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Vale's investments in fertilizers

In the fertilizer sector, besides Bayovar phosphate rock mine Vale also operates Taquari-Vassouras Mine in the state of Sergipe, the only potash mine in operation in Brazil. In 2009 this mine produced 717,000 metric tons. All of its output is sold on the Brazilian market, accounting for between 8% and 10% of the country's total potash consumption.

On May 27 the main steps in the acquisition of fertilizer assets in Brazil were concluded for US\$ 4.7 billion. Vale acquired 58.6% of Fosfertil for US\$ 3.0 billion, involving 72.6% of the common shares and 51.4% of the preferred shares. The remaining US\$ 1.7 billion is attributable to the acquisition of phosphate assets from Bunge in Brazil, now under Vale Fosfatados. The assets acquired are strategically located in the following regions:

- Tapira (Minas Gerais): Phosphate rock production facility.
- Uberaba (Minas Gerais): Phosphate fertilizer production facility.
- Patos de Minas and Araxá (both in Minas Gerais), Catalão (Goiás) and Cajati (São Paulo): Phosphate rock and phosphate fertilizer production facilities.
- Guará (São Paulo): Phosphate fertilizer production facility.
- Cubatão (São Paulo): Phosphate and nitrogen fertilizer production facility.
- Santos (São Paulo): Ammonia and dry bulk maritime terminal.
- Araucária (Paraná): Nitrogen fertilizer production facility.

Vale also has an attractive portfolio of projects under development, as described below:

Rio Colorado project

Situated in Mendoza Province, Argentina, the Rio Colorado project involves developing a potash mine with an initial annual production capacity of 2.4 million metric tons of potash (KCl).

Start-up is planned for the second half of 2013, subject to approval from Vale's board.

Neuquén project

Located on the opposite bank of the Colorado River from the Rio Colorado project, this potash venture, in Neuquén Province, Argentina, is in the pre-feasibility study phase. Estimated annual production is 1 million metric tons of potash.

Regina project

The Regina potash project is located in Saskatchewan Province, Canada, and is currently the subject of a pre-feasibility study. Estimated potential production is 2.8 million metric tons per year of potash. Start-up is expected in 2015.

Carnalita project

In April of this year, Vale was granted a preliminary license for the Carnalita project in Sergipe, which will be the biggest potash extraction facility in Brazil when it comes into operation.

The project involves building an industrial plant able to produce, initially, an estimated 1.2 million metric tons of potash per year. The operation is expected to start up in 2014.

Evate project

This project will produce phosphate rock from reserves in Evate, Mozambique. A pre-feasibility study is currently being conducted. Estimated annual phosphate production is 2 million metric tons.

Salitre project

This greenfield project in Patrocínio, Minas Gerais, was acquired from Fosfertil. It consists of a new mine with an estimated annual production capacity of 2 million metric tons of phosphate rock, and an industrial complex able to produce an estimated 1.26 million metric tons of phosphate fertilizer per year. The project is currently in the technical and financial feasibility study phase, and the start-up date will be decided after Vale's board gives its approval.

Expansion of Uberaba Industrial Complex

Located in Minas Gerais, this is the largest fertilizer project in Latin America. The complex's capacity is currently being expanded, enabling additional annual production of 230,000 metric tons of phosphoric acid and 481,000 metric tons of sulfuric acid, as well as greater output of high-concentration phosphate products. The work is scheduled to be completed in 2011.

More information



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