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Current News

Current news on the latest developments in fertiliser, energy, weather, agriculture, agri-business, logistics, economy, and other related areas

(The views expressed in the news items are not necessarily of FAI)

Tuesday, 29 April 2025

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Green hydrogen prices needs to come down by half from current levels, says Crisil Ratings

Green hydrogen must drop over 50% in cost to compete with grey hydrogen, says Crisil Ratings. High capital costs, slow electrolyser efficiency gains, and limited scalability may delay adoption and increase project risks over the next 2–3 years.

The cost gap between grey and green hydrogen is expected to come down from its current level of \$2.0-2.5 per kg but linger at \$1.0-1.5 per kg over the next three financial years, potentially delaying offtake mandates and heightening project risks, Crisil Ratings said on Monday.

To be competitive with grey hydrogen, the levelised cost of green hydrogen needs to fall by more than half from current levels, Crisil Ratings said.

“This would need the capital cost of both the main components, RTC (round the clock)renewable plant and electrolyser, to drop 40-50%, which seems unlikely over the next 2-3 fiscals. That besides the need to perk up the efficiency of electrolysers to over 80% from 60-65% at present,” it said .

Green hydrogen is produced by electrolysing water using round-the-clock (RTC) renewable energy. The renewable plant accounts for nearly two-thirds of total project costs, while the electrolyser makes up about a third. Additional costs cover water procurement and construction.

Electrolyser costs fell 42% between 2010 and 2020 but have slowed to a 20% reduction between 2021 and 2024, Crisil said. As of March 2025, electrolysers still cost more than \$1,000 per kilowatt, with efficiency levels stagnating at 60–65%.

The slower cost declines are attributed to technological hurdles, limited commercial-scale production, and stable prices of rare earth materials, which are essential raw materials in electrolysers.

“Industry players are expecting a 30–35% reduction in electrolyser costs by 2030, along with a 5–10 percentage point improvement in efficiency, driven by technology innovation, R&D, and scale,” said Ankit Hakhu, Director, Crisil Ratings. “Even if these expectations materialise, the price differential between grey and green hydrogen will persist at \$1.0–1.5 per kg over the next three years.”

Hakhu noted that more than 90% of global electrolyser projects remain at the feasibility or planning stage, and substantial cost reductions will likely only materialise once new capacities are built and operational, Hakhu said.

Source: Financial Express, Tuesday, 29 April 2025

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Oil imports from Russia touch near 2-year peak in April

India's oil imports from Russia hit a near two-year high in April 2025, driven by deep discounts despite US sanctions. Russia held a 40% market share, while Iraq and Saudi Arabia followed. Refinery expansions and diversification efforts may reshape India's crude sourcing in coming years.

India's import of Russian oil touched its highest level since May 2023 in April despite US sanctions due to their favorable Free on Board (FOB) discounts relative to West African and Middle Eastern barrels, according to data from global real-time data and analytics provider Kpler. The country's market share in Indian imports rose to 40% in April, up from 39% a year ago. While Russia remained the largest supplier, Iraq solidified its second position, offering steady Basrah volumes, followed by Saudi Arabia. As India strengthens its ties with Saudi Arabia with the announcement of new refinery projects, analysts expect a potential increase in Saudi oil flows into the country, allowing it to regain its market share in India's import basket. As per the data, India's crude oil imports from Russia for April 2025 are estimated at 2.1 million barrels per day. "However, trade flows remain in the liquid phase, and cargoes might slip into May's arrivals, and April's total crude import from Russia might slip below 2.0 Mbd and close around 1.9-2.0 Mbd," said Sumit Ritolia, lead research analyst, refining & modeling at Kpler. Actual arrivals through April 25th stand at approximately 1.9 mbd, with Urals comprising about 77% and lighter grades the remaining 23%. Ritolia noted that the current sanctions regime, lacking secondary enforcement on buyers or insurers, continues to allow Russian oil trade to function uninterrupted.

