

IC Potash's Low Production Costs Inspires Analyst's Bullish Price Target

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Today IC Potash Corp. (TSX: ICP) announced that it has begun a testing program to assess the characteristics of the ground water supply for its Southeast New Mexico Ochoa project. The tests will involve traditional drilling techniques using a brackish and non-potable water supply from two wells approximately 5,400 feet deep. Brackish water is more saline than fresh water but not as saline as sea water. The target zone for these tests is called the Captain Reef, an area recognized by the New Mexico Office of the State Engineer and U.S. Geological Survey as a significant

brackish water resource with a history of industrial use. What makes the Captain Reef an ideal water source is that it is hydraulically separated from nearby freshwater aquifers.

Water availability and safety are critical elements of any mining project. This is especially true in areas with established communities living in the vicinity and these conditions are looking positive for ICP. Sidney Himmel CEO of ICP revealed that based on ICP's studies, the Capitan Reef zone will provide sufficient water resources to supply the Ochoa project. He added that based on the brackish properties of this water supply ICP will not require additional water permits and that the Ochoa project will not compete with the surrounding community's water needs.

In related news, Potash Corp. (TSX: POT) announced yesterday that increased demand for potash could come from China, India and Brazil. The report noted that China has the potential to increase its annual potash consumption by about 15 million tonnes and that India and Brazil could potentially increase potash consumption by 5 million tonnes each. Consumption will also be driven higher alongside increases in the global population which in turn bolsters demand for fruits, vegetables, corn and oilseeds such as soybean and palm oil, among other crops that require high levels of potash to produce. Of particular interest to me was that the report states that in many developing countries rich nutrients that have been removed from the soil during crop production are not being replenished to adequate levels. Unsustainable farming practices such as this can threaten the quality of crop production and ultimately create the need for increased application levels to compensate for years of inadequate replenishing. These conditions are creating a bullish outlook for the potash market.

Source: <http://investorintel.com/potash-phosphate-intel/icp-commences-brackish-water-testing-as-pot-eyes-bullish-outlook-on-potash-demand/>