

PhosAgro Mulls Bid For Canadian Potash

By [The Moscow Times](#)

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Fertilizer maker PhosAgro said Tuesday that it is seeking talks with the Canadian government about a potential bid to acquire Potash Corporation of Saskatchewan.

PhosAgro wants to hold discussions after Canadian Prime Minister Stephen Harper said Nov. 14 that the government would provide “guidance” to investors on the kinds of foreign takeovers it will tolerate. Canada earlier this month rejected Melbourne-based BHP Billiton’s \$40 billion bid to acquire Potash Corporation.

“PhosAgro intends to hold talks with all relevant parties, including the Canadian government, about whether it is worth putting forward a proposal to buy Potash Corporation as an alternative to the offer from BHP Billiton,” PhosAgro said in an e-mailed statement today.

The company said Nov. 4 that it was studying a joint bid with domestic competitors for Potash Corporation and was holding “intensive consultations” with the Russian government, and local and foreign banks on a possible acquisition.

The Russian government on Nov. 1 asked domestic producers to consider a bid, according to Acron, the nation's third-largest producer of nitrogen soil nutrients. Acron said it wouldn't take part in a takeover attempt.

Russian fertilizer companies, including Silvinit, the largest potash maker, and Uralkali, have been studying merging to expand output as shrinking arable land and rising world food demand spur consumption of their products.

A lone PhosAgro offer isn't viable because the company is much smaller than Potash Corporation, according to Troika Dialog. PhosAgro is valued at about \$7 billion to \$9 billion, Troika said in a Nov. 3 research note, in comparison with Potash Corporation's market capitalization of \$40.8 billion.

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