



Knowledge grows

# Fact Sheet

## Yara Freeport LLC

Yara International and BASF Corporation opened a new world-scale ammonia plant in Freeport, Texas, USA, which ensures operational excellence in safety, efficiency and sustainability aspects. The state-of-the-art facility uses a cost-efficient production process, based on hydrogen and nitrogen.

Ammonia is a base material used in the production of a various goods, including nylons for textiles, wire casings and high-performance engineering plastics. It is also used in the production of mineral fertilizers.

### Basic Facts: world-scale excellence

- Yara Freeport LLC is a **strategic joint venture** between Yara (68%) and BASF (32%).
- The plant resides on 10 acres at the BASF site in Freeport, Texas USA. Ground breaking: 2015.
- Production volumes of **750,000 metric tons/year**.
- Total capital investment: **USD 600 million**.
- The unit employs approximately **35 full-time employees** who operate the plant.
- BASF will use around 1/3 of the ammonia produced at the plant in its existing polyamide value chain at the Freeport site. Yara will sell its share of ammonia to industrial and fertilizer customers worldwide.

### Key Aspects: leaner & smarter

- The Yara Freeport plant uses **hydrogen as feedstock**. Conventional ammonia factories use natural gas to produce the hydrogen needed for production. Yara Freeport forgoes this first production step by sourcing hydrogen directly from Praxair Inc. This set-up allows for lean operations, which significantly **reduce capital expenditure and overall maintenance** costs.
- A long-term supply agreement for hydrogen and nitrogen with Praxair links the feedstock variable cost to the **advantageous natural gas prices** available at the U.S. Gulf coast.
- Yara Freeport supports the **sustainable use of resources** by mainly using by-product hydrogen as feedstock. The hydrogen originates from the production processes of other petrochemical plants nearby.
- To support the new plant, Yara has built a new ammonia storage facility at Port Freeport, while BASF upgraded its existing terminal and pipeline assets.

### Yara Freeport LLC: a unique partnership

- Yara Freeport LLC is a **unique collaboration** between two industry leaders in different product markets, where innovative thinking led to the development of a mutually-beneficial, value-creating business opportunity. By incorporating the plant into BASF's existing Verbund manufacturing structure in Freeport, the project leverages the efficient use of resources. Production plants, energy and waste flows, logistics, and site infrastructure are all integrated.
- The joint venture strengthens **Yara's leading position in the global ammonia market** and increases its production footprint in the United States.
- The partnership allows **BASF to take advantage of world-scale production economics** and strengthens the competitiveness of its polyamide value chain in the region.
- **Collaborative management of resource flows** and industrial synergies offered by the proximity of other petrochemical plants, allow for a more sustainable production process.