Provided that margins remain strong and sanctions remain limited in scope with favorable economics, Kpler expects Russian crude to maintain a 30%-35% share in India's crude mix in the short term. "That said, our data also points to a modest rebound in Russian refining throughput by 100–300 thousand barrels per day (kbd) over the next few months, which could reduce export availability by a similar margin. This may slightly temper flows post-May," said Ritolia. India's total crude oil imports in April are expected to reach approximately 5.2 -5.3 million barrels per day, as per Kpler data. "Trade flows remain fluid, and some cargoes may slip into May's arrivals," Ritolia said. India is estimated to have imported 1.02 mbd of oil from Iraq in April, up from 889,000 bpd the previous month. Imports from Saudi Arabia stood at 539,000 bpd, down from 565,000 bpd in March. Oil imports from the US however, registered an increase to 337,000 bpd in April from 289,000 bpd last month. While Saudi Arabia has traditionally been one of India's top oil suppliers, competition from Russia and other exporters has shifted the dynamics in recent years. However, with renewed collaborations and investment initiatives between India and Saudi Arabia, it is likely that Saudi Arabia could regain a stronger foothold in India's oil import basket, experts say.

"The new refinery projects are expected to significantly boost India's oil sector by enhancing refining capacity, improving the ability to process a wider range of crude grades, and reducing reliance on imported refined products. This will not only meet domestic demand more efficiently but also position India as a key player in regional refined product exports," Ritolia said. However, a lot of the refinery plans are still mostly in the discussion stage, and even if they move ahead, any major project would typically take 4–6 years to start up. So, in the short term, we may not see a big immediate boost, he highlighted.

India's refining capacity is already set to rise from 5,282 kbd in March 2025 to 5,935 kbd by the end of 2027, driven by around 652 kbd of new capacity from various greenfield and brownfield projects. These expansions will definitely create more demand for Saudi crude volumes over the medium term, as per Kpler. India's oil demand growth rate is now expected to surpass China's, making it one of the fastest-growing consumption centres, prompting the country's refiners to accelerate expansion plans and widen crude diversification, as per S&P Global Commodity Insights.

"In 2025, India is forecast to deliver a relatively faster growth in oil demand of 3.2%, compared with China's 1.7%," Kang Wu, global head of macro and oil demand research at S&P Global Commodity Insights had said. As India's refining capacity is set to rise, refiners and policymakers are intensifying efforts to diversify the crude import basket to reduce overdependence on a few supplying countries or regions. India, which imports as much as 88% of its needs, has said that it will continue buying oil from the cheapest available sources to meet growing demand, with Russian oil falling in that category due to attractive discounts.

Source: Financial Express, Monday, 28 April 2025

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AGRICULTURE

Efforts on to curb GM alfalfa seed import

Quick check. Scientists may have to develop test kit to identify transgenic seeds as US seeks market access

With the US pushing India to reduce import duty on alfalfa (lucerne) fodder seed, the government is preparing the ground for restricting the genetically modified (GM) version of the crop from entering the country. The Americans grow both GM and non-GM varieties of alfalfa, which derives its name from the Arabic world *al-fasfasa* that means the best forage.

“Scientists may have to develop an easy test kit so that it can be verified before unloading,” a source said, adding that it is possible to develop such a kit at a short notice. Currently, domestically-produced alfalfa seed is available in the market in the range of ₹500-800/kg, whereas the imported seeds cost higher due to import duty, sources said.

50% import duty

The effective import duty on lucerne seed (HS code 12092100) is 50.045 per cent, which includes basic customs duty (BCD) of 30 per cent, agri (AIDC) cess 30 per cent levied against BCD, social welfare surcharge 10 per cent (on BCD+AIDC) and IGST 5 per cent.

Besides, the import of alfalfa seeds has to adhere to the plant protection guidelines of the Agriculture Ministry, and it has to arrive with a valid phytosanitary certificate from the exporting country, meeting Indian standards.

Currently, alfalfa seeds are not imported as India has been growing the crop domestically. It is not economical for widespread use due to the import duty, trade sources said.

Berseem seeds

India imports Berseem seeds for fodder purposes from Egypt and some CIS countries. The import quantum used to be very high a few years ago but it has come down now to about 500 tonnes a year because of the rise in its domestic production. However, industry sources said since it used to be cheaper and high yielding, there was preference for the imported varieties.

