

Potash

Kevin Stone

*The author is with the Minerals and Metals Sector,
Natural Resources Canada.
Telephone: (613) 992-5199
E-mail: kstone@nrcan.gc.ca*

CANADIAN DEVELOPMENTS

In 2004, preliminary figures showed that Canada reached a record potash production of 16.5 Mt KCl (10.1 Mt K₂O), accounting for 33% of world production of 51.7 Mt KCl (30.5 Mt K₂O). The increase was 1.7 Mt KCl, or 11% in percentage terms, from the previous year's 14.8 Mt KCl (9.1 Mt K₂O) and was in response to growing global demand for potash.

Two of the three producers saw significant production increases. The four Canadian operations of the Mosaic Company (Mosaic) produced 7.4 Mt of KCl, an increase of 1.3 Mt, or 21%, from the previous year. Mosaic's increase in production was the highest of the three producers in Canada. The largest producer, Potash Corporation of Saskatchewan (PCS), produced 7.9 Mt of KCl, an increase of 11.5% from the previous year's 7.1 Mt. Agrium Inc.'s production was similar to 2003's level of 1.7 Mt KCl.

Canada's potash shipments reached 17.5 Mt KCl in 2004, of which 16.7 Mt were exported, and Canada remained the largest potash exporter in the world. Canadian exports of KCl increased by 13% from the previous year's 14.7 Mt. Canpotex Limited, an exclusive offshore marketing company for Saskatchewan potash producers, had record sales of 7.8 Mt in 2004. Exports to offshore markets increased by 18% to 8.6 Mt KCl in 2004 from the previous year's 7.3 Mt KCl. Exports to Asia increased by 20% from 4.6 Mt to 5.5 Mt, exports to Latin America increased by 11% from 2.2 Mt to 2.4 Mt, and exports to the United States were up by 8.2% from 7.5 Mt to 8.1 Mt; the United States remained Canada's largest market.

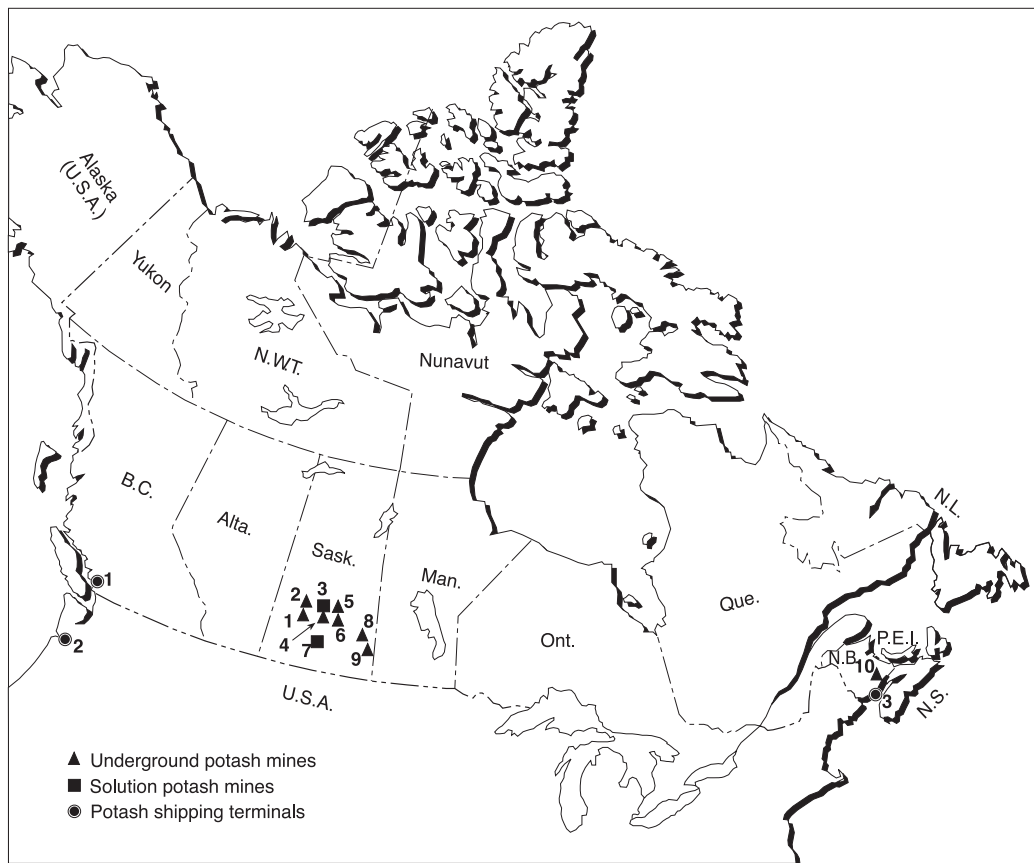
Growing global demand and favourable potash selling prices have provided potash producers in Canada with a record sales volume and a higher gross margin. PCS

reached 8.3 Mt KCl in sales, valued at US\$1056 million, an increase of US\$297.4 million, or 39% from sales in 2003. The average selling price increased to US\$102.97/t in 2004 from the previous year's US\$80.01/t, an increase of US\$22.96/t, or 29%. Cost components also increased: freight increased by 17%, transportation-distribution increased by 10%, and the cost of goods sold increased by 14%. However, the favourable sales prices and increased sales volume have compensated for some cost increases. The average cost of goods sold on a per-tonne basis actually decreased by 3% from 2003's US\$58.65 to US\$57.03. The result was promising. PCS achieved US\$422.8 million of the gross margins in 2004, an increase of 108% from the previous year's US\$203.7 million. Agrium produced 1.7 Mt of KCl in 2004. Its sales volume reached 1.8 Mt of KCl compared with 1.66 Mt in 2003. Part of the sales volume came from inventory. Total sales were valued at US\$214 million and the gross profit reached US\$106 million. The average realized price was US\$119/t.

In April 2005, the Government of Saskatchewan modified the provincial mining taxes applicable to potash projects, allowing for a 10-year base payment holiday on capacity expansions greater than 200 000 t of KCl. At the same time, all three Saskatchewan potash producers announced production capacity expansions. PCS is investing US\$275 million to bring back 1.9 Mt of its idle KCl production capacity at Lanigan and Allan. With the 400 000-t KCl capacity expansion at Rocanville that came on stream in the first quarter of 2005, PCS will reach its full production capacity of 12.5 Mt KCl. PCS expects that these new provincial tax measures will result in pre-tax savings of approximately US\$6.25/t. Mosaic is investing US\$26 million to increase its production capacity by 400 000 t KCl at Esterhazy. Mosaic is also planning to increase its production capacity by an additional 1.6 Mt KCl at a later stage. Agrium is investing US\$65 million to increase production capacity by 310 000 t KCl at Vanscoy. Canadian potash production capacity will increase from the current 21.4 Mt to 22.5 Mt KCl by the fall of 2006 as a result of these investments.

Canada's potash operations are concentrated in the province of Saskatchewan. Potash Corporation of Saskatchewan Inc. (PCS), based in Saskatoon, Saskatchewan, is the world's largest publicly owned

Figure 1
Location of Potash Mines in Canada and Shipping Terminals, 2004



Numbers refer to locations on map above.

