

Uralkali Seeks Increased Potash Price for China

By [The Moscow Times](#)

March 21, 2012

The  Moscow Times

Uralkali, the largest potash producer, is seeking to raise prices for supplies to China in the second half after its trading arm Belarussian Potash agreed to hold them steady at \$470 a ton next quarter.

Belarussian Potash signed a deal to ship 400,000 tons of the fertilizer to China's Sinochem and CNAMPGC, with an option to ship a further 100,000 tons, the Russian producer said Tuesday in a statement. Uralkali previously agreed half-year contracts with China.

"The quarterly accord with China will allow us to benefit from the improving market, while we hope to sign a new contract with China for the second half at a higher price," Uralkali chief executive Vladislav Baumgertner said in a telephone interview Tuesday. "We also may consider signing a shorter contract, depending on the market situation."

The market was affected in the first quarter by a European economy in turmoil and higher

stockpiles, he said. "Concerns about the global economy have eased, while stockpiles have been reduced to normal levels," Baumgertner said, with Chinese inventories falling significantly below 3 million tons.

China held about 3.5 million to 4 million tons of potash stocks in January, according to data compiled by Uralkali.

"The agricultural commodities market is characterized by a growing price, and we believe that in the second quarter demand for potash will remain high," Baumgertner said.

Uralkali expects prices to rise by the third quarter, with spot prices already improving in the previous three months, he said. Prices for Brazil can reach at least the levels seen at end-2011.

"We plan to sign a contract with India in July or August, and the benchmark for it will be second-quarter spot prices and the contract price for China for the second half," he said.

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