



Mosaic to Close Florida Phosphate Mine After Ruling on Plan for Expansion

By Christopher Donville - Aug 2, 2010

[Mosaic Co.](#), the world's largest maker of phosphate fertilizer, said it will close its phosphate mine in South Fort Meade, Florida, in September after a court ruling that would prevent expansion of the strip mine.

“We have no reasonable alternative than to shut down South Fort Meade on an indefinite basis” following the expiration of a 60-day notice to the mine's 221 workers, Chief Executive Officer [James Prokopanko](#) said today on a conference call with investors and analysts.

The U.S. District Court in Jacksonville, Florida, granted an injunction on July 30 that prevents Mosaic from expanding the phosphate-rock mine into wetlands in neighboring Hardee County.

Mosaic executives said they filed a notice of appeal today with the 11th Circuit Court of Appeals in Atlanta. Mosaic said the mine is uneconomic without access to the land for expansion.

The Sierra Club and other non-governmental groups had sued the U.S. Army Corps of Engineers in the Jacksonville court, contending that a permit issued by the corps to Mosaic in June doesn't fully account for potential environmental damage from the expansion.

Under a worst-case scenario that includes the mine's closure, Mosaic said its [operating profit](#) would decline by \$250 million to \$300 million in the second half of the fiscal year and output of manufactured phosphate fertilizer would be about 1 million metric tons less than originally projected.

The South Fort Meade mine represents about a third of Mosaic's capacity to mine phosphate rock, a key ingredient in diammonium phosphate and other fertilizers.

In its July 30 ruling, the court in Jacksonville ordered the Army engineers to take another look at the proposed expansion with a focus on reducing potential damage to wetlands.

Plymouth, Minnesota-based Mosaic rose \$1.74, or 3.7 percent, to \$49.39 at 4:15 p.m. in New York Stock Exchange composite trading. [The shares](#) have fallen 17 percent this year.

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