

Soda ash companies enjoy record year



Steam rises from the boilers at General Chemical Inc.'s Green River soda ash plant in this 2007 file photo. The soda ash producer was sold to an India-based company last year for just more than \$1 billion. (Jeff Gearino/Star-Tribune)

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GREEN RIVER -- Production by Wyoming's soda ash industry increased slightly in 2008, but it was still enough to set a new production record, according to a federal year-end industry report.

Industry experts said notwithstanding the continuing economic and energy problems, the overall global demand for soda ash is expected to grow slightly over the next several years.

For the second consecutive year, the total value of soda ash produced in the United States topped \$1 billion, increasing from \$1.3 billion in 2007 to \$1.4 billion last year.

The U.S. soda ash industry is composed of four companies in southwest Wyoming operating five trona mines and soda ash plants, and one company in California.

Wyoming producers accounted for more than 95 percent of domestic soda ash production, according to the report prepared by Dennis Kostick, a soda ash analyst with the U.S. Geological Survey.

The report said the U.S. industry set a production record in 2008 and produced 11.2 million short tons of soda ash last year. That was 100,000 more short tons than in 2007.

Wyoming's four producers in Sweetwater County have a nameplate capacity of 14.5 million short tons per year.

Wyoming producers continued to face tough competition from synthetic soda ash producers in Asia, Africa

and Europe last year, according to the analysis.

Southwest Wyoming holds almost all of the nation's mineable trona reserves and the world's largest deposits of trona. The trona lies in beds from 600 to 2,000 feet underground in the Green River Basin. The industry employs more than 2,200 people in the area.

Trona ore is mined underground and then processed on the surface into soda ash, a chemical commodity used in the production of glass, soaps and detergents, among other products.

Quarter of world's production

The four Wyoming companies accounted for an estimated 25 percent of the world's total soda ash production of approximately 46 million short tons in 2008, the year-end data showed.

Kostick said the adverse economic conditions in domestic automobile production and housing starts that affected soda ash consumption in the flat glass and fiberglass sectors in 2007 continued through 2008.

The report said U.S. export sales have risen recently as world market conditions have improved for soda ash.

Global energy consumption increased in 2008, which caused soda ash production costs and transportation costs to rise accordingly for all producers, resulting in some price increases last year.

The four producers announced an increase of \$50 per short ton in May for the list and off-list price of bulk soda ash, and a \$40-per-short-ton increase in August.

Kostick said overall global demand for soda ash is expected to grow from 1.5 percent to 2 percent annually for the next several years. The report said if the domestic economy improves, U.S. demand may be slightly higher in 2009.

The report also said FMC Corp., the leading U.S. soda ash producer, announced it would restart production to tap the remaining 700,000 tons of mothballed capacity at its Granger facility by 2012.

Glass production accounted for an estimated 49 percent of the soda ash consumed in 2008, followed by chemicals at 30 percent and soap and detergents at 8 percent.

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