UNDERGROUND POTASH MINES

1. Agrium Inc., Vanscoy, Saskatchewan
2. Potash Corporation of Saskatchewan Inc., Cory Division, Saskatoon, Saskatchewan
4. Potash Corporation of Saskatchewan Inc., Allan Division, Allan, Saskatchewan
5. Mosaic Potash Colonsay ULC, Colonsay, Saskatchewan
6. Potash Corporation of Saskatchewan Inc., Lanigan Division, Lanigan, Saskatchewan
8. Mosaic Potash Esterhazy Limited Partnership (K1 and K2 mines), Esterhazy, Saskatchewan
9. Potash Corporation of Saskatchewan Inc., Rocanville Division, Rocanville, Saskatchewan
10. Potash Corporation of Saskatchewan Inc., New Brunswick Division, Sussex, New Brunswick

SOLUTION MINING OPERATIONS

3. Potash Corporation of Saskatchewan Inc., Patience Lake Division, Patience Lake, Saskatchewan
7. Mosaic Potash, Belle-Plaine, Saskatchewan

POTASH SHIPPING TERMINALS

1. Neptune Bulk Terminals, Vancouver, British Columbia
2. Portland Bulk Terminals, Portland, Oregon
3. Barrack Point Terminal, Saint John, New Brunswick

potash producer with six Canadian operations: PCS Allan Division, PCS Cory Division, PCS Lanigan Division, PCS New Brunswick Division, PCS Rocanville Division, and PCS Patience Lake Division (a solution mine). PCS owns 25% of the reserves at Esterhazy, Saskatchewan, which are mined by Mosaic Potash Esterhazy Limited Partnership under a long-term agreement. PCS has not made a decision on expansion of potash mining in New Brunswick where a potential high-grade ore zone adjacent to the existing potash mine was discovered in 2001. PCS also owns 26% of the interest of Arab Potash Company (APC) in Jordan, 25% of SQM in Chile, and 10% of Israel Chemical Limited in Israel.

In January 2004, IMC Global and Cargill signed an agreement to combine IMC and Cargill Crop Nutrition to form a new fertilizer company. The new company was officially named in October 2004 as the Mosaic Company (Mosaic) with the head office located in Plymouth, Minnesota. IMC's four potash mines in Saskatchewan are part of Mosaic and the merger process did not affect four potash operations. The four potash operations are: Mosaic Potash Canada Ltd. for the mine at Belle-Plaine (a solution mine), Mosaic Potash Esterhazy Limited Partnership for the two mines at Esterhazy (K1 and K2), and Mosaic Potash Colonsay ULC for the mine at Colonsay.

Agrium Inc., based in Calgary, Alberta, has one mine in Vanscoy, Saskatchewan.

Canpotex, owned by potash producers Agrium, Mosaic and PCS, is an exclusive offshore marketing and distribution company to handle Canadian potash destined for

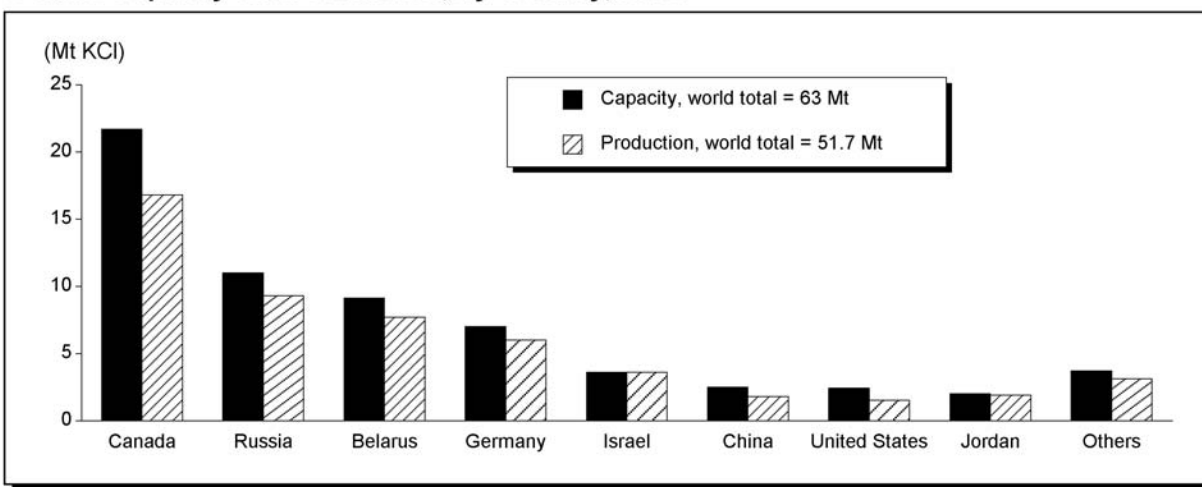
overseas markets. Canpotex's sales are currently in the range of 7-8 Mt of potash per year. A corporate office in Singapore directs Canpotex's international marketing activities and ocean transportation function worldwide. Offices in Hong Kong and Tokyo maintain direct contact with Asian buyers. A corporate office in Saskatoon, Saskatchewan, directs operational functions, including product supply, inland transportation, terminal services, corporate finance, and administration. An office in Vancouver, British Columbia, oversees the operations of Canpotex's terminals.

Manitoba's potash project, a joint venture between Entreprise minière et chimique of France and the Government of Manitoba, is still on hold. Manitoba Potash Corporation holds the rights to the deposit in the Russell-Binscarth area adjacent to the Saskatchewan border. The deposit, discovered in the 1980s, contains an estimated 120 Mt of potash grading 24.5% K_2O .

Production Capacity and Usage

In 2004, Canada's production capacity was 21.4 Mt KCl, the world's largest, accounting for 36% of total world capacity of 60 Mt KCl. The average capacity usage rate was significantly increased to 77% from the previous year's 70%. PCS has an annual production capacity of 12.1 Mt KCl. The utilization rate improved in 2004 to 65% from the previous year's 58%. IMC's Canadian potash operations, with an annual capacity of 7.45 Mt KCl, operated impressively at 100% of their capacity in 2004. Agrium operated at 93% in 2004 with an annual capacity of 1.8 Mt KCl.

Figure 2
Potash Capacity and Production, by Country, 2004



Sources: Natural Resources Canada; International Fertilizer Industry Association.

In 2004, Canada experienced the highest operating rates since the early 1990s. If global demand for potash continues to grow, Canada will have higher operating rates as most of the global potash producers have already operated at full capacity. Meanwhile, Canada still has an extra production capacity of 5.5 Mt KCl.

WORLD REVIEW

In 2004, the world's total potash output increased to 51.7 Mt KCl in 2004 from 46.5 Mt KCl in 2003, an increase of 11%. The global potash industry operated at 86% of its production capacity, up from 77% in 2003. Eight of the twelve countries producing potash saw a production increase and four of the twelve had production decreases. Six countries (Canada, Russia, Belarus, Germany, Israel and Jordan) dominate potash production with almost 90% of the global total output.

Eastern Europe

Two countries of the former Soviet Union, Russia and Belarus, are the second and third leading potash producers in the world, behind Canada. In the last decade, both countries' potash production has been increasing. In 2004, Russia produced 9.3 Mt KCl, an increase of 20% from the previous year's 7.8 Mt, while Belarus produced 7.7 Mt KCl, an increase of 9% from the previous year's 7 Mt.

Russia has been mining potash from the Verkhnekamskoye deposit in the Western Urals in the Perm Region since the 1940s. JSC Uralkali and JSC Silvinit combined have an annual production capacity of 11 Mt KCl and operated at 85% of capacity in 2004, up from 72% in 2003. Production in Belarus comes from the Starobinskoye deposit located near the city of Soligorsk. The country's only producer, PA Belaruskali, is state-owned and has an annual capacity of 9 Mt KCl. It also operated at 85% of its capacity in 2004, up from 76% in 2003.

In the last decade, both Russia and Belarus emerged from supplying potash to only East European countries to become major suppliers to the world market. In 2004, Russia exported 82% of its production. Exports rose to 7.6 Mt KCl from the previous year's 6.2 Mt KCl, an increase of 22%. Belarus exported 90% of its production and its export volume increased 11% to 6.9 Mt KCl from 2003's 6.2 Mt. Production and transportation facilities have both been improved over the last decade. Uralkali is upgrading the production facilities at the Berezniki No. 4 mine with an ambitious goal to reach total output of 7 Mt KCl from its four operations in 2008. Uralkali also began construction of a power generation plant at the beginning of 2005 aiming to achieve self-sufficiency in power supply with a loan of US\$75 million from the European Bank for Reconstruction and Development. Belaruskali is constructing two new shafts to replace old ones with an

investment of US\$180 million. Potash export terminals at major ports of the Baltic Sea (Ventspils, St-Petersburg, Klaipeda), the Black Sea (Nikolaev, Illichevsk) and the Far East (Vostochny) have been significantly improved or have been newly constructed to handle increased volume. JSC International Potash Company in Moscow, founded in 1992, handles exports of potash produced by JSC Silvinit and Belarus's PA Belaruskali. Russian producer JSC Uralkali briefly marketed potash with Canpotex through a joint venture from 2000 to 2003 but is now marketing its own production.

