

Agrium Was No. 1 Buyer of Phosphate From Western Sahara

by Christopher Donville
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(Bloomberg) -- Canadian fertilizer producer Agrium Inc. bought more phosphate rock last year from the disputed territory of Western Sahara than any other company, according to an activist group.

Agrium shipped about 779,000 metric tons produced at the PhosBoucraa mine, Western Sahara Resource Watch said in a report, citing ocean-cargo traffic. That's equal to about 37 percent of total Western Sahara exports of the commodity.

The activist group is calling for a halt to the trade until people in Western Sahara can freely choose between independence and integration with Morocco. A United Nations peacekeeping force that brokered a 1991 cease-fire between Morocco and the indigenous Sahrawis is charged with preparing a referendum.

Morocco, which has been present ever since Spain withdrew in 1975, claims centuries-old historic rights over Western Sahara, a territory the size of Colorado and often described as Africa's last colony.

Morocco's state-owned Groupe Office Cherifien des Phosphates SA owns and operates PhosBoucraa, which is connected to the coast via the world's longest conveyor belt.

Phosphate rock in Morocco and Western Sahara accounts for three-quarters of global reserves of the mineral, according to U.S. data. Phosphates are vital for photosynthesis in plants and are used by companies such as Calgary-based Agrium as a raw material for fertilizer.

Canada was the biggest importer of Western Sahara phosphate measured by value, according to Wellington, New Zealand-based Western Sahara Resource Watch. Lithuania was second and New Zealand third.

Canada, Lithuania

Agrium, North America's third-largest fertilizer producer by market value, began buying Western Sahara phosphate in 2013 after exhausting a mine in Ontario, according to Richard Downey, a company spokesman.

"We basically look to the Canadian and U.S. governments in determining our stance from a legality standpoint," he said Thursday in a phone interview.

Western Sahara Resource Watch identified eight other importing companies in the report, which is due to be

published on Monday. The two biggest after Agrium were Lifosa AB of Lithuania and Canada's Potash Corp. of Saskatchewan Inc.

Sonata Patkauskaite, a Lifosa spokeswoman, declined to comment on its phosphate supplies except to say that parent company, EuroChem Group AG, manages the purchases. EuroChem didn't immediately respond to a request for comment.

'International Concerns'

"Neither the UN nor any other competent legal authority has concluded that the production and use of phosphate rock from Western Sahara is in violation of international law," Saskatoon, Saskatchewan-based Potash Corp. said in an e-mailed statement.

A spokeswoman for OCP, the Moroccan miner, didn't immediately respond to an e-mail request for comment.

Some companies have halted purchases from Western Sahara in recent years. Mosaic Co., a U.S. fertilizer producer, stopped in 2010 "because of widespread international concerns regarding the rights of the Sahrawi people in that region," Benjamin Pratt, a Mosaic spokesman, said in an e-mail.

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