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Feed Phosphates Report Sample

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28/03/2019

FEED PHOSPHATES

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From Mines to Premixers

Sulphur

Sulphur is an essential feedstock for feed phosphates.

A by-product of oil & gas refining.

Sulphuric Acid

Sulphuric Acid - another main feedstock

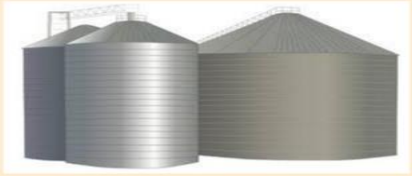
Phosphate Rock

Mined and reacted with sulphuric acid to make phosphoric acid.

Phosphoric Acid

Reacted with calcium and other feedstock to make MCP & DCP

Premixers & Compound Feed Manufacturers



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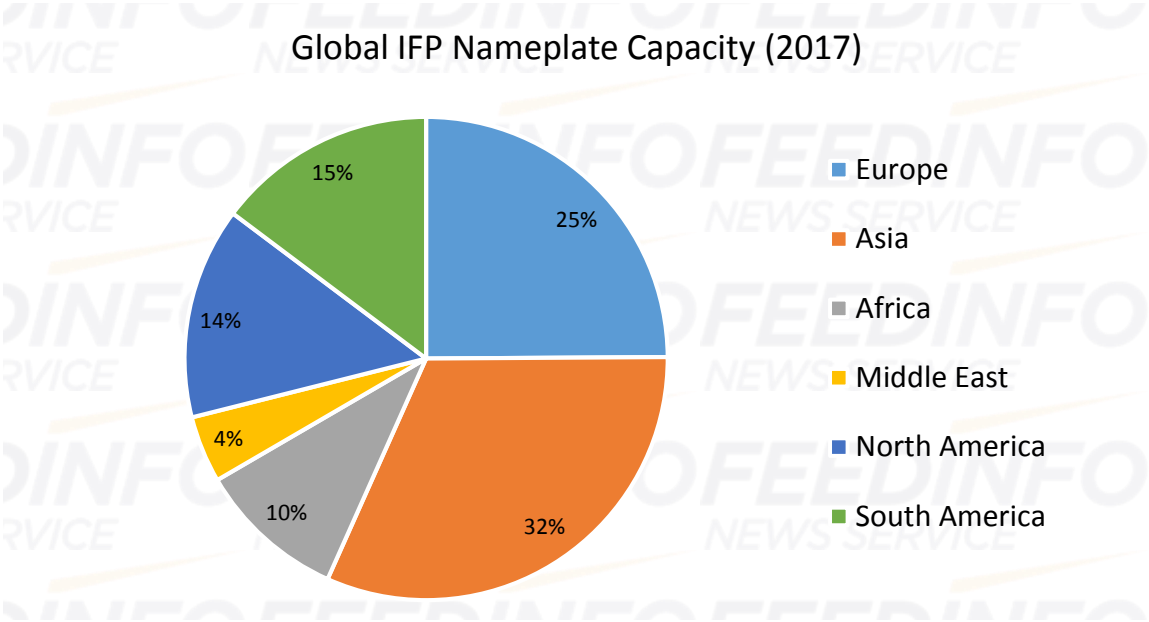
Introduction

This is an excerpt from Feedinfo News Service's Global Feed Phosphate Market Overview. To receive our full coverage please contact our sales team to subscribe.

Feedinfo Global Feed Phosphates Market Overview

Inorganic feed phosphates (IFP) production has gone through a substantial growth cycle in the past decade, especially in China and North Africa. It is estimated that about 5% of global phosphoric acid (P_2O_5) production goes into making IFP.



Major integrated producers of feed phosphates are in the United States, North Africa, Europe and China. Non-integrated producers buy phosphoric acid from various fertilizer producers. When phosphate fertilizer prices increase, phosphoric acid prices also rise, which leads to higher feed phosphate prices.