Western Europe

Germany produced 6 Mt of KCl in 2004, an increase of 2% from 5.9 Mt in 2003. Germany's producer, K&S Kali GmbH, operated at near full capacity. K&S Kali GmbH completed its €\$40 million sylvinit project, and mining of potash ore at Unterbreizbach was officially launched in October 2004. Unterbreizbach will be producing potash ore at a rate of 1.5 Mt/y and mined ores will be transported to Werra-Wintershall for further processing through an underground conveyance system. K&S said that the project increased Werra plant's competitiveness and cost efficiency, and improved its environmental considerations.

Spain produced 922 000 t of KCl in 2004, a 9% increase from the previous year's 844 000 t. The producer, Iberpotash S.A., is a subsidiary of the Dead Sea Works (DSW) of Israel. Iberpotash supplies potash to European markets.

The United Kingdom's production fell 13% from 2003's 1.04 Mt KCl; its output was 899 000 t KCl in 2004. The only potash mine, Cleveland, is owned by DSW of Israel.

North America

The United States produced 1.5 Mt of KCl in 2004. Potash production was from Michigan, New Mexico and Utah. Most of the production was from Carlsbad in southeastern New Mexico where two companies operated three mines. Intrepid Potash New Mexico LLC has two operations and Mosaic Potash Carlsbad produces a variety of potash. In Michigan, Mosaic Potash Hersey has a solution mine. In Utah, Intrepid Moab LLC and Wendover LLC produce potash without a large output.

Intrepid Mining LLC of Denver, Colorado, owner of Moab Potash LLC in Utah, became the largest potash producer in the United States in March 2004, after acquiring Mississippi Potash's assets in Carlsbad, New Mexico, and named the operation Intrepid Potash New Mexico LLC; it also acquired Reilly Industries Inc.'s potash assets in Wendover, Utah, and named the operation Intrepid Potash Wendover LLC.

On May 16, 2005, the U.S. Congress passed the *Potash Royalty Reduction Act* of 2005. The act will reduce the

royalties (from 2% to 1%) for five years that potash companies pay the federal government on mining output from federal lands. The act also requires that half of the funds generated by the royalty be held in reserve by the U.S. Treasury to ensure successful post-mining land reclamation.

Latin America

Brazil's only potash mine, the Taquari-Vassouras mine of Companhia Vale do Rio Doce (CVRD), produced 617 000 t of KCl in 2004, a 3% decrease from the previous year's 636 000 t. It operated at full capacity. CVRD has been undergoing a production capacity expansion since 2002 that is expected to be completed by 2005; its production capacity will increase to 820 000 t/y KCl from the current 600 000 t/y.

Chile's production also decreased 3% to 633 000 t KCl from 2003's 650 000 t. Its major producer, Sociedad Quimica y Minera de Chile S.A. (SQM), extracts potash using solar evaporation from the brine of Salar de Atacama, an underground lake measuring 2900 km² in the desert of Atacama. The products derived from the Salar de Atacama brine include potassium chloride, potassium sulphate and other chemicals.

Middle East

Israel's production was up by 9% to 3.6 Mt KCl from the previous year's 3.3 Mt and operated at full capacity. The Dead Sea Works, Israel's sole producer, also has control of potash production in Spain and the United Kingdom, in addition to its own potash production, making it a player in the world potash industry.

Jordan's production remained at a level similar to 2003's 1.9 Mt KCl, and Arab Potash Company (APC) operated at near its full capacity of 2 Mt/y KCl. APC also produces potash from the Dead Sea.

Asia

Asia, the world's largest consumer of potash, is ambitious to produce potash to supply its own region. China, one of the leading potash consumers and importers in the world, increased its potash production by 70% to 1.8 Mt KCl from the previous year's 1 Mt. China's potash production mainly came from Qinghai Province where the Qaidam Basin holds 97% of its potash reserves.

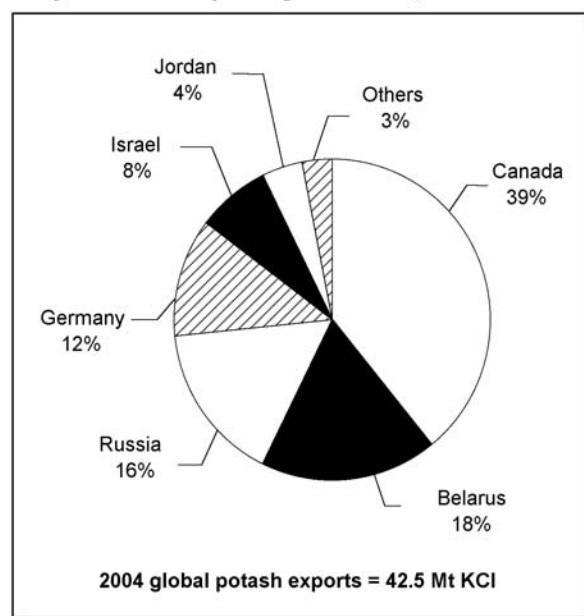
Asia Pacific Resources Ltd. (APR), which is registered in Canada, has been exploring for potash through its subsidiary, Asia Pacific Potash Corporation (APPC), in northeastern Thailand since 1993. APPC discovered two deposits, Udon Thani South and Udon Thani North. In May 2003, APPC applied for a mining lease to the

Government of Thailand to mine potash in the Udon South deposit. The company is planning initial production of 1.0 Mt/y, increasing to 2 Mt/y through a plant expansion. The cost is estimated at US\$300 million for the initial stage and at US\$200 million for the second stage. The company is also projected to create more than 1000 jobs during the three-year construction phase and 900 jobs over a 22-year mine life. As of May 2005, APPC was still working to obtain the mining licence. In 2004, the Government of Thailand withdrew its financial support on the ASEAN project at Bamnet Narong, which has been studied for more than 15 years. The Thai government indicated that any developments would have to be supported by the private sector. The project is supposed to produce 1.0 Mt/y of potash with a mine life of 20 years. No developments on this project were expected in the near future.

