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Demand for Potash Ups Export Price

By The Moscow Times

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Potash giant Uralkali could increase the prices it charges exporters of complex fertilizers by $50 a metric ton in July after prices to China rose by the same amount earlier this year.

"The increase will apply only to volumes of potash used to produce complex fertilizers for export," chief executive Vladislav Baumgertner said Wednesday. The change in ruble terms would be a gain of almost 1,500 rubles ($53), or 26 percent from the price of 5,700 rubles a ton in the first half.

Potash companies are boosting charges in response to rising demand, as farmers seek to expand crop yields after food prices jumped. Uralkali's trading arm raised contract prices in China by $50 in January to $400 a ton. The East Asian country, growing more crops to feed its population of more than 1.3 billion, is the world's biggest user of potash, a key fertilizer ingredient.

Uralkali's charges to local farmers will remain unchanged at 4,250 rubles a ton until the end of the year, Baumgertner said. The same "favorable" price will apply to complex-fertilizer

makers selling their output domestically, he said. Complex fertilizers combine nitrogen, potash and phosphates.

Uralkali, planning to create the world's largest potash producer by merging with competitor Silvinit, won Russian antitrust approval for the tie-up this week, on condition that the combined entity support the domestic market.

The Berezniki-based company agreed in December to acquire Silvinit for $7.8 billion in cash and shares. The united group will control as much as 45 percent of global trade in potash.

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