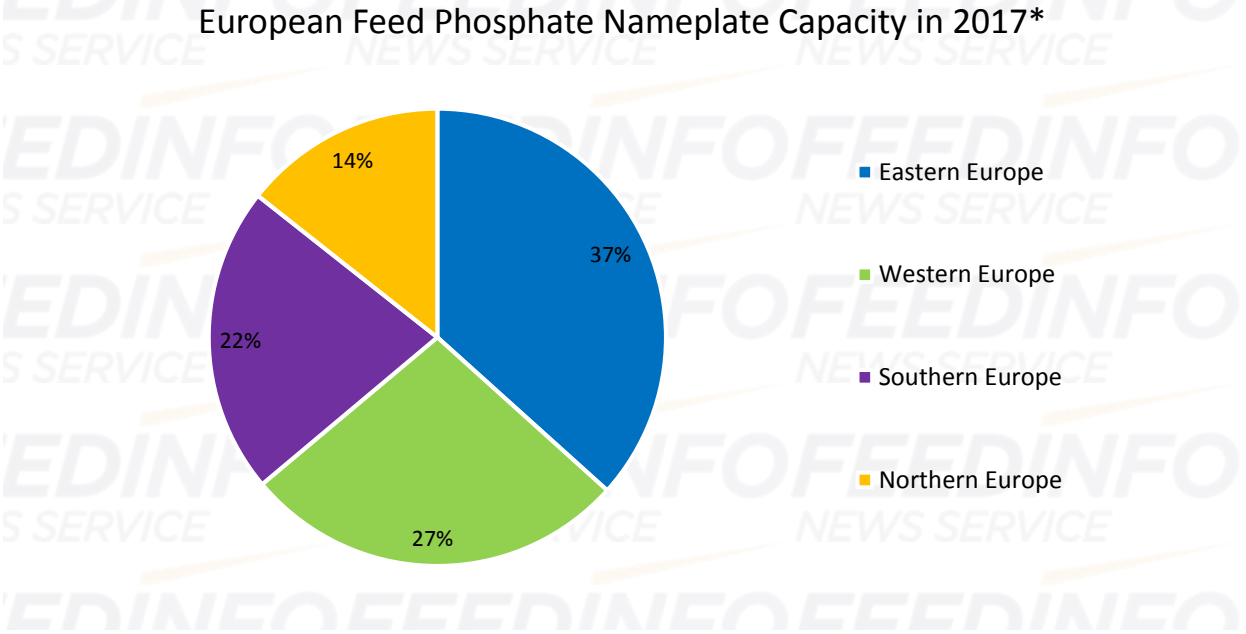
Another feedstock for feed phosphates is hydrochloric acid (HCl). In terms of hydrochloric acid, its price will be largely determined by the production of various chlor alkali products as HCl is a by-product of these. Being a by-product, its price generally tends to be lower than the price of P_2O_5 but its availability is linked to the production of the primary goods.

This exposes some non-integrated IFP producers to market volatility and puts pressure on margins.

The European Feed Phosphate Market

The European monocalcium phosphate (MCP) and dicalcium phosphate (DCP) market has gone through some major changes in the past decade. Amongst others, Tessenderlo exited the market, closing its Belgian and Italian operations. In 2014 it then sold its remaining IFP operations to Ecophos.

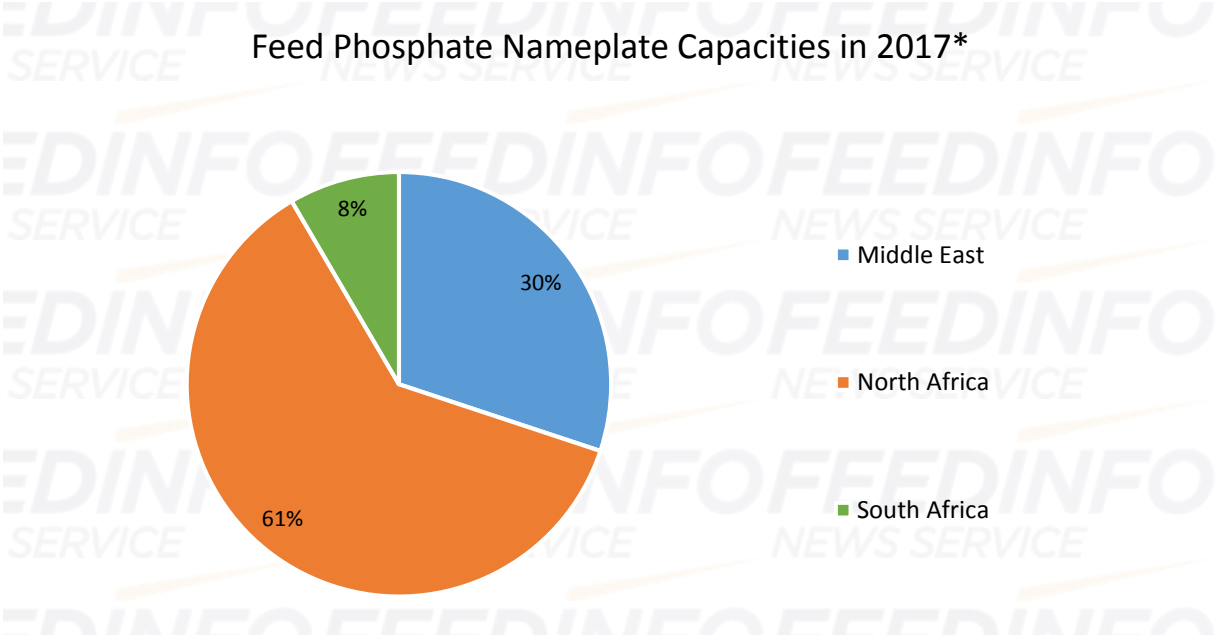
In a separate development, Timab bought Ercros' facilities in Spain as well as Elixir's plant in Serbia and changed its name to Phosphea. Today, Phosphea operates plants in France (St Malo), Serbia (Prahovo) Tunisia (Gabes I and II) and Spain (Flix and Cartagena).