CONSUMPTION AND TRADE

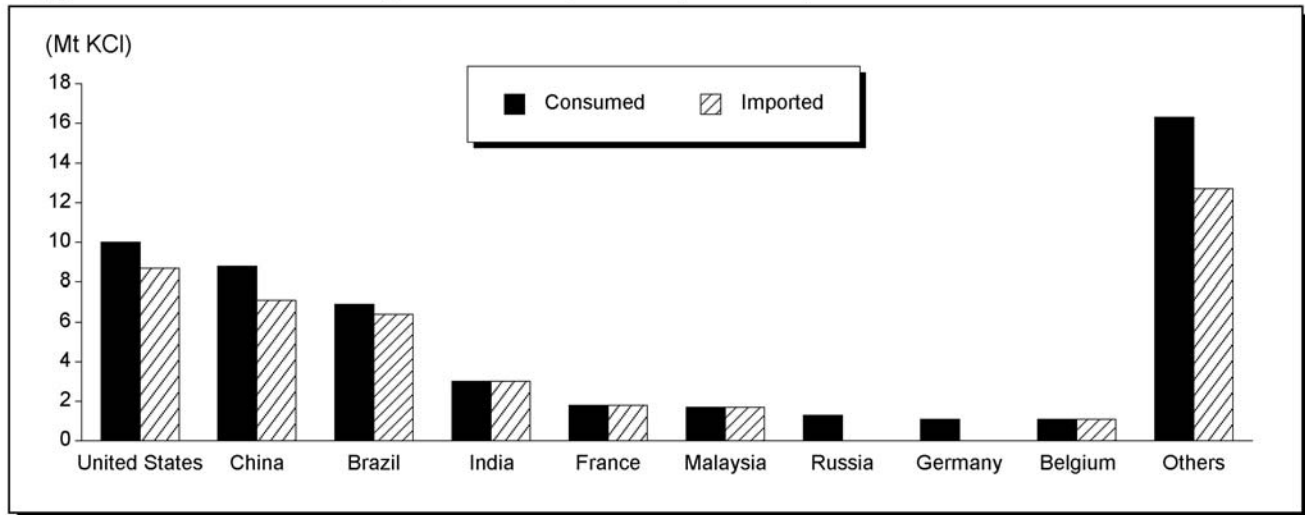
With many consumers but only a few producers, international trade in potash is significant. In 2004, the potash trade volume increased 10% to 42.5 Mt KCl, compared with 39 Mt KCl in 2003. Six major producing countries accounted for 97% of total potash exports: Canada, 16.7 Mt KCl; Russia, 7.6 Mt KCl; Belarus, 6.9 Mt KCl; Germany, 5 Mt KCl; Israel, 3.2 Mt KCl; and Jordan, 1.8 Mt KCl.

Figure 3
Major Potash Exporting Countries, 2004



Source: Natural Resources Canada.

Figure 4
Apparent Potash Consumption and Imports, by Country, 2004



Source: Natural Resources Canada.

Major potash-consuming countries are major agriculture-producing countries. However, they have a limited or no potash resource and have to rely on imports for the majority of their potash fertilizer.

The United States, the largest consumer, apparently consumed 10 Mt KCl in 2004, an increase of 10% from 2003's 9.1 Mt. The 10 Mt of consumption included imports of 8.7 Mt KCl, of which Canada supplied 8.1 Mt.

China's potash consumption has been steadily increasing. Apparent consumption for China was estimated at 8.8 Mt KCl in 2004, of which 7.1 Mt came from imports and the remainder came from domestic production. China imported 4.3 Mt KCl from Russia and Belarus in 2004, accounting for 61% of its total potash imports. Canada supplied about 25% (1.8 Mt KCl in 2004) and the remainder was from Israel and Jordan.

Brazil, the third largest consumer, apparently consumed 6.9 Mt KCl in 2004. Brazil produces limited potash and relies on imports, which account for more than 90% of the country's total consumption. Brazil's imports came from Russia and Belarus, 2.4 Mt KCl; Canada, 1.7 Mt KCl; and Germany, 1.1 Mt KCl; the remainder came from Israel, Spain and the United Kingdom.

PRICES

World potash market prices have been relatively stable for the past decade. However, potash prices increased in 2004 after a decade of stable prices. Spot price indicators, f.o.b.

Vancouver and f.o.b. Baltic, have swung upwards in 2004 and the following table shows the movements:

SPOT PRICE

| | KCl Standard | | KCl Granular | |
|-----------|------------------|---------------|------------------|---------------|
| | f.o.b. Vancouver | f.o.b. Baltic | f.o.b. Vancouver | f.o.b. Baltic |
| | (US\$/t) | | | |
| Jan.-Feb. | 90-117 | 80-92 | 100-127 | 92-102 |
| March | 97-135 | 90-100 | 107-138 | 100-117 |
| Apr.-May | 120-135 | 115-117 | 130-145 | 125-127 |
| June-Dec. | 135-160 | 130-142 | 145-170 | 140-152 |

In 2004, the contract price for KCl standard grade f.o.b. Vancouver was at US\$105-\$131/t for the first 10 months before increasing to US\$105-\$148/t in November and US\$131-\$148/t in December.

In North America, Canadian producers sell potash directly to customers and prices also increased in 2004. The following table lists potash f.o.b. mines prices from one of the producers:

| | KCl f.o.b. Saskatchewan Mines | | |
|-----------------------|-------------------------------|--------|----------|
| | Standard | Coarse | Granular |
| | (US\$ per short ton) | | |
| Mid-Feb. to early May | 108 | 111 | 113 |
| May to mid-July | 113 | 116 | 118 |
| Mid-July forward | 128 | 131 | 133 |

Potash price increases were directly driven by the high demand worldwide and to compensate for the rising cost of transportation and ocean freight for potash producers.

OUTLOOK

The primary driver for the fertilizer industry is the demand for food, which in turn is driven by population growth and changes in dietary components, e.g., the move towards a high-protein diet from a carbohydrate diet. The world population, estimated at 6.4 billion at the beginning of 2005, is expected to grow at a rate of 1.12% per year, reaching 6.8 billion by 2010 and 7.6 billion by 2020. The agricultural sector will have to meet the needs of this growing population.

Grains, as a major food source, rely heavily on fertilizer usage to increase production. In the 2003/04 marketing year,¹ the world wheat and coarse grains inventory declined to the lowest level in 40 years and the stocks-to-use ratio fell to 17.4%. One of the key indicators, the stocks-to-use ratio for coarse grains, fell to 14.4%, the lowest level since 1976. However, the low inventory level alarmed the agriculture sector and grain producers, and grain production was boosted. The world stocks-to-use ratio for wheat and coarse grains recovered to 20.5% in 2004/05 and the coarse grains ratio increased to 17.9%. Strong global grain production activities indicate grains production will continue to grow in 2005/06.

The potash industry viewed the strong grains production as a driver of the increase in demand for potash. Canadian potash producers are optimistic about the outlook for 2005 as market conditions continued to improve and demand continued to rise in Asia and Latin America in 2004. All producers are expecting production increases in 2005 to meet the worldwide demand for fertilizer. In April 2005, the Government of Saskatchewan modified the provincial mining taxes applicable to potash projects, allowing for a 10-year base payment holiday on expansions of 200 000 t KCl or larger. At the same time, all three Saskatchewan potash producers announced production capacity expansions. PCS is investing US\$275 million to bring back 1.9 Mt of its idle KCl production capacity at Lanigan and Allan. With the 400 000-t KCl capacity expansion at Rocanville that came on stream in the first quarter of 2005, PCS will reach its full production capacity of 12.5 Mt/y KCl. Mosaic is investing US\$26 million to increase its production capacity by 400 000 t KCl at Esterhazy. Mosaic is also planning to increase its production capacity by an additional 1.6 Mt KCl at a later stage. Agrium is investing US\$65 million to increase production capacity

by 310 000 t KCl at Vanscoy. Canadian potash production capacity will increase from the current 21.4 Mt/y to 22.5 Mt/y KCl by the fall of 2006 as a result of these investments.

In conclusion, the outlook for potash production and sales is positive both in Canada and worldwide in 2005. In Canada, the increase in production and sales will likely be in the range of 5-7% and it is expected that the worldwide increase will be in the same range. In the long term, growth in potash demand is expected from agricultural development and expansion, particularly in developing countries.

GENERAL INFORMATION

Potash is a generic term used to describe a variety of mined minerals and manufactured chemicals all containing the element potassium. Potash includes potassium chloride (sylvite), potassium magnesium chloride (carnallite), potassium magnesium sulphate (langbeinite), potassium sulphate, and potassium nitrate. The dominant potash product is potassium chloride (KCl) or muriate of potash (MOP), a naturally occurring pink, salty mineral of which Canada is the leading producer and exporter.

Potash as agricultural fertilizer accounts for 90-95% of production worldwide. Potash, nitrogen and phosphorus are the three basic and important nutrients for plants. Potash supports plant growth and enhances the absorption of other nutrients. There is no substitute for potash. Smaller amounts are used for the manufacture of potassium-bearing chemicals, detergents, ceramics and pharmaceuticals; as water conditioners; or as an alternative to de-icing salt.

