

Brussels
8 April 2013

Agrium Inc
13131 Lake Fraser Drive SE
Calgary
Alberta T2J 7E8
Canada

To the attention of Mr Michael M. Wilson
CEO of Agrium Inc

Regarding: Agrium's contract with Office Chérifien des Phosphates (Morocco) and potential imports from occupied Western Sahara

Dear Sir,

Western Sahara Resource Watch is writing to share its concerns that your firm may be at risk of importing phosphate rock from an occupied territory.

In 2011, Agrium Inc signed a contract with the *Office Chérifien des Phosphates* (OCP), a Moroccan state-owned company in charge of exploiting phosphate mines throughout Morocco. In addition, Agrium Inc announced it would start purchasing from OCP in the second half of 2013.

Though OCP exploits the phosphate mines throughout Morocco, it also exploits the mines of Bou Craa, located in Western Sahara – a territory largely occupied by Morocco since 1975.

To date, no state or international organisation recognizes Morocco's sovereignty over Western Sahara. The United Nations have repeatedly stated that the occupation must end and that the Saharawi people has to be allowed to freely exercise their right to self-determination through a free, fair and transparent referendum.

The occupation of Western Sahara has resulted in enormous suffering and deprivation for the Saharawi people, who are the rightful owners of the land and its natural resources. Approximately 165,000 Saharawi are languishing in refugee camps in the inhospitable Algerian desert since 1975, where they have to survive on humanitarian aid. The Saharawi population remaining in areas under Moroccan control is subjected to grave human rights violations, such as torture, forced disappearances and arbitrary detention.

Although there is no trade embargo implemented by the UN Security Council, the UN has established that Morocco has no right to extract and sell Western Sahara's resources, if carried out as currently is the case.

www.wsrw.org

Western Sahara Resource Watch works to raise awareness of the illegal occupation of Western Sahara and to support the recognition of the Saharawi people's right to self-determination.

The International Court of Justice in its 1975 Western Sahara Advisory Opinion established that Morocco has no legal claim to Western Sahara. That same opinion affirmed that the Saharawi people have a right to self-determination, restated in more than 100 UN Resolutions. That right to self-determination includes, inter alia, the right of permanent sovereignty over its natural resources; a customary principle of international law. Numerous resolutions of the United Nations Security Council and General Assembly and a legal opinion by the former UN Under-Secretary General of Legal Affairs, on 29 January 2002 affirm this position (www.arso.org/Olaeng.pdf). Because the Saharawi have not been able to exercise their right to self-determination, and because they have not been properly consulted, trade with Morocco of natural resources emanating from Western Sahara is a violation of the Saharawi's right to permanent sovereignty over their resources.

Our organisation is convinced that the firms that import phosphates from Western Sahara contribute to the continuation of the Moroccan illegal presence in the area. This kind of support, in addition to the financial gain from selling off illegally excavated phosphate rock, makes Morocco less inclined to fully engage in the UN-hosted peace talks, and makes delaying tactics and attempts to profit from the existing situation more attractive. The phosphate trade in Western Sahara therefore increases the risk of resumed armed conflict, destabilisation and suffering in the region.

Morocco's control and exploitation of Western Sahara also hurts the Saharawi's labour rights and their economic development. According to a report by the French organization France Libertés - Fondation Danielle Mitterrand, the Saharawi have been systematically marginalised from the phosphate industry in Western Sahara. In 1968, before Morocco took control over the phosphate mines, all 1600 workers in the industry were Saharawi. Today, the latest figure we have, is that 1568 of the 1734 workers are Moroccan settlers who have been moved into the territory illegally.

A substantial number of firms from around the world have realised their ethical obligations and have stopped importing natural resources from occupied Western Sahara. For example, Yara, the world's biggest fertiliser company, terminated the imports to Norway in 2005, for ethical reasons. They have stated that they do not wish to import from the territory until the conflict is solved. A number of shipping firms which previously transported this phosphate have also stopped its involvement.

We believe it is not in the interest of Agrium Inc to be associated with such business.

We respectfully invite Agrium to reply to the following questions:

- 1) Has Agrium - at any point before or after signing the contract - purchased phosphate rock from OCP?
- 2) If so, from which mine(s) did the phosphate rock originate?
- 3) When does Agrium's contract with OCP expire?
- 4) Does the contract specify any volumes that are to be taken by Agrium Inc?
- 5) Is Agrium today importing phosphates from Western Sahara?
- 6) If so, has Agrium undertaken any measures, apart from requesting information from OCP, to investigate how such imports are in accordance with the wishes and benefits of the people of Western Sahara?

We will be more than happy to provide you with any additional information that you may require to study this matter more closely, and look forward to a reply to our questions.

Looking forward to hearing from you,

Sincerely yours,

Sara Eyckmans
International coordinator
Western Sahara Resource Watch

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A copy of this letter was sent to;

- Mr Peter Chapman, Executive Director of the Shareholder Association for Research & Education (SHARE), Vancouver, Canada.
- Mr Paul Dewar, MP, Ottawa, Canada.