

Acron Plans to Produce Own Phosphates, Take Back Share

By [The Moscow Times](#)

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Nitrogen fertilizer producer Acron plans to produce its own phosphates within a year as it seeks to boost self-sufficiency in raw materials.

Acron will start its Oleny Ruchei mine in the Murmansk region by the end of June 2012, chairman Alexander Popov told investors Tuesday in Murmansk. The project will meet the company's demand for apatite concentrate, which it currently buys from PhosAgro at about \$140 a ton including delivery, he said.

Fertilizer producers are looking to add more of their own raw materials as rising corn, soybean and wheat prices help drive up the cost of the phosphates used in crop nutrients.

Investment in the Oleny Ruchei project will total as much as \$1 billion, Acron said Tuesday in a presentation to investors. It has already spent \$250 million on the development since 2006 and plans to invest about \$200 million this year, it said.

The Veliky Novgorod-based company will build a processing plant at the site with initial capacity of 1 million tons of apatite concentrate a year, rising to 2 million tons in 2016.

Popov also said Acron is seeking to take back a 14.3 percent voting stake in its Dorogobuzh unit from Nordic Rus Holding, a venture it shares with Yara International.

Acron and Oslo-based Yara are in talks with Russia's PhosAgro to reorganize the joint venture, Popov said. Nordic Rus Holding owns 11.7 percent of the capital, or 14.3 of the voting shares, in Dorogobuzh.

The venture also holds 7.7 percent of the capital, or 10.3 percent of the voting shares, in PhosAgro's Apatit unit. PhosAgro is seeking to acquire the 10.3 percent stake from Nordic, Popov said.

Popov said Acron may sell a third of its 2.7 percent stake in Russia's largest potash maker Uralkali in 2011 and the rest within three years. The holding is worth about \$800 million at Tuesday's stock price, Popov said. Uralkali's market value is 844 billion rubles (\$30.6 billion), according to data compiled by Bloomberg.

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