

# *FY24 urea imports may dip by 33%*

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The import of urea in FY24 might be 4-5 million tonnes, which is lower than the estimated figure of more than 7.5 million tonnes in FY23, trade and industry sources said.

The 33 per cent drop (assuming the import to be at the upper end of the band) anticipated in FY24 will be owing to increased domestic production capacities in new plants and the growing use of nano urea.

Of the estimated import in FY24, 1-1.5 million tonnes is under long-term contracts, sources said.

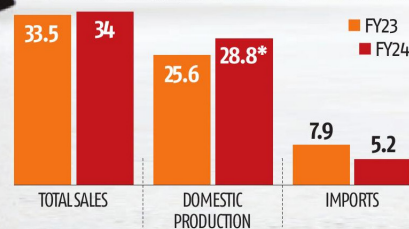
In FY22, according to industry sources, India imported around 8.1 million tonnes of urea between April and February. It was around 7.4 million tonnes during the same period this financial year.

According to trade and industry sources, in FY24 domestic production is expected to be around 30 million tonnes, up from the more than 28 million tonnes in FY23, while consumption is expected to be 33-35 million tonnes. Import will take care of the balance. "Consumption of urea will depend on how the weather



## THE EXPECTATION

Urea demand–supply scenario (in million tonnes)



Note: As on March 23, 2023

\*Domestic production might also rise to 30 million tonnes

Source: ICRA

and monsoon pan out in the coming months as any drop in acreage due to the El Nino impact could impact urea consumption," a senior industry official said. Urea is the most widely consumed fertiliser in the country, followed by diammonium phosphate (DAP). Its prices are heavily subsidised by the government. This financial year, between April and February, the production of urea is expected to be around 26.11 million, which is 14 per cent more than in the same period last year.

Sales, which include domestic consumption, were estimated at

34.17 million tonnes between April and February. Those were almost 6 per cent more than in the same period last year.

On Wednesday, Fertiliser Minister Mansukh Mandaviya said the country might not be required to import urea from the spot market to meet kharif demand. However, the urea imported under long-term supply agreements will come. He said there would be no shortage of fertilisers in the kharif season because domestic production and stocks would be sufficient to meet local demand.

However, he said, there would

be some import of DAP. Crop sowing in the kharif season starts with the onset of the monsoon. Paddy, cotton, pulses, and soybean are the major crops.

Giving details, Mandaviya said the estimated urea requirement for the kharif season was 18 million tonnes, while the availability would be 19.43 million tonnes, including an opening stock of 5.5 million tonnes as of April 1 and the production of around 14 million tonnes during the next six months.

The opening stock of DAP is 2.5 million tonnes and production is estimated at 2 million tonnes.