



Potash – Suppliers

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NORTH AMERICA

UNITED STATES: IC Potash (ICP) yesterday issued a recap of its Ochoa polyhalite project in New Mexico in 2012 and its anticipated milestones expected in the coming year. Last year saw the results of the Prefeasibility Study announced which included annual production at full capacity of 843,000 short tons composed of 568,000 st of SOP and 275,000 st of Sulphate of Potash Magnesium (SOPM) and an operating cost of \$147/st of SOP and SOPM. In 2012 a strategic investment and off-take agreement was announced with Norway's Yara, which made a \$40 million equity investment in ICP and committed to a 15-year off-take agreement to purchase 30% of all products produced by the Ochoa Polyhalite Project in New Mexico at fair market value. Mid-summer 2012 ICP announced the team of leading consultants who will conduct a Feasibility Study, which is expected to be completed on or before 31 August 2013. Clearance from the US Bureau of Land Management (BLM) to proceed with construction of the mine and processing plant is expected to be granted prior to the end of March 2014. ICP also recently successfully performed a batch scale test on five critical processing operations, effectively implementing end-to-end processing of polyhalite, producing 52% K₂O-grade SOP.

The company has recently contracted with HPD Systems LLC, a global leader in evaporation and crystallization technologies and a part of the Veolia Water Solutions & Technologies family. HPD has been tasked with the design/build of the product crystallization equipment that will be used in ICP's commercial SOP and SOPM processing operations.

LATIN AMERICA

ARGENTINA: Vale expects to spend US\$611 million on its Rio Colorado project in Mendoza in 2013, the company indicated at the start of December. Total capex for the solution project is \$5.915 billion. The project, with a nominal capacity of around 4.3 million t/y MOP, requires the renovation of railway tracks (440 km), construction of a railway spur (350 km) and a new port terminal at Bahia Blanca. The company continues to cite start-up in 2nd half 2014.

BRAZIL: Vale's estimated MOP output from its Taquari-Vassouras mine is expected to be in the region of 550,000 t in 2013, the company indicated last month. Pending its Q4 2012 production figures, Vale's output in 2012 as a whole may see its lowest level for some years. Production was just 387,000 t in January-September 2012. In 2011, production was 625,000 t, and in 2010 662,000 t. Production has been impacted by low-grade ore, reflecting the ageing of the mine.

Source: <http://fertecon.agra-net.com/archives/787>