

TERRA INDUSTRIES INC
Form 8-K
September 20, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 14, 2007

TERRA INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other Jurisdiction of
Incorporation)

1-8520

(Commission File Number)

52-1145429

(IRS Employer Identification No.)

Terra Centre

600 Fourth Street, P.O. Box 6000

Sioux City, Iowa

(Address of Principal Executive Offices)

51102-6000

(Zip Code)

Registrant's telephone number, including area code: **(712) 277-1340**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 Entry into Material Definitive Agreement.

ITEM 2.01 Completion of Acquisition or Disposition of Assets.

On September 14, 2007, Terra Industries Inc., directly and through its wholly owned subsidiary, Terra International (Canada), Inc. (collectively Terra) executed with Kemira GrowHow Oyj (Kemira), a Joint Venture Contribution Agreement and a Shareholder Agreement, with simultaneous closing thereof, establishing a joint venture company, GrowHow UK Limited. Terra contributed its wholly owned subsidiary Terra Nitrogen (UK) Limited in exchange for a 50% interest in the joint venture company, and Kemira contributed its Kemira GrowHow UK Limited subsidiary in exchange for the remaining 50% interest in the joint venture company.

ITEM 9.01 Financial Statements and Exhibits.

Set forth below is certain financial information related to the joint venture between Terra Industries Inc. and Kemira GrowHow Oyj:

(b) *Pro Forma Financial Information.*

The unaudited pro forma financial information of Terra Industries Inc. for the year ended December 31, 2006 is attached hereto as Exhibit 99.2.

The unaudited pro forma financial information of Terra Industries Inc. for the six months ended June 30, 2007 is attached hereto as Exhibit 99.3.

(d) *Exhibits.*

Exhibit 99.1 Press Release dated September 14, 2007.

Exhibit 99.2 Pro forma financial information for the year ended December 31, 2006.

Exhibit 99.3 Pro forma financial information for the six months ended June 30, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERRA INDUSTRIES INC.

/s/ John W. Huey

John W. Huey
Vice President, General Counsel and Corporate Secretary

Date: September 20, 2007