Source: Feedinfo News Service *includes projects in the pipeline up to end 2017 ('000 t)

The Middle East and Africa

Although not as mature as the European or North American markets, Africa and the Middle East are home to many modern IFP facilities. Most IFP production in the Middle East/Africa region is in Turkey, Saudi Arabia, Morocco and Tunisia as well as South Africa. In Egypt, Evergrow is building two new DCP plants using Ecophos technology.



Source: Feedinfo News Service *includes projects in the pipeline up to end 2017 ('000 t)

The Asian Feed Phosphates Market

The Asian feed phosphates market is one of the largest in the world with most plants built after 2000. The expansion of China's feed phosphates industry is not unique, much of the country's industrial output expanded at a similar rate since 2000 thanks to government incentives.

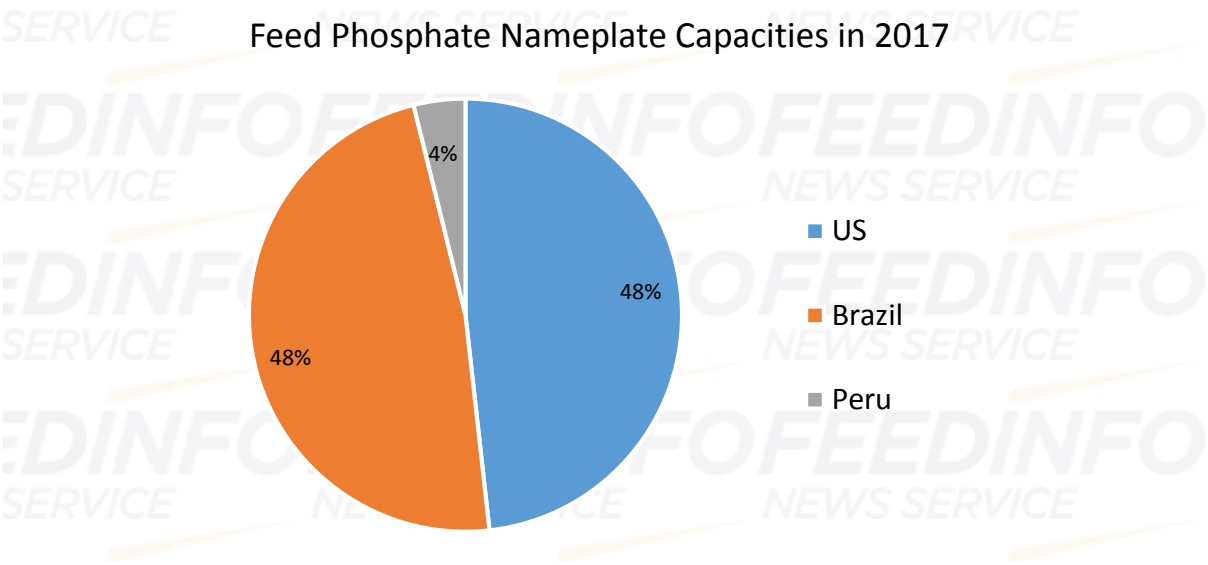
Most of Asia's IFP production facilities are in China, with some operations in India and other regional economies. The most recent development outside China has been a joint venture project between Ecophos and Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC) in India.

Growth in the Chinese IFP industry exploded in the last decade, with new plants appearing nearly every year. The most recent additions have been new MCP & DCP lines by Wengfu and Yunnan Yuntianhua (YTP). China is by far the largest consumer of IFPs and has historically used DCP, but the use of MCP/MDCP has increased sharply since 2008 and over the medium term MCP/MDCP is expected to gain an even larger share of the market.

North and South America

The North and South American feed phosphates market's total nameplate capacity is about a third of the global total, split in almost equal halves between the north and south of the continent. In North America the US dominates the sector whereas in South America Brazil has the largest industry. This report examines how these markets have developed during recent years providing supply, demand and trade data.

The US IFP market has experienced consolidation similar to that seen in Europe in recent years. As in Europe, the country's dicalcium phosphate (DCP) sector has gone through the biggest changes, impacted by deeper phytase penetration and increased distillers' dried grains (DDGs) usage.



Source: Feedinfo News Service

Both phytase and DDGs can displace IFPs and their impact on the DCP sector has been perhaps the most pronounced in the US in the past decade. In addition, companies seeking to improve efficiencies and margins are increasingly switching to using MCP, continuing a trend that started in the early part of this millennium.

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Feedinfo News Service occasionally publishes market overviews of feed grade amino acids, vitamins and inorganic feed phosphates. These overviews are intended to offer a guide to the market dynamics which may influence supply, demand and production costs at a regional or global level.

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We also review trade statistics, corporate earnings results, investor presentations, corporate transcripts, stock exchange filings, government and regulatory authority information, general media and industry-specific publications. We also monitor price trends for a commodity's most important feedstock and related co-products. However, at times of language barriers or the opacity of certain markets it cannot be guaranteed that all information will be included.

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Published by Feedinfo News Service, 16 Rue du Village d'Entreprises, 31670 Labege, France.

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ISSN: 1777-5566