

Russian Co. Plans Its First U.S. Fertilizer Plant

The Associated Press

NEW ORLEANS (AP) — Louisiana is giving \$6 million to help a Russian chemical company build a \$1.5 billion fertilizer plant and distribution center in the state.

Moscow-based EuroChem, which ranks itself among the world's top 10 fertilizer producers, will choose between two sites — one in Iberville Parish, near Baton Rouge, and one in St. John the Baptist Parish, which is between New Orleans and Baton Rouge, Gov. Bobby Jindal and EuroChem CEO Dmitry Strezhnev said Wednesday.

"The Americas accounted for approximately a quarter of our sales in 2012 and we expect its contribution to continue to grow," a state news release quoted Strezhnev as saying at a news conference in Baton Rouge. "We therefore see it as a next logical step to establish our production closer to our customers.

The company has \$12 million in escrow for the Iberville Parish site, which the state has been trying to sell for two years, and an option to buy the privately owned site in St. John the Baptist Parish, according to a news release from Louisiana Economic Development spokesman Gary Perilloux.

The facility will have 200 employees and an \$11.6 million payroll, he said. Construction is expected to take four years and employ about 2,000 people.

The plant will be Eurochem's first in the Americas. The company owns plants and mines in Russia and plants in Lithuania and Belgium, and has trading offices in Tampa, Fla., and São Paulo, Brazil, according to its website.

Louisiana's incentives include a \$6 million performance-based grant to offset the costs of site infrastructure improvements, Perilloux said.

EuroChem also is expected to use a state job training program and to get Louisiana's industrial tax exemption and rebates under the state's quality jobs program, which provides a 5- or 6-percent cash rebate of annual gross payroll for new jobs for up to 10 years, and can provide a 4 percent sale and use tax rebate on capital spending or a 1.5 percent investment tax credit.

The privately held company says only five companies worldwide produce more potash fertilizer and six produce more nitrogen fertilizer than it does. It says that when the first of two potash-based fertilizer plants in Russia begins production it will be the world's No. 4 producer of fertilizers.

EuroChem has 20,000 employees worldwide, according to its website.

Russian Co. Plans Its First U.S. Fertilizer Plant

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Source URL (retrieved on 07/26/2014 - 4:27pm):

<http://www.impomag.com/news/2013/07/russian-co-plans-its-first-us-fertilizer-plant>