



Summary

The fertilizer consumption and trade is increasing worldwide due to the effect of the increasing need for agricultural products. Fertilizer producing countries are heading a huge challenge to increase the production at the same speed.

The fertilizer consumption in Brazil in 1995 was 10 million tons of which 45% was imported as raw materials and mixed in Brazil. In 1994 the consumption was 10.8 million. The prediction for 1996 is that the consumption will increase but will be less than the level of consumption of 1994. The main reasons why the farmers had no money to buy the fertilizer in 1995: Increasing fertilizer prices of 50% in the year 1995 and no good crop in 1994.

The ports of Brazil are famous because: they have bad quality of discharge equipment, they have bad maintenance and lack of necessary investments, and they have a high number of demurrage days. In 1993 Paranaguá had a demurrage of nearly 10 USD per ton on 1.35 million tons of imported fertilizer. The demurrage per ton has been reduced the last two years because:

- Freight rates decreased in this period
- Import of fertilizer decreased
- This year the arrival of ships is divided over the entire year; ships used to arrive in a peak period only.

There are two kinds of traders who sell fertilizer to the consumers:

- I. The fertilizer trader: his core business is trading fertilizer. He often has a few fertilizer plants in different states. He can operate in one or more states. The largest trading company is the Fosfertil group (Group of six, G6). In some areas they have more than 50% of the Brazilian market.
- II. The agrotraders: their core business is trading agricultural products. They trade the fertilizer by the farmer for bags of crop.

Most of the fertilizer consumers are located in the South and South West of Brazil. The transportation of the fertilizer from port to fertilizer plant and from fertilizer plant to client is mainly done by truck (70 - 90%). Other kinds of transportation are cheaper but not available or do not have the necessary capacity. Transportation by railroad can only handle 50 % of the total railroad demand. The inland rivers in the south of Brazil all go from the coast to the inland, Curitiba is 900 m above sealevel while Foz do Iguaçu is only 100m above sealevel. So transport by river is also hard.

In Antonina three Dutch companies, European Bulk Services in Rotterdam, Wijsmuller in IJmuiden and Shipmair in Rotterdam and their Brazilian partner have started a new bulkhandling service. Flutrans is the local operator of the Dutch discharge equipment. The equipment arrived on the 26th of september 1995 and until the 10th of january 1996, due to the large bureaucracy of the brazilian government, only one ship of 9.000 ton of salt has been unloaded.