

Local production the answer to bolstering fertiliser supply

Farmers are no doubt concerned about high fertiliser prices due to surging energy costs and export restrictions on suppliers.

As geopolitical instability affecting some of the world's major potash-producing nations disrupts global supply chains, the case for developing a home-grown potash industry gains ground.

As Russia restricts access to parts of the Black Sea, it is cutting shipping supply routes used to move goods, including potash, out of the region.

The European Union and the US have also imposed sanctions on potash producer Belarus — the world's third-largest potash supplier.

In addition, Ukraine has indefinitely banned the transit of potash from Russian ally Belarus by rail, cutting off supplies to



countries including Slovakia, Hungary, Austria and Poland.

Prime Minister Scott Morrison rightly pointed out last week the best way to minimise the impact of supply chain disruptions in Australia was to shift our focus to developing our own industries and manufacturing our own goods.

One of the areas Mr Morrison highlighted was agricultural chemicals, including fertilisers.

Sulphate of potash is a green, premium potassium fertiliser used by farmers around the world which benefits chloride-sensitive crops such as root vegetables,

fruits and coffee beans. Without it, the world would struggle.

Australia does not produce any potash, but several players in WA are trying to change that.

WA has some of the best primary resources of SOP in the world.

Add to that plenty of sunshine to enable environmentally friendly solar-salt production, a positive regulatory environment and low sovereign risk, and you have all the ingredients necessary for a successful, sustainable new industry.

But for the emerging industry to succeed, it needs support from government and investors, and time.

Unfortunately, potential potash producers don't have a tap we can turn on to mitigate supply chain issues. In the case of Australian

Potash Limited and our Lake Wells project in the north-eastern Goldfields of WA, we have spent six years in the discovery and development phases, and it will be a while until production starts.

Unfortunately, we've seen some of the players in our emerging industry stumble.

What we need to do is learn from the mistakes others have made and ensure we do things differently.

APC made a strategic decision early on not to employ the technique of digging large trenches to produce SOP, and has instead chosen to develop a 100 per cent borefield operation.

We are the only potential potash producer to do this.

We believe a borefield operation enables us to have the most control over the amount of brine

in our ponds, which is essential to producing SOP.

We believe it's what is going to make our operation viable.

By establishing a successful industry in WA, farmers in Australia will have access to a premium, organic, sustainable product which will enable them to grow better, healthier crops and shield them from the disruptions to supply caused by factors far beyond their control.

A homegrown potash industry should also shield farmers from skyrocketing fertiliser prices due to lower freight and shipping costs, making crops more profitable for farmers, and hopefully, making produce more affordable for consumers.

Matt Shackleton is the CEO of Australian Potash