Potash is a limited resource that is only found in a few places in the world. Canada has the world's largest known potash resource, conservatively estimated at 56 billion t, or sufficient to mine for several thousand years at the current production level. The second largest deposit is found in Russia. The brine of the Dead Sea in the Middle East is also very rich in potassium. The majority of potash is mined by conventional underground or solution mining. A portion of potash is also recovered from brines by solar evaporation.

Potash was discovered in Saskatchewan in the early 1940s. This deposit, the largest in the world, lies underneath the southern plains of Saskatchewan and western Manitoba and extends into northeastern Montana and North Dakota. Canadian potash mining began in the 1960s when the first potash mine opened in Saskatchewan in 1962. Subsequently, a solution mine opened in 1964 and more conventional mines joined production. By the mid-1980s, New Brunswick began producing potash. There are currently eleven underground mines in operation comprising nine

¹ The marketing year begins on June 1 and ends on May 31 of the following year.

conventional and two solution mines with an approximate work force of 3500.

Most Canadian potash exports were shipped out of ocean terminals in Vancouver, British Columbia, and Portland, Oregon, in the northwestern United States. PCS New Brunswick Division's production was shipped from the Barrack Terminal in Saint John, New Brunswick.

RELEVANT CANADIAN POTASH WEB SITES

Potash Corporation
of Saskatchewan: www.potashcorp.com
The Mosaic Company: www.mosaicco.com
Agrium Inc.: www.agrium.com
Canpotex Ltd.: www.canpotex.com
Potash and Phosphate
Institute of Canada: www.ppi-ppic.org
Canadian Fertilizer Institute: www.cfi.ca

Notes: (1) For definitions and valuation of mineral production, shipments and trade, please refer to Chapter 64. (2) Information in this review was current as of June 30, 2005. (3) This and other reviews, including previous editions, are available on the Internet at www.nrcan.gc.ca/mms/cmy/com_e.html.

NOTE TO READERS

The intent of this document is to provide general information and to elicit discussion. It is not intended as a reference, guide or suggestion to be used in trading, investment, or other commercial activities. The author and Natural Resources Canada make no warranty of any kind with respect to the content and accept no liability, either incidental, consequential, financial or otherwise, arising from the use of this document.

TARIFFS

| Item No. | Description | Canada | | | United States | EU | Japan |
|---------------|--------------------------------------|--------|------|------|---------------|-----------------------|---------|
| | | MFN | GPT | USA | Canada | Conventional Rate (1) | WTO (2) |
| 2815.20 | Potassium hydroxide (caustic potash) | Free | Free | Free | Free | 5.5% | 3.9% |
| 3104.20 | Potassium chloride | Free | Free | Free | Free | Free | Free |
| 3104.30 | Potassium sulphate | Free | Free | Free | Free | Free | Free |
| 3104.90.00.10 | Magnesium potassium sulphate | Free | Free | Free | Free | Free | Free |
| 3104.90.00.90 | Other | Free | Free | Free | Free | Free | Free |

Sources: Canadian Customs Tariff, effective January 2005, Canada Border Services Agency; Harmonized Tariff Schedule of the United States, 2005. Official Journal of the European Union (October 30, 2004 Edition); Customs Tariff Schedules of Japan, 2004.

(1) The customs duties applicable to imported goods originating in countries that are Contracting Parties to the General Agreement on Tariffs and Trade or with which the European Community has concluded agreements containing the most-favoured-nation tariff clause shall be the conventional duties shown in column 3 of the Schedule of Duties. (2) WTO rate is shown; lower tariff rates may apply circumstantially.

TABLE 1. CANADA, POTASH PRODUCTION, SHIPMENTS AND TRADE, 2002-04

| | | 2002 | | 2003 (r) | | 2004 (p) | |
|---------------------------------------|--------------------------------------|--------------|------------|--------------|------------|------------|------------|
| | | (tonnes) | (\$000) | (tonnes) | (\$000) | (tonnes) | (\$000) |
| PRODUCTION, Potassium chloride | | | | | | | |
| | Gross weight | 13 910 874 | .. | 14 850 680 | .. | 16 520 172 | .. |
| | K ₂ O equivalent | 8 515 357 | .. | 9 093 232 | .. | 10 114 130 | .. |
| SHIPMENTS | | | | | | | |
| | K ₂ O equivalent | 8 361 025 | 1 627 224 | 9 229 428 | 1 608 791 | 10 791 703 | 1 930 025 |
| EXPORTS, Fertilizer potash (1) | | | | | | | |
| 2815.20 | Potassium hydroxide (caustic potash) | | | | | | |
| | United States | 467 | 338 | 1 049 | 383 | 514 | 257 |
| | South Korea | 394 | 433 | 21 | 14 | 2 | 125 |
| | Brazil | - | - | - | - | 65 | 94 |
| | Russia | - | - | - | - | 73 | 63 |
| | Portugal | 23 | 34 | 26 | 27 | 40 | 47 |
| | Hong Kong | - | - | 3 | 2 | 54 | 34 |
| | Australia | - | - | - | - | 7 | 12 |
| | Qatar | - | - | 2 | 10 | ... | 8 |
| | India | - | - | 2 | 2 | 2 | 8 |
| | Indonesia | 2 | 28 | 9 | 11 | 6 | 6 |
| | Malaysia | - | - | - | - | 1 | 6 |
| | Colombia | - | - | 2 | 7 | 6 | 4 |
| | Thailand | 3 | 2 | 22 | 11 | 4 | 4 |
| | Chile | 3 | 2 | - | - | 2 | 2 |
| | New Zealand | - | - | - | - | 3 | 2 |
| | Belgium | - | - | 17 | 12 | ... | 1 |
| | Saint Pierre and Miquelon | - | - | - | - | ... | 1 |
| | Spain | - | - | - | - | ... | 1 |
| | France | - | - | ... | ... | 2 | ... |
| | Mexico | - | - | ... | ... | ... | ... |
| | Dominican Republic | - | - | - | - | ... | ... |
| | Taiwan | - | - | - | - | ... | ... |
| | Costa Rica | - | - | 4 | 3 | - | - |
| | China | - | - | 4 | 5 | - | - |
| | Saudi Arabia | - | - | 6 | 5 | - | - |
| | Singapore | - | - | 12 | 43 | - | - |
| | Tanzania | 37 | 66 | - | - | - | - |
| | Saint Kitts and Nevis | 99 | 49 | - | - | - | - |
| | Kuwait | ... | ... | - | - | - | - |
| | Total | 1 028 | 952 | 1 179 | 535 | 781 | 675 |
| 283421.00 | Potassium nitrate | | | | | | |
| | Mexico | - | - | ... | ... | ... | ... |
| | Cuba | - | - | - | - | 1 | ... |
| | Egypt | 9 | 17 | - | - | - | - |
| | United States | 39 | 33 | - | - | - | - |
| | Honduras | - | - | ... | ... | - | - |
| | Saint Pierre and Miquelon | - | - | ... | ... | - | - |
| | Total | 48 | 50 | ... | ... | 1 | ... |
| 2835.24 | Potassium phosphates | | | | | | |
| | Mexico | - | - | ... | ... | ... | ... |
| | Chile | ... | ... | - | - | - | - |
| | Total | ... | ... | ... | ... | ... | ... |
| 2839.20 | Potassium silicates | | | | | | |
| | United States | - | - | - | - | 266 | 310 |

