## SALT

(Data in thousand metric tons, unless otherwise noted)

<u>Domestic Production and Use</u>: Domestic production of salt decreased an estimated 5% in 1996, with total value exceeding an estimated \$930 million. Twenty-seven companies operated 67 plants in 14 States. The estimated percentage of salt sold or used, by type, was salt in brine, 50%; rock salt, 32%; vacuum pan, 10%; and solar salt, 8%.

The chemical industry consumed about 45% of total salt sales, with salt brine representing about 89% of the type of salt used for feedstock. Chlorine and caustic soda manufacture was the main consuming sector within the chemical industry. Salt for highway deicing accounted for 28% of U.S. demand. The remaining markets for salt, in declining order, were distributors, 9%; food and agricultural, 7%; general industrial, 8%; primary water treatment, 1%; and other, 2%.

Salient Statistics—United States:1	<u> 1992</u>	<u> 1993</u>	<u> 1994</u>	<u> 1995</u>	<u>1996°</u>
Production	36,000	39,200	40,100	42,100	40,100
Sold or used by producers	34,800	38,200	39,700	40,800	40,100
Imports for consumption	5,390	5,870	9,630	7,090	9,500
Exports	992	688	742	670	950
Consumption: Reported	39,700	44,400	47,200	46,500	48,700
Apparent	39,200	43,400	48,600	47,200	48,700
Price, average value of bulk, pellets and packaged salt, dollars per ton, f.o.b. mine and plant:					
Vacuum and open pan salt	113.20	111.97	115.35	118.63	111.00
Solar salt	32.56	34.51	34.77	30.82	26.00
Rock salt	19.63	20.28	22.33	21.80	21.00
Salt from brine	4.35	5.24	5.40	6.91	7.00
Stocks, producer, yearend <sup>e 2</sup>	1,230	1,000	400	1,300	_
Employment, mine and plant, number	4,150	4,150	4,150	4,150	4,150
Net import reliance <sup>3</sup> as a percent of					
apparent consumption	11	12	18	14	18

Recycling: None.

Import Sources (1992-95): Canada, 44%; Mexico, 23%; The Bahamas, 12%; Chile, 11%; and other, 10%.

Tariff: Item	Number	Most favored nation (MFN)	Non-MFN⁴	
		<u>12/31/96</u>	<u>12/31/96</u>	
lodized salt	2501.00.0000	Free	26% ad val.	

**Depletion Allowance:** 10% (Domestic), 10% (Foreign).

Government Stockpile: None.

Events, Trends, and Issues: In April, a major domestic salt company decided not to construct a new mine at Hampton Corners, NY, which would replace the rock salt mine that closed because of flooding in 1995. The company decided that the proposed mine did not meet certain financial criteria. In August, the same company announced it planned to sell all of its salt assets in North America and the Caribbean to another U.S. salt company, pending approval by the U.S. Department of Justice. The acquisition would include rock salt mines in Ohio and Louisiana; vacuum pan operations in Michigan, New York, and Ohio, and solar salt plants in Utah and on Bonaire in the Netherlands Antilles.

A Texas-based salt company announced it planned to construct a vacuum pan salt facility in Tioga, PA, in conjuction with a solution mining project that would develop caverns for hydrocarbon storage. The brine from solution mining of underground halite beds would be the feedstock for the salt plant that would have an annual capacity of 450,000 tons, which would be the largest vacuum pan plant in the United States.

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A major U.S. salt company announced plans to increase production capacity at its Goderich, Ontario, Canada, rock salt mine from 4.1 million tons to 5.9 million tons. The project was estimated to cost \$12 million, and was scheduled to be on-stream by early 1997.

The outlook for the domestic salt industry is favorable for the next few years depending on the severity of this winter's weather. Many weather forecasters were forecasting below-normal temperatures that increases the likelihood of adverse conditions that would require large quantities of deicing salt.

## World Production, Reserves, and Reserve Base:

<u> </u>	Production		Reserves and reserve base <sup>5</sup>
	<u> 1995</u>	<u>1996°</u>	
United States <sup>1</sup>	42,100	40,200	Large. Economic and subeconomic
Australia	8,480	8,500	deposits of salt are substantial in
Brazil	6,100	5,500	principal salt-producing countries.
Canada	10,900	11,000	The oceans comprise an
China	25,000	27,000	inexhaustible supply of salt.
France	7,350	7,300	
Germany	10,800	11,000	
India	9,500	9,500	
Italy	3,400	3,500	
Mexico	7,670	7,600	
Poland	4,000	4,000	
Russia	2,000	2,000	
Spain	3,400	3,500	
Ukraine	3,000	3,000	
United Kingdom	7,100	7,200	
Other countries	38,200	39,200	
World total (may be rounded)	189,000	190,000	

<u>World Resources</u>: World resources of salt are practically unlimited. Domestic resources of rock salt and salt from brine are in the Northeast, Central Western, and southern Gulf Coast States. Saline lakes and solar evaporation salt facilities are near populated regions in the Western United States. Almost every country in the world has salt deposits or solar evaporation operations of various sizes.

<u>Substitutes</u>: There are no economic substitutes or alternates for salt. Calcium chloride and calcium magnesium acetate, hydrochloric acid, and potassium chloride can be substituted for salt in deicing, certain chemical processes, and food flavoring, but at a higher cost.

eEstimated.

<sup>&</sup>lt;sup>1</sup>Excludes Puerto Rico.

<sup>&</sup>lt;sup>2</sup>Reported stock data are incomplete. For apparent consumption and net import reliance calculations, changes in annual stock totals are assumed to be the difference between salt producted and salt sold or used.

<sup>&</sup>lt;sup>3</sup>Defined as imports - exports + adjustments for Government and industry stock changes.

<sup>&</sup>lt;sup>4</sup>See Appendix B.

<sup>&</sup>lt;sup>5</sup>See Appendix C for definitions.