

Ravensdown Fertiliser looks for South Island phosphate rock

11 March 2009 - The major fertiliser producer Ravensdown Fertiliser Co-operative Ltd has begun prospecting in Otago and South Canterbury for a cheaper source of phosphate rock to possibly replace currently expensive imports.

The farmer co-operative is exploring development of phosphate rock reserves in south Otago about 40 km south of Dunedin and it is also prospecting for phosphate and limestone in coastal east Otago and South Canterbury.

Shane Harold, general manager of lime and spreading for the Christchurch-based Ravensdown Fertiliser, said that the company is investigating development of the only known commercially mined phosphate reserves in New Zealand at Clarendon, north of Milton.

This deposit was last mined in the 1940s during World War II when the Japanese took over the phosphate island of Nauru in the South Pacific where New Zealand fertiliser companies had obtained much of their phosphate.

Mr Harold said Ravensdown was now carrying out research on this deposit. The latest published data on this privately-owned deposit was by Dr Barry Douglas in 1989. He estimated reserves of 5 million tonnes – at 11% P2O5 rock pre-beneficiation on 72ha of the estimated 500ha site.

Ravensdown said last year that test results showed encouraging levels of phosphate from Clarendon and that further processing of the phosphate rock has significant potential.

The world price of phosphate rock has risen in recent years from a long-term price of about US\$50 a tonne to peak at US\$500 a tonne last year on the back of higher demand for food and bio-fuel crops. Phosphate prices were also pushed up by higher energy and shipping costs.

Mr Harold said world phosphate prices are now US\$250 a tonne, five times the price of recent years.

Ravensdown has also been awarded a two year PP 51147, a 262 sq km permit covering a 10 km wide strip largely onshore from Warrington to north of Palmerston on the Otago coast.

The company will carry out reconnaissance, geological mapping and geochemical sampling.

He said that unfortunately the area lies just outside the area of the recent Otago aerial geophysical mapping programme which the Otago Regional Council had contributed \$1 million towards.

Ravensdown's other permit area is PP 51142, covering 251 sq km immediately south of Waimate almost to the Waitaki River.

Global reserves of high-grade phosphate ore are dwindling, according to the US Geological Survey but lower-grade phosphate ore is available in dozens of countries.

Sources: Ravensdown and Lindsay Clark