TABLE 1 (cont'd)

| | | 2002 | | 2003 (r) | | 2004 (p) | |
|-------------------------|---------------------------|------------|-----------|------------|-----------|------------|-----------|
| | | (tonnes) | (\$000) | (tonnes) | (\$000) | (tonnes) | (\$000) |
| EXPORTS (cont'd) | | | | | | | |
| 3104.20 | Potassium chloride | | | | | | |
| | United States | 7 998 593 | 1 113 375 | 8 423 430 | 1 072 891 | 8 868 802 | 1 130 447 |
| | China | 1 655 043 | 377 214 | 1 544 074 | 255 325 | 1 784 292 | 274 527 |
| | Brazil | 1 032 860 | 188 918 | 1 353 920 | 195 488 | 1 642 738 | 240 320 |
| | Indonesia | 121 000 | 27 590 | 273 071 | 44 411 | 600 321 | 91 395 |
| | India | 218 890 | 49 683 | 522 093 | 81 963 | 588 928 | 90 046 |
| | Malaysia | 459 506 | 104 848 | 371 389 | 59 091 | 571 898 | 88 186 |
| | Vietnam | 60 551 | 13 828 | 113 030 | 18 067 | 230 100 | 35 111 |
| | Thailand | 134 552 | 30 306 | 117 241 | 18 273 | 219 433 | 33 440 |
| | New Zealand | 171 719 | 39 254 | 96 622 | 15 421 | 138 084 | 21 260 |
| | Belgium | 96 415 | 21 892 | 74 314 | 11 445 | 118 480 | 20 692 |
| | Taiwan | 180 715 | 41 137 | 81 833 | 12 953 | 121 782 | 18 718 |
| | South Korea | 370 987 | 84 514 | 191 474 | 31 450 | 120 608 | 18 551 |
| | Colombia | 49 851 | 11 373 | 111 641 | 17 512 | 101 209 | 14 892 |
| | Philippines | 49 089 | 11 205 | 74 664 | 11 647 | 84 257 | 13 178 |
| | Mexico | 24 817 | 5 662 | 95 105 | 13 215 | 90 830 | 12 345 |
| | Japan | 470 434 | 107 060 | 51 215 | 8 275 | 72 889 | 11 358 |
| | Ecuador | 29 613 | 6 800 | 17 600 | 2 822 | 48 343 | 7 679 |
| | Costa Rica | 64 215 | 14 652 | 31 061 | 4 975 | 47 602 | 7 283 |
| | Guatemala | 37 086 | 7 725 | 46 448 | 7 055 | 47 383 | 6 965 |
| | Spain | 20 869 | 3 205 | 38 928 | 6 133 | 37 372 | 5 851 |
| | Peru | 24 223 | 5 380 | 25 299 | 4 019 | 27 553 | 4 189 |
| | Italy | 87 869 | 20 006 | 30 351 | 4 588 | 26 569 | 4 038 |
| | Dominican Republic | 34 100 | 4 649 | 11 055 | 1 181 | 30 645 | 3 741 |
| | Cuba | 35 200 | 4 446 | 30 397 | 3 675 | 17 464 | 2 488 |
| | Honduras | 15 600 | 1 851 | 46 649 | 5 222 | 17 250 | 2 100 |
| | Argentina | 8 009 | 1 804 | 14 927 | 2 320 | 11 951 | 1 858 |
| | Uruguay | — | — | — | — | 12 592 | 1 791 |
| | Chile | 20 826 | 4 740 | 24 109 | 4 044 | 11 167 | 1 744 |
| | Singapore | 5 500 | 1 222 | 5 409 | 1 209 | 11 097 | 1 693 |
| | El Salvador | — | — | 10 550 | 1 730 | 9 700 | 1 537 |
| | Jamaica | — | — | — | — | 10 084 | 1 275 |
| | Nicaragua | — | — | — | — | 5 500 | 892 |
| | Saudi Arabia | — | — | — | — | 3 156 | 552 |
| | Australia | 291 853 | 67 363 | 1 300 | 311 | 441 | 88 |
| | Barbados | — | — | — | — | 270 | 36 |
| | Latvia | — | — | — | — | 18 | 7 |
| | Kyrgyzstan | — | — | — | — | ... | ... |
| | Fiji | 8 939 | 2 043 | — | — | — | — |
| | Bangladesh | 200 | 28 | — | — | — | — |
| | Germany | — | — | 4 815 | 727 | — | — |
| | Netherlands | — | — | 22 681 | 3 624 | — | — |
| | United Kingdom | — | — | 4 494 | 678 | — | — |
| | Venezuela | — | — | 19 800 | 1 823 | — | — |
| | Malawi | 10 000 | 2 273 | — | — | — | — |
| | Total | 13 789 124 | 2 376 046 | 13 880 989 | 1 923 563 | 15 730 808 | 2 170 273 |
| 3104.30 | Potassium sulphate | | | | | | |
| | United States | 20 134 | 8 130 | 25 003 | 9 196 | 18 274 | 7 349 |
| | Netherlands | ... | ... | 278 | 123 | 827 | 358 |
| | Cuba | 79 | 82 | — | — | 10 | 16 |
| | Mexico | — | — | — | — | ... | ... |
| | Russia | — | — | — | — | ... | ... |
| | Belgium | 48 | 17 | 88 | 60 | — | — |
| | Total (2) | 20 261 | 8 229 | 25 369 | 9 379 | 19 111 | 7 723 |
| 3104.90 | Other potassic fertilizer | | | | | | |
| | United States | 1 641 | 376 | 6 275 | 652 | 3 454 | 786 |
| | United Kingdom | — | — | 44 | 24 | 36 | 17 |
| | Australia | — | — | 19 | 9 | 21 | 13 |
| | Netherlands | ... | ... | — | — | — | — |
| | Malaysia | — | — | 19 | 14 | — | — |
| | Singapore | — | — | 84 | 45 | — | — |
| | Total (2) | 1 641 | 376 | 6 441 | 744 | 3 511 | 816 |
| | Total exports | 13 812 102 | 2 385 653 | 13 913 978 | 1 934 221 | 15 754 478 | 2 179 797 |

TABLE 1 (cont'd)