Official data show that the import of clover (*Trifolium* spp) seed of forage plants (HS code 12092200), which included Berseem seeds, was 618 tonnes during April 2024-January 2025 against 5776 tonnes in the year-ago period.

Direct import

Since growing alfalfa requires more water, it may be a better option to facilitate direct fodder import from the US rather than seeds, sources said, adding it will help India supplement fodder availability while expanding the area under agricultural crops like oilseeds and pulses.

The US is the world's largest alfalfa producer, where it is grown mostly under rainfed conditions and the yield is also lower when compared with the same crop grown under irrigation.

Source: The Hindu Business Line, Tuesday, 29 April 2025

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Record Myanmar crop, higher rabi, zaid output to weigh on urad prices

Prices of urad (black matpe) continue to trend lower on weak demand. This comes amidst good rabi crop arrivals and expectations of higher imports from Myanmar, which has harvested a record crop this year. With summer crop set to hit the markets in States such as Gujarat and Madhya Pradesh in the weeks ahead, prices are likely to come under further pressure, trade sources said.

“Myanmar has produced a record crop of around 6.5 lakh tonnes this year against last year’s 5.5 lakh tonnes. People there want to export more, and most of the urad that Myanmar produces finds its way to the Indian market. As a result, the imports could go up this year,” said Rahul Chauhan, Igrain India. The new crop from Myanmar has already started coming to the Indian market, he said.

A section of the trade has pegged the Myanmar crop at 9-10 lakh tonnes. India’s imports of urad during 2024-25 is expected to have increased by 32 per cent to over 8.23 lakh tonnes, Chauhan said.

Trade Cautious

Since November last year, urad prices have crashed by 25 per cent on weak demand and rise in imports from countries like Myanmar and Brazil. From around ₹95 a kg in November last, the prices have come down to ₹72 a kg, said B Krishnamurthy, Managing Director, Four P International Pvt Ltd.

The bearish price trend is seen hurting the confidence of the trade. Even millers, who had stocked up, are seeing the value of their inventory going down due to the declining price trend, he added.

Urad production during the kharif 2024 season was impacted by excess rain. The output was down by about 20 per cent at 12.82 lakh tonnes against 16.04 lakh tonnes in the previous year, as per the government estimates. The rabi output, as per the second advance estimates, is projected higher at 5.17 lakh tonnes (4.87 lakh tonnes).

“We hear the summer (zaid) crop, which will start arriving in a couple of weeks in States like Gujarat and Maharashtra, is also expected to be good,” Krishnamurthy said. The higher summer crop is also seen weighing on the urad prices, which are already ruling below the minimum support price of ₹7,400 per quintal.

Chauhan said in recent months, the prices of Myanmar urad have witnessed significant fluctuations. Prices of SQ grade, which had earlier touched \$1,200 per tonne, have now consistently declined and stabilised between \$880-890 per tonne.

The India Pulses Grains Association, in its market update on Monday said trade expects urad prices to stay under pressure due to weak buying and no sales of processed urad. The market may face additional pressure as the new summer crop from MP and Gujarat will arrive soon, followed by Brazil shipments starting mid-June. “Trade sources expect urad prices to hit bottom in May month. Sentiment remains cautious with price trends depending on Burma’s CNF quotes for India” it said.

Source: The Hindu Business Line, Tuesday, 29 April 2025

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Govt may have to hand-hold FPOs to get better price

The Centre may have to hand-hold farmer producer organisations (FPOs) to overcome the major challenge of ensuring a fair price for quality produce from them. In particular, it will have help them get the 5-6 per cent margin that currently goes to intermediaries. This is necessary as the government tries to connect FPOs directly with corporates to sell their produce.

In the weekly webinar on April 24, organised by Union Agriculture Ministry at the initiative of Secretary Devesh Chaturvedi, Olam Agri's assistant manager Praveen Sinha along with a colleague said that currently there is a 5-6 per cent margin (of profit) between farmer and processors/exporters in farm produce and the FPOs are well placed to capture that margin, provided they conform to quality standards and sustain it.

When company officials said they currently are buying wheat at about ₹2,600/quintal in Shahjahanpur in Uttar Pradesh, a farmer representing an FPO in an adjacent district said local traders are paying them same rate. But, Olam officials said the wheat it is buying has specific standards and it is ready to pay higher for better quality produce.

