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DOES THE POTASH INDUSTRY NEED SOLUTION MINING?

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Abstract

This paper reviews the world supply/demand situation for potassium chloride and looks at the options for new capacity, considering whether solution mining will be able to play a more important role in potash than has until now.

Most of today's potash industry was built during the period of strong demand growth in the 1960s and 1970s. The rate of expansion of demand fell back in the 1980s and 1990s, as did the interest in building new potash capacity. Most recently, there has been an up-turn in demand, accompanied by a tightening in supply and by historically high price levels. In these circumstances, there has been a resurgence of interest in building more capacity, not only in the form of expansion at existing sites, but also Greenfield projects.

Solution mining, which currently only accounts for 6% of world potash production, is being considered for some of these projects because it offers economic advantages, as well as environmental benefits and some security against mine loss through flooding. At the time of writing this paper, none of the backers of Greenfield projects has made a final decision to go ahead with the investment.

Key Words: Potash, Solution Mining, Underground Mining