| | | 2002 | | 2003 (r) | | 2004 (p) | |
|---------------------------------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | (tonnes) | (\$000) | (tonnes) | (\$000) | (tonnes) | (\$000) |
| IMPORTS, Fertilizer potash (1) | | | | | | | |
| 2815.20 | Potassium hydroxide (caustic potash) | | | | | | |
| | United States | 15 826 | 9 202 | 15 305 | 9 394 | 16 050 | 10 129 |
| | South Korea | 481 | 404 | 798 | 636 | 1 023 | 858 |
| | Sweden | 4 | 3 | 124 | 112 | 173 | 280 |
| | France | 401 | 323 | 285 | 231 | 264 | 246 |
| | Belgium | 529 | 409 | 20 | 14 | 12 | 212 |
| | United Kingdom | 1 | 1 | 155 | 114 | 17 | 112 |
| | Switzerland | 1 | 1 | 58 | 49 | 150 | 106 |
| | Germany | 80 | 61 | 97 | 88 | 97 | 86 |
| | Sudan | - | - | - | - | 15 | 30 |
| | China | - | - | - | - | 37 | 29 |
| | Chile | - | - | 24 | 10 | 4 | 2 |
| | Netherlands | 13 | 8 | 4 | 2 | ... | ... |
| | Australia | - | - | ... | ... | ... | ... |
| | Brazil | - | - | ... | ... | ... | ... |
| | Spain | - | - | ... | ... | ... | ... |
| | Greece | - | - | - | - | ... | ... |
| | Japan | - | - | - | - | ... | ... |
| | Czech Republic | ... | ... | ... | ... | - | - |
| | Norway | 10 | 8 | 6 | 5 | - | - |
| | Russia | ... | ... | - | - | - | - |
| | Turkey | ... | ... | - | - | - | - |
| | Denmark | - | - | ... | ... | - | - |
| | India | - | - | 1 | 1 | - | - |
| | Israel | - | - | 3 | 3 | - | - |
| | New Zealand | - | - | ... | ... | - | - |
| | Thailand | - | - | ... | ... | - | - |
| | Total | 17 346 | 10 420 | 16 880 | 10 659 | 17 842 | 12 090 |
| 2834.21 | Potassium nitrate | | | | | | |
| | Israel | 2 689 | 1 300 | 4 731 | 2 261 | 4 106 | 2 395 |
| | Chile | 2 230 | 1 270 | 2 405 | 1 238 | 3 814 | 1 970 |
| | United States | 3 719 | 2 065 | 1 814 | 918 | 1 389 | 920 |
| | Denmark | - | - | 280 | 151 | 1 113 | 607 |
| | Norway | - | - | - | - | 140 | 67 |
| | Japan | 49 | 29 | 30 | 17 | 26 | 20 |
| | Switzerland | ... | ... | 19 | 10 | 38 | 19 |
| | Iceland | - | - | - | - | 20 | 13 |
| | Netherlands | 19 | 9 | 53 | 28 | 1 | 8 |
| | Germany | 32 | 16 | 22 | 9 | 2 | 2 |
| | China | 4 | 3 | - | - | 1 | v |
| | India | - | - | 38 | 27 | ... | ... |
| | Belgium | ... | ... | - | - | - | - |
| | Poland | 1 | 1 | - | - | - | - |
| | Canada | - | - | 20 | 10 | - | - |
| | United Kingdom | - | - | ... | ... | - | - |
| | Total | 8 743 | 4 693 | 9 412 | 4 669 | 10 650 | 6 021 |
| 2835.24 | Potassium phosphates | | | | | | |
| | Israel | 677 | 643 | 974 | 900 | 745 | 779 |
| | United States | 1 009 | 1 196 | 1 046 | 1 064 | 558 | 722 |
| | Germany | 207 | 266 | 140 | 215 | 168 | 523 |
| | Belgium | 644 | 593 | 349 | 366 | 205 | 201 |
| | China | - | - | 74 | 54 | 157 | 162 |
| | Taiwan | - | - | 1 | 2 | 62 | 96 |
| | Japan | 42 | 45 | 48 | 51 | 75 | 64 |
| | France | 113 | 205 | 80 | 122 | ... | 4 |
| | Switzerland | ... | ... | 1 | 1 | 2 | 4 |
| | Mexico | 80 | 72 | 10 | 13 | 2 | 2 |
| | India | - | - | ... | ... | ... | ... |
| | United Kingdom | - | - | - | - | ... | ... |
| | Canada | 35 | 62 | - | - | - | - |
| | Netherlands | 7 | 7 | 5 | 6 | - | - |
| | Czech Republic | - | - | ... | ... | - | - |
| | Total | 2 814 | 3 089 | 2 728 | 2 794 | 1 974 | 2 557 |

TABLE 1 (cont'd)

| | | 2002 | | 2003 (r) | | 2004 (p) | |
|-------------------------|----------------------|----------|---------|----------|---------|----------|---------|
| | | (tonnes) | (\$000) | (tonnes) | (\$000) | (tonnes) | (\$000) |
| IMPORTS (cont'd) | | | | | | | |
| 2836.40 | Potassium carbonates | | | | | | |
| | United States | 2 636 | 1 757 | 2 736 | 1 820 | 2 114 | 1 679 |
| | France | 357 | 273 | 626 | 439 | 505 | 342 |
| | China | 154 | 75 | 62 | 38 | 76 | 64 |
| | Hong Kong | 84 | 48 | 51 | 26 | 39 | 34 |
| | Chile | — | — | — | — | 54 | 28 |
| | United Kingdom | 16 | 9 | 25 | 13 | 24 | 15 |
| | Japan | 3 | 2 | 9 | 6 | 23 | 11 |
| | Germany | 13 | 8 | 11 | 9 | 8 | 7 |
| | Israel | — | — | — | — | 2 | 1 |
| | Mexico | 1 | 1 | 1 | 1 | 1 | ... |
| | Switzerland | ... | ... | — | — | ... | ... |
| | Canada | — | — | — | — | 1 | ... |
| | India | — | — | — | — | ... | ... |
| | Italy | 11 | 6 | 14 | 8 | — | — |
| | Sierra Leone | ... | ... | — | — | — | — |
| | Slovenia | ... | ... | — | — | — | — |
| | Australia | — | — | 20 | 13 | — | — |
| | Total | 3 275 | 2 179 | 3 555 | 2 373 | 2 847 | 2 181 |
| 2839.20 | Potassium silicates | | | | | | |
| | United States | 1 555 | 1 228 | 1 905 | 1 298 | 3 225 | 2 039 |
| | Germany | 1 | 1 | ... | 1 | 1 | 1 |
| | Belgium | ... | ... | ... | ... | ... | ... |
| | Switzerland | 20 | 21 | — | — | — | — |
| | China | — | — | 1 | 1 | — | — |
| | Total | 1 576 | 1 250 | 1 906 | 1 300 | 3 226 | 2 040 |
| 3104.20 | Potassium chloride | | | | | | |
| | United States | 6 290 | 907 | 5 811 | 813 | 3 934 | 981 |
| | Germany | 105 | 15 | 249 | 31 | 211 | 29 |
| | Israel | 95 | 17 | 145 | 16 | 38 | 20 |
| | China | — | — | 115 | 15 | 22 | 14 |
| | United Kingdom | 27 | 5 | — | — | 2 | 2 |
| | Japan | — | — | 26 | 4 | ... | 2 |
| | Brazil | — | — | 4 | ... | 4 | 1 |
| | Canada | 50 | 6 | 14 | 2 | 1 | ... |
| | Switzerland | 1 | ... | ... | ... | ... | ... |
| | India | — | — | — | — | ... | ... |
| | Italy | — | — | — | — | ... | ... |
| | France | 187 | 25 | — | — | — | — |
| | Spain | 3 | 1 | 4 | 1 | — | — |
| | Belgium | — | — | 1 | ... | — | — |
| | Taiwan | — | — | ... | ... | — | — |
| | Total | 6 758 | 976 | 6 369 | 882 | 4 212 | 1 049 |
| 3104.30 | Potassium sulphate | | | | | | |
| | United States | 6 234 | 2 235 | 10 201 | 3 688 | 6 035 | 2 399 |
| | Belgium | 337 | 183 | 357 | 186 | 322 | 147 |
| | Germany | 4 | 4 | 66 | 52 | 65 | 55 |
| | Netherlands | — | — | — | — | 112 | 48 |
| | Japan | 8 | 7 | 2 | 3 | 2 | 1 |
| | Canada | ... | ... | — | — | ... | ... |
| | Mexico | ... | ... | — | — | ... | ... |
| | Denmark | 44 | 25 | — | — | — | — |
| | Switzerland | ... | ... | — | — | — | — |
| | Chile | — | — | ... | ... | — | — |
| | Sweden | — | — | 42 | 18 | — | — |
| | Total | 6 627 | 2 454 | 10 668 | 3 947 | 6 536 | 2 650 |

