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Michigan Potash secures conditional commitment for a loan guarantee from the U.S. Department of Energy to enhance food security through major fertilizer project

If finalized, the nearly \$1.3 billion loan guarantee will help make Michigan a leader in potash production, creating 1,400 construction jobs and reducing U.S. dependence on foreign countries for critical minerals

EVART, Mich. — A technologically advanced and energy efficient potash and salt production facility more than a decade in the making got a critical boost through a conditional commitment for a loan guarantee of up to \$1.26 billion from the U.S. Department of Energy's (DOE) Loan Programs Office (LPO).

The facility will create good paying jobs and improve U.S. food security by reducing America's near-total dependence on foreign countries for a critical mineral. This partnership enables new

domestic production of an all-natural fertilizer nutrient and will bring low-carbon potash and food-grade salt to market within the U.S. demand center. Industrial tax revenues are expected to triple in Osceola County because of this project, boosting revenue for local schools, roads, police and fire services, healthcare and more.

The **U.S. Department of Energy's (DOE) Loan Programs Office (LPO)** today announced a conditional commitment for a loan guarantee of up to \$1.26 billion for the **Michigan Potash & Salt Company**, to finance the construction of its project in Osceola County that is expected to create 1,400 full-time equivalent (FTE) construction jobs utilizing union labor and 200 ongoing, full-time jobs to produce the mineral resource for 150 years or more.

Potash is an essential plant nutrient and fertilizer ingredient. More than 90 percent of the potash used by U.S. farmers is imported, in some cases from hostile countries like Russia. Once operational, this facility and its Michigan employees will extract and process approximately 800,000 tons of potash and 1 million tons of food-grade salt each year.

Michigan is uniquely situated in that it contains the world's purest reserve of potash, according to geological studies. Potash is an essential water-saving nutrient for healthy crops, improving yields while requiring less water for irrigation, and ultimately leading to lower costs for food at the grocery store.

"We are truly excited and grateful for the support of the U.S. Department of Energy to help us strengthen our farmers, the noblest of professions," said **Ted Pagano**, Michigan Potash founder and CEO. "The initial phase of the U.S. Potash Project is just scratching the surface of the full potential of potash in Michigan. This is a win for farmers, for consumers, and for the United States as we strive to reduce our reliance on foreign countries for this critical mineral."

Farmers across the Corn Belt and the U.S. will no longer be forced to purchase potash imported solely from countries like Russia, Belarus and Canada, improving the nation's trade balance and food security.

The potash will be sold direct to farmers, and to the agricultural industry in partnership with **ADM**, one of the world's largest agricultural players, ensuring American farmers access to high-quality American-made potash fertilizer.

"Increasing potash production in Michigan is good for Midwest farmers and American agriculture," said **Zach Sturm**, Director of Fertilizer Procurement with ADM. "We look forward to working with our partners to expand our capabilities to offer cost-effective, domestically produced fertilizer solutions to our customers."

The local impact on rural Osceola County will be immense and is expected to triple the county's industrial tax base, and Michigan Potash will be paying wages that are 2.5 times higher than the average wages in the county.

"We are excited to partner with Michigan Potash on this industry-defining effort, and congratulate the team on receiving a conditional commitment from the Department of Energy's Loan Programs Office," said **Christine Kamil**, Managing Director and Head of US Public Sector Group with **J.P. Morgan**.

J.P. Morgan is serving as advisor to Michigan Potash.

Pagano said the facility will be one of the most energy-efficient in the country, by using emission-free electricity sources for most of its electricity demand while perpetually recycling approximately 90 percent of all water within a unique closed loop system, harnessing the earth's natural geothermal energy. These advantages will create low-carbon potash and food-grade salt products.

Michigan Potash opened a community center near the project site for the benefit of local residents and has engaged with Western Michigan University, Michigan Tech, Ferris State University, Michigan State University, and Central Michigan University to help foster a talented and diverse pool of talent to hire from.

"We are committed to being good neighbors and partners in the community, improving business and educational opportunities across the region," Pagano said. "This project will have many positive benefits that will span generations, and we are grateful to the countless leaders at the federal, state and local levels who share our vision for this one-of-a-kind facility."

This [conditional commitment](#) indicates DOE's intent to finance the project, however, DOE must complete an environmental review, and the company must satisfy certain technical, legal, environmental, commercial, and financial conditions before the Department can decide whether to enter into definitive financing documents and fund the loan guarantee.

For more information, review the DOE's [announcement blog](#).

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