



NFDC | Fertilizer | Sector Update



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REP # 048



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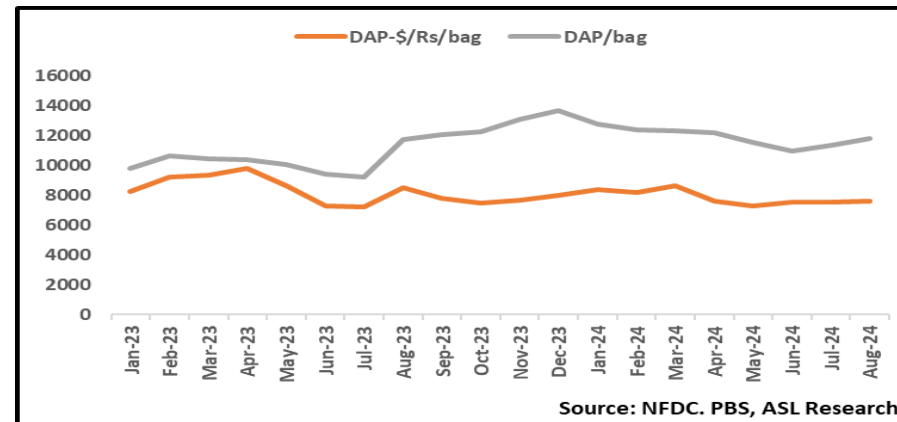
Urea offtakes depict 14% YoY during Aug'24

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- As per NFDC data, total urea sales in July'24 clocked in at 559k tons, down 14%/9% YoY/MoM. DAP dispatches in July'24 clocked in at 89k tons down by 66%/45% YoY/MoM. On cumulative basis, Urea dispatches declined by 4% in 8MCY24 compared to SPLY. Meanwhile, DAP dispatches declined by 11% YoY during 8MCY24. Decrease in fertilizer offtakes is mainly due to heavy monsoon rains in month of Aug'24, unfavorable agronomics affected by low wheat prices and reduction in cotton acreage of 17%. This has also affected the DAP demand to drastically plunge during Aug'24. To recall, during the month of July'24 DAP offtakes witnessed increase of 45% YoY due to early procurement of DAP stock in the wake of notable decrease in DAP prices in July'24.
- During the month of Aug'24, country witnessed increase in DAP imports of 509% MoM, due to upcoming Kharif season. With this, DAP ending inventory stands at 232 KT, which is 4.8x higher than SPLY.
- Due to decrease in offtakes, Urea inventory has also reached 406 KT, which is 3.7x higher than last year.
- During the month of Aug'24 Urea prices remained stable at Rs.4,742/bag. Whereas, international urea prices declined by 1.28% MoM to USD339/ton.
- In last few months translating impact in international prices are lower than local prevailing prices, DAP prices has increased compared to international prices, due to high cost of production and high freight charge

Product Wise Offtakes								
000 tons	Jul-24	Aug-24	MoM	Aug-23	YoY	8MCY24	8MCY23	YoY
Urea								
EFERT	247	163	-34.2%	231	-29.6%	1,266	1,531	-17.4%
FFC	195	202	3.3%	236	-14.6%	1,676	1,683	-0.4%
FFBL	53	49	-6.6%	13	271.4%	317	232	36.6%
FATIMA	93	131	40.5%	121	8.7%	544	513	6.1%
Total Urea	612	559	-8.6%	650	-14.0%	4,208	4,381	-3.9%
DAP								
EFERT	43	12	-73.2%	32	-64.2%	180	140	28.9%
FFC	2	3	82.1%	15	-80.6%	63	78	-18.3%
FFBL	87	51	-41.7%	197	-74.1%	465	543	-14.3%
FATIMA	25	1	-96.5%	17	-94.9%	35	44	-21.3%
Total DAP	163	89	-45.4%	263	-66.2%	797	895	-11.0%

Source: NFDC, ASL Research



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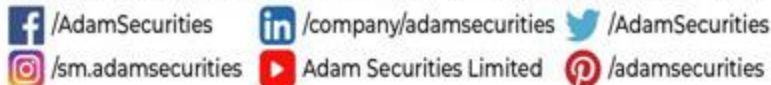
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