TABLE 1 (cont'd)

| | | 2002 | | 2003 (r) | | 2004 (p) | |
|-------------------------|-----------------------------|----------|---------|----------|---------|----------|---------|
| | | (tonnes) | (\$000) | (tonnes) | (\$000) | (tonnes) | (\$000) |
| IMPORTS (cont'd) | | | | | | | |
| 3104.90.00.10 | Magesium-potassium sulphate | | | | | | |
| | United States | 57 343 | 9 480 | 57 177 | 6 388 | 54 925 | 5 735 |
| | France | ... | ... | - | - | - | - |
| | Germany | - | - | 20 | 7 | - | - |
| | Total | 57 343 | 9 480 | 57 197 | 6 395 | 54 925 | 5 735 |
| 3104.90.00.90 | Other potassic fertilizer | | | | | | |
| | United States | 23 540 | 5 684 | 21 635 | 5 281 | 14 225 | 2 818 |
| | Australia | 2 366 | 805 | 1 318 | 2 043 | 1 532 | 668 |
| | Israel | 365 | 212 | 408 | 235 | 329 | 179 |
| | Netherlands | 6 | 3 | - | - | 117 | 51 |
| | Japan | 2 | 1 | 3 | 1 | 33 | 15 |
| | Chile | 102 | 58 | 56 | 33 | 20 | 12 |
| | United Kingdom | - | - | 63 | 29 | 18 | 8 |
| | Norway | 3 | 2 | 56 | 17 | 30 | 6 |
| | Germany | ... | ... | 69 | 30 | 10 | 4 |
| | Canada | - | - | 42 | 8 | ... | ... |
| | Russia | - | - | - | - | ... | ... |
| | Taiwan | - | - | - | - | ... | ... |
| | Brazil | ... | ... | - | - | - | - |
| | China | 137 | 26 | 20 | 14 | - | - |
| | Colombia | - | - | ... | ... | - | - |
| | Fiji | - | - | ... | ... | - | - |
| | France | - | - | 1 | ... | - | - |
| | India | - | - | 18 | 11 | - | - |
| | Total | 26 521 | 6 791 | 23 689 | 7 702 | 16 314 | 3 761 |
| | Total imports | 131 003 | 41 332 | 132 404 | 40 721 | 118 526 | 38 084 |

Sources: Natural Resources Canada; Statistics Canada.

- Nil; . . Not available; . . . Amount too small to be expressed; (p) Preliminary; (r) Revised.

(1) Countries are ranked in descending order of value for 2004. (2) Total includes other countries.

Note: Numbers may not add to totals due to rounding.

TABLE 2. WORLD POTASH PRODUCTION, 1998-2004

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 (p) |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| (000 tonnes) | | | | | | | |
| POTASSIUM CHLORIDE (KCl) (1) | | | | | | | |
| Canada | 15 051 | 13 564 | 15 056 | 13 357 | 13 911 | 14 851 | 16 520 |
| United States | 1 454 | 1 511 | 1 368 | 1 348 | 1 438 | 1 185 | 1 524 |
| Belarus | 5 752 | 6 022 | 5 620 | 6 145 | 6 318 | 7 048 | 7 687 |
| Russia | 5 768 | 6 750 | 6 193 | 7 096 | 7 386 | 7 756 | 9 332 |
| France | 695 | 519 | 535 | 407 | 213 | – | – |
| Germany | 5 970 | 5 908 | 5 682 | 5 918 | 5 752 | 5 942 | 6 044 |
| Spain | 828 | 915 | 870 | 785 | 678 | 844 | 922 |
| United Kingdom | 1 014 | 825 | 1 001 | 887 | 900 | 1 036 | 899 |
| Israel | 2 780 | 2 836 | 2 913 | 2 957 | 3 197 | 3 264 | 3 563 |
| Jordan | 1 527 | 1 800 | 1 936 | 1 963 | 1 956 | 1 960 | 1 929 |
| Brazil | 526 | 561 | 567 | 575 | 606 | 636 | 617 |
| Chile | 467 | 520 | 550 | 650 | 682 | 650 | 633 |
| China | 280 | 363 | 458 | 658 | 717 | 1 033 | 1 757 |
| Total | 42 112 | 42 094 | 42 749 | 42 746 | 43 754 | 46 205 | 51 427 |
| POTASSIUM OXIDE (K₂O) (1) | | | | | | | |
| Canada | 9 201 | 8 304 | 9 205 | 8 181 | 8 515 | 9 093 | 10 114 |
| United States | 872 | 907 | 821 | 809 | 863 | 711 | 914 |
| Belarus | 3 451 | 3 613 | 3 372 | 3 687 | 3 791 | 4 229 | 4 612 |
| Russia | 3 461 | 4 050 | 3 716 | 4 258 | 4 432 | 4 653 | 5 599 |
| France | 665 | 417 | 321 | 244 | 128 | – | – |
| Germany | 3 582 | 3 545 | 3 451 | 3 551 | 3 451 | 3 565 | 3 626 |
| Spain | 497 | 549 | 522 | 471 | 407 | 506 | 553 |
| United Kingdom | 608 | 495 | 600 | 532 | 540 | 621 | 540 |
| Israel | 1 668 | 1 702 | 1 748 | 1 774 | 1 918 | 1 958 | 2 138 |
| Jordan | 916 | 1 080 | 1 162 | 1 177 | 1 174 | 1 176 | 1 157 |
| Brazil | 327 | 337 | 340 | 345 | 364 | 382 | 370 |
| Chile | 280 | 312 | 330 | 390 | 409 | 390 | 390 |
| China (e) | 168 | 218 | 275 | 395 | 430 | 620 | 1 054 |
| Total | 25 696 | 25 529 | 25 863 | 25 814 | 26 422 | 27 904 | 31 067 |

Sources: Natural Resources Canada; International Fertilizer Industry Association.

– Nil; (e) Estimate; (p) Preliminary.

(1) Potassium chloride (KCl) is used in measurement of production tonnage, while potassium oxide (K₂O) is used to measure fertilizer content in KCl. One tonne KCl contains 60-62% K₂O.**TABLE 3. POTASH SITUATION, 1994-2004**

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 (p) |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| (000 tonnes KCl) | | | | | | | | | | | |
| CANADA | | | | | | | | | | | |
| Capacity | 20 392 | 22 033 | 22 183 | 22 317 | 22 333 | 22 342 | 22 433 | 21 400 | 21 400 | 21 400 | 21 400 |
| Production | 13 637 | 15 108 | 13 403 | 15 050 | 15 051 | 13 564 | 15 056 | 13 357 | 13 911 | 14 851 | 16 520 |
| Capacity use (%) | 67 | 69 | 60 | 67 | 69 | 61 | 67 | 62 | 65 | 69 | 77 |
| Sales | 14 195 | 14 392 | 13 283 | 15 850 | 13 778 | 13 817 | 15 055 | 13 595 | 14 182 | 15 514 | 17 690 |
| Domestic | 642 | 575 | 592 | 817 | 748 | 710 | 758 | 710 | 743 | 762 | 764 |
| United States | 7 600 | 7 492 | 7 225 | 8 825 | 7 213 | 7 077 | 7 617 | 7 451 | 7 368 | 7 451 | 8 068 |
| Offshore | 5 953 | 6 325 | 5 467 | 6 208 | 5 817 | 6 030 | 6 680 | 5 434 | 6 071 | 7 302 | 8 860 |
| WORLD | | | | | | | | | | | |
| Capacity | 59 373 | 60 498 | 60 882 | 61 393 | 60 817 | 57 522 | 58 052 | 58 622 | 59 358 | 59 038 | 59 200 |
| Production | 37 800 | 40 500 | 38 885 | 42 445 | 43 115 | 42 266 | 43 015 | 43 099 | 44 144 | 46 420 | 51 740 |
| Capacity use (%) | 64 | 67 | 64 | 69 | 71 | 72 | 73 | 72 | 73 | 77 | 82 |
| Sales | 39 367 | 38 958 | 37 483 | 42 908 | 40 432 | 40 982 | 42 200 | 41 960 | 43 545 | 47 175 | 51 897 |
| Exports | 32 947 | 30 870 | 28 460 | 33 995 | 31 958 | 32 925 | 34 167 | 33 683 | 35 196 | 38 727 | 42 510 |
| Consumption | 33 397 | 34 475 | 34 663 | 37 417 | 36 403 | 36 633 | 36 825 | 37 970 | 38 945 | 41 150 | 45 000 |
| CANADA/WORLD | | | | | | | | | | | |
| Production (%) | 36 | 37 | 35 | 36 | 36 | 33 | 36 | 32 | 32 | 32 | 32 |
| Capacity (%) | 34 | 36 | 36 | 36 | 37 | 37 | 37 | 36 | 35 | 35 | 34 |

Sources: Natural Resources Canada; International Fertilizer Industry Association.

(p) Preliminary.

Note: World production capacity includes all forms of potash from 1994 to 1998, and only includes potassium chloride (KCl) after 1999.