the effects of the acquisition may be substantially to lessen competition for the retail sale of bulk fertilizer and farm stores in six areas of the United States. Paragraph II of the Decision and Order requires that no later than 180 days after consummation of the transaction, Agrium shall divest certain Farm Supply Assets. Such a transaction must receive the prior approval of the Commission. Pursuant to Paragraph K(iii) of the Decision and Order, Agrium believes it need not sell the Farm Supply Assets located at 18432 Wachapreague Road Melfa, Virginia (the "Keller, VA store") to Helena since Helena does not need the Keller, VA store. *See discussion infra.* This Petition describes the principal terms of the agreements by which Agrium plans to sell certain Farm Supply Assets to Helena and explains why the agreements satisfy the purposes of the Decision and Order.

II. THE TRANSACTION DOCUMENTS

Agrium and Helena have executed agreements for the divestiture of certain Farm Supply Assets to Helena, subject to the approval of the Commission. The agreements are embodied in separate Asset Purchase Agreements ("Agreements") for each Farm Supply Asset location to be divested. Copies of the Agreements, attachments, exhibits and schedules (the "Transaction Documents") are attached to this Petition as Confidential Appendix A.

In essence, the Agreements provide that Helena will acquire all the Farm Supply Assets excluding Agrium's Keller, VA store. Paragraph K(iii) of the Decision and Order

states that Farm Supply Assets to be divested need not include assets “not needed by an Acquirer” if the Commission approves the divestiture without the assets. Agrium believes that the Commission should approve the divestiture without the unneeded Keller, VA store assets. The Commission staff included the Keller, VA store in the Decision and Order because the Keller, VA store is the parent location to Agrium’s Snow Hill, MD location. Since Helena has a farm supply store located less than eight miles from the Keller, VA store in Tasley, VA, Helena does not need the Keller, VA store to serve as the parent store for the Snow Hill, MD location. Further, requiring Agrium to divest the Keller, VA store to Helena would reduce competition between Helena and Agrium in the Tasley/Keller, VA area.

The Agreements contain the licenses and covenants required by the Decision and Order. Agrium and Helena expect to execute supply agreements for each location to be divested before closing. The unsigned form of the supply agreements are attached as Exhibit D to each of the Agreements. Other than the supply agreements, there will otherwise be no on-going entanglements between Agrium and Helena that will occur as a result of the Agreements.

Agrium requests that the Transaction Documents and other information provided in Confidential Appendix A be treated by the Commission as strictly confidential and not be made available to the public. The terms of the Transaction Documents comply with and satisfy the purposes of the Decision and Order. The Commission staff’s June 19, 2008 letter requesting documents discussing the acquisition were produced in conjunction with Agrium’s compliance reports filed on July 15 and August 13, 2008.

III. THE PROPOSED ACQUIRER

A. Background and Relevant Experience

Helena Chemical Company is a subsidiary of the Marubeni Corporation with its principal headquarters at 225 Schilling Blvd., Ste. 300, Collierville, TN 38017-6937. Helena is not a publicly-listed company. Helena is one of the largest agricultural retailers in the United States. Helena is also one of the largest bulk fertilizer manufacturers and bulk fertilizer retailers in the United States with a well-known brand name and extensive experience serving bulk fertilizer customers. CropLife Magazine reported that in 2007 Helena served 48 states with 289 agricultural retail locations. Since Helena does not have farm supply stores in the areas near the Farm Supply Assets to be divested, its acquisition of the six stores is a logical expansion of its business.

B. Financial Capability

In 2007, CropLife Magazine ranked Helena as the third largest agricultural retailer in the United States with annual sales over \$1 billion. Helena will submit its most recent financial statements to the Commission. Agrium believes the statements will show that Helena has the financial capability to complete this transaction and provide ample investment capital for the business. Due to the confidential nature of the information requested by the Commission staff in its June 19, 2008 letter, Helena has submitted such confidential information directly to the Commission's staff.

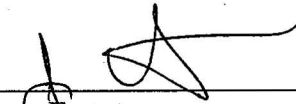
IV. CONCLUSION

The proposed divestiture to Helena will accomplish the purposes of the Consent Agreement and remedy any alleged lessening of competition in the markets for retail sale of bulk fertilizer and farm stores. Helena has the financial capability and relevant

experience to ensure that the Farm Supply Assets to be divested will be used so as to become a viable and effective competitor to Agrium. Accordingly, Agrium requests that the Commission approve the proposed divestiture and acquirer.

Dated: August 18, 2008

Respectfully submitted,



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Appendix A

Redacted