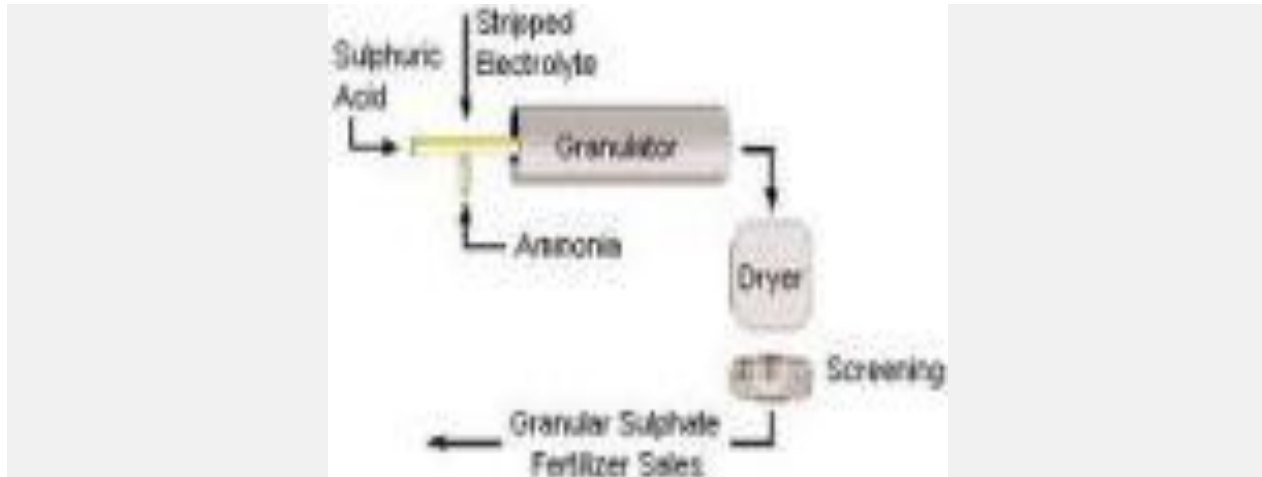
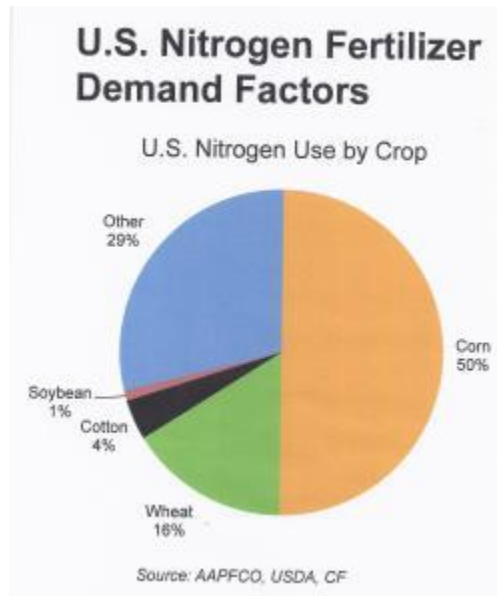
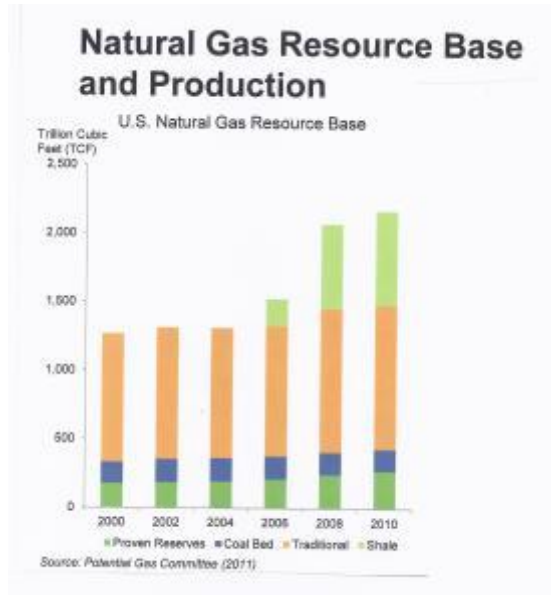


Shale gas: huge ammonia turnaround



In reporting on the “renaissance” of domestic manufacturing we have not stressed the resurgence of the domestic ammonia industry. Over recent years, fertilizer companies have imported very large amounts of liquid ammonia, as well as solid ammonia-based fertilizers, from countries enjoying low natural gas prices, including Canada, Trinidad, countries of the former Soviet Union and the Middle East. As recently as 2011, 54 percent of U.S. ammonia supply was from imports(!). Now, with our burgeoning natural gas production from shale and with gas prices dropping below \$3.00 per million BTU, a number of domestic producers are starting up plants shut down ten to twelve years ago due to high gas prices. And they are building new plants as well.

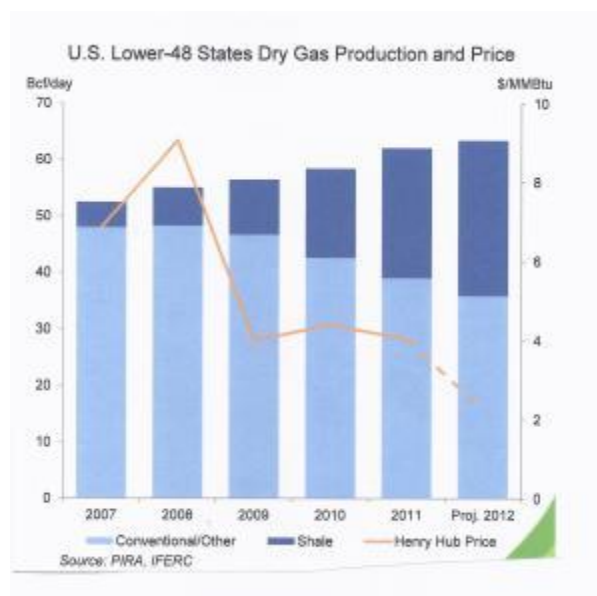




CFIndustries is investing \$ 3.8 billion to produce 2.1 million tons of ammonia per year, part of which will be converted to urea and urea ammonium nitrate. (*Chem. and Eng. News*, Nov. 12, 2012, P. 6). Potash Corporation, Agrium and other firms are also restarting or building ammonia capacity.

As shown by the above graphic, ammonia is key to making this country one of the largest corn producers, with product going into food and cattle feedstock, as well as production of gasohol. Corn and ammonia prices are at record levels: good news for our domestic industry, which will be dramatically reducing ammonia and solid ammonia fertilizer imports as new and restarted ammonia plants come on stream.

Natural gas prices will probably rise a bit, as drillers switch from gas- to oil-bearing shale deposits, thus slowing the growth of shale gas. But projections show very attractive gas prices for many years ahead.



Source:<http://chemengineeringposts.wordpress.com/2012/11/19/shale-gas-huge-ammonia-turnaround/>