Road Clears For Calcium Chlori Essay, Research Paper

Calcium chloride is used for such things as dust control, road deicing, and to assist in oil

and gas drilling. It is easily manufactured for a variety of sources; underground brines in

Michigan, a by-product of hydrochloric acid streams, and soda ash can harbor calcium

chloride. For years the market was supplied by three major manufactures- Dow Chemical,

General Chemical, and Tetra Technologies- all of which produce such a high-volume that

it creates oversupply and poor prices. These companies already produced roughly 1.5

million tons per year and out of that only about 1 million tons are used. In 1995, Ambar

Incorporated decided that they were going to enter the calcium chloride market. They

spent over $60 million on supplies and opened behind schedule in 1997. Then North

America experienced the warm and low precipitation winters in 1999 and 2000, there was

an incredibly low demand for calcium chloride and the company failed. The loss has not

been felt by the other companies yet, for the production level this year was low. There

have also been cutbacks which are reducing the amount of calcium chloride produced

from hydrochloric acid. This is not good for the makers of calcium chloride, for higher

prices would hurt the amount they can put into their feedstock. Also Shell Chemicals

which supplies Tetra with their by-product stream is working on making that stream more

acidic so it can be sold more as acid, a market where there is more money available. Tetra

is still negotiating to stay on the site, but are not worried for their other facilities could

support the needed output. General Chemical, bases their calcium chloride operation in

the largest facility in North America, there they coproduce soda ash and calcium chloride.

Although many facilities used to dot across North America, when natural soda ash was

found in the 1940 s in Wyoming the price was so low that competitors quit. General

remained and even considered buying into the Ambar operation to increase profits. In the

end they didn t. While other company shut downs are possible, as long as the winters get

colder and spring stays dry, then will things begin to look up for the three companies.