

**Venkatesh Mannar, former President of the Micronutrient Initiative writes:**

There are two components of iodization cost that we need to consider in estimating the incremental cost of providing iodine through salt:

1. the direct cost of iodization (ingredient costs + processing + equipment amortization). While this is variable depending upon the scale of operation and the sophistication of the equipment used, in my estimate this works out to about 2 cents/kg or about 6 cents per person per year (see Table below).

2. The distribution and marketing costs. Given that the salt is anyway being packed and marketed I don't think that the costs of transportation, warehousing, handling and retailing should be loaded on the iodine.

I therefore believe that the incremental cost of iodization at point of production is the real cost of iodization. Thereafter all distribution and marketing costs are attributable to the product i.e. salt (and not to the fact that it is iodized or not iodized).

<b>Cost of USI calculation (updated Aug 2014 from Mannar and Dunn 1995)</b>			
Basis: 5 TPH continuous iodization plant 8hrs/day 200 days/year = 8000 T/year			
			Basis
Potassium Iodate (\$/ton of salt)		\$3.90	65g Iodate @ \$ 60/kg
<b>Processing</b>			
Salt handling	\$4.00		Manual salt loading into feed hopper + filling iodized salt in bulk bags. Packaging material not included
Supervision	\$0.50		
Power/Fuel	\$0.60		Cost of power/fuel/lubricants to operate iodization machine only 2L/hr
Maintenance	\$2.50		
Analytical/Monitoring/Reporting	\$0.20		
Training	\$1.00		
Total Processing cost		\$8.80	
Administrative Overheads (\$)		\$1.50	1/3 rd of labour and supervision costsw
Amortization (\$)		\$4.17	Total capital value of \$100,000 amortized over 3 y
Total for 1 ton of iodized salt (\$)		\$18.37	
Total for 1 kg of iodized Salt (\$)		\$0.02	
<b>Cost of USI per person (cents) at 3 kg salt/person/y</b>		<b>\$0.06</b>	