

## **Dispute over South Fort Meade Mine**

Mosaic Corp., the world's largest phosphate fertilizer producer, owns and operates the South Fort Meade mine in Florida. The mine has about 15 years of phosphate reserves, from which 6.5 million tons of fertilizer is produced annually. The mine therefore provides about a third of Mosaic's phosphate and 4% of the world's phosphate.

On July 30, 2010, the U.S. District Court in Jacksonville passed an injunction preventing Mosaic Corp. from expanding into wetlands in Hardee County. The Army Corps of Engineers had already granted the mine expansion a Clean Water Act permit, but the court demanded that the Army Corps of Engineers reexamine the project and consider effects on regional (not just local) wetlands.

Mosaic's Chief Executive Officer James Prokopanko said, "We have no reasonable alternative than to shut down South Fort Meade on an indefinite basis." In this worst-case scenario, Mosaic would lay off 221 mine workers and see its operating profit decline by \$250–300 million in the second half of the fiscal year. Their output of phosphate fertilizer would decline by 1 million metric tons.

Mosaic appealed the court's decision, but a federal judge extended the order preventing expansion in July 2011. Mosaic's stock plunged 5.2%. Mosaic promises to continue fighting this order.

In addition, Sierra Club with some local environmental groups filed a lawsuit against Mosaic, claiming the South Meade mine is already damaging two watersheds. During mining, the company scoops sediment to a depth of 100 feet, and then uses a series of washes to separate the phosphate from the sand and clay. Mosaic claims to reuse 98% of the water. The water that isn't reused is held in giant retaining ponds where sand and clay separate out. Alligators, wrens, cranes, and other wildlife live in or near the ponds. The water is then released into the Peace River watershed. The Peace River is the main source of drinking water for Charlotte, Sarasota, DeSoto, and Manatee counties. The clay and sand are reclaimed as swampland, forests, or orange groves. The problem is that some retaining ponds have broken, draining clay-laden water into the watershed.

In February 2012, environmental groups and Mosaic reached a settlement regarding the expansion of the mine. The agreement would allow Mosaic to mine 7,000 acres of land, 130 acres fewer than originally requested by Mosaic. In exchange, Mosaic will (a) donate 4,171 acres of land owned but not mined by Mosaic – this land includes 3000 acres of wetland – as well as \$2 million to create a state park, (b) protect surface water by building 100 acres of buffers along streams and carefully analyzing water quality, and (c) maintain a 400-acre buffer between the mine border and Peace River.

See maps on the back of this page.

*This was written by Joy Branlund using information from the following sources:*

Donville, Christopher. August 2, 2010. "Mosaic to Close Florida Phosphate Mine after Ruling on Plan for Expansion." *Bloomberg News*.

Scheyder, Ernest. July 11, 2011. "Judge's Ruling Extends Mosaic's Florida Mine Woes." *Reuter's News*.

Spinner, Kate. February 21, 2012. "Mosaic Reaches Settlement over Fort Meade Mine." *Sarasota Herald Tribune*.



Figure 1. Map of Florida showing location of Mosaic's Fort Meade mine.

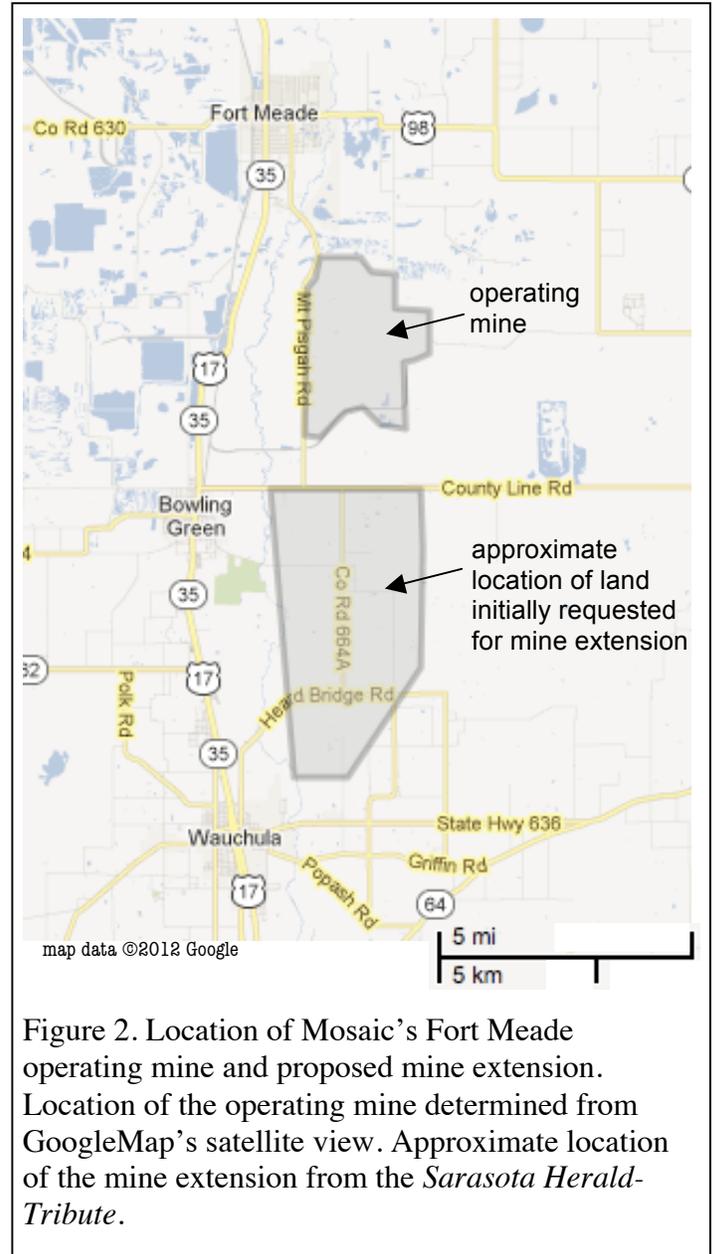


Figure 2. Location of Mosaic's Fort Meade operating mine and proposed mine extension. Location of the operating mine determined from GoogleMap's satellite view. Approximate location of the mine extension from the *Sarasota Herald-Tribute*.