

BENNETT MICHAEL L
 Form 4
 July 02, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BENNETT MICHAEL L

2. Issuer Name and Ticker or Trading Symbol
TERRA INDUSTRIES INC [TRA]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
600 FOURTH STREET, P.O. BOX 6000
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/01/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

SIOUX CITY, IA 51102-6000
 (City) (State) (Zip)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock					15,213	I	By Trustee for Terra's 401(k) Plan
Common Stock					1,432	I	By wife
Common Stock	07/01/2008 ⁽¹⁾		S	24,000	D		\$ 47.44
							⁽²⁾
	07/01/2008 ⁽¹⁾		S	12,300	D		644,943

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Registrant undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate price.
- (2) This amount is the weighted average sale price for 24000 shares sold in multiple trades ranging in price from \$46.96 to \$47.95 per share.
- (3) This amount is the weighted average sale price for 12300 shares sold in multiple trades ranging in price from \$47.96 to \$48.95 per share.
- (4) This amount is the weighted average sale price for 4600 shares sold in multiple trades ranging in price from \$48.96 to \$49.95 per share.
- (5) This amount is the weighted average sale price for 9100 shares sold in multiple trades ranging in price from \$49.96 to \$50.35 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.