Olam's executives said that the company relies on traders/commission agents who buy the produce from aggregators, as per its own parameters whereas past experience with some FPOs was not of consistent quality. Currently in most States, even if FPOs sell the produce directly to processors, they need to pay fees to local mandi.

The issue of farm-gate price gained prominence at the webinar when an FPO representative asked a company why should they sell the produce at a rate in which he has to deliver the produce at his own cost at the designated warehouse if he gets the same rate from local trader in his village.

Larger issue

"This is a larger issue of 'mandi fees' the government should address as almost all the States have it and there is no concession for FPOs. It is high time the Agriculture Minister convened a meeting of States only on the issue of FPOs where exemption from mandi fees should be discussed on priority," said a former top official of the Agriculture Ministry.

After achieving the target of creating 10,000 FPOs, the government has been trying to boost their income through hand holding for which Chaturvedi conceived the idea of the weekly webinar and in the first meeting assured them of all necessary help in creating the market linkage.

Source: The Hindu Business Line, Tuesday, 29 April 2025

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Bought leaf tea manufacturers form national federation

Three regional associations — Nilgiris Bought Leaf Tea Manufacturers Association, North Bengal Tea Producers Welfare Association, and Assam Bought Leaf Tea Manufacturers Association (ABLTMA) — have united to form the Federation of Indian Tea Manufacturers Association (FITMA).

The new national body will represent the interests of over 525 factories producing 615 million kgs of tea annually.

FITMA aims to engage proactively with governments, the Tea Board of India, and other stakeholders to promote the interests of the small tea growers and the bought leaf industry across the country.

Deven Singh and Vikas Mandhanian from ABLTMA were elected as the first Chairman and Secretary of FITMA, while Sanjay Dhanothi from North Bengal and Dhananjayan Krishnamoorthy from Nilgiris were elected as the two Vice Chairmen.

Heavily Regulated

The formation was announced at Dibrugarh in Assam during the “Dil Se – Bought Leaf – Kal Aaj aur Kal” meet, where industry leaders participated, said a press note.

Dhananjayan Krishnamoorthy, president of Nilgiris Bought Leaf Tea Manufacturers Association, said the bought leaf tea manufacturing sector remains the most heavily regulated segment in the entire tea value chain.

All major regulations of the Tea Board have been targeted exclusively at the bought leaf sector, while estate factories, brokers, buyers and exporters continue with minimal oversight.

He also urged the authorities to implement the price sharing formula for all buyers of green leaf based on the consultant report that would bring long-needed fairness to the system. Estate factories which procure 20-30 per cent of their green leaf requirements from small growers are currently not required to follow the price sharing formula.

Source: The Hindu Business Line, Tuesday, 29 April 2025

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As harvest picks up pace, wheat flour prices fall by ₹5-7 per kg, offering relief to consumers

The softening of prices, as per industry people, could not have come at a better time as policymakers intensify efforts to rein in food inflation.

The fresh arrival of wheat from key producing states—Punjab, Haryana, Madhya Pradesh, Uttar Pradesh, Rajasthan and Gujarat—is beginning to ease the pressure on household budgets, with wheat flour (atta) prices declining sharply by ₹5-7 per kg over the past month. The softening of prices, as per industry people, could not have come at a better time as policymakers intensify efforts to rein in food inflation. Unbranded atta has seen the most visible price decline, while several branded atta players have reduced prices by ₹1.5- ₹5 per kg. However, distributors say it may take a few more weeks for these cuts to fully reflect on retail shelves. Wholesale atta prices have also corrected significantly, falling to ₹2,900- ₹3,000 per quintal in Delhi from ₹3,600- ₹3,700 a month ago.

Navneet Chitlangia, president of the Roller Flour Millers' Federation of India (RFMFI), attributed the price decline to the robust pace of harvesting. "The benefits of the new crop are beginning to flow to consumers. We expect the trend to continue as arrivals strengthen further," he said. The government procurement has gathered momentum. Between 15 March, when procurement began, and 24 April, government agencies had purchased over 19.85 million tonnes (mt) of wheat, up 46% from 13.85 mt procured during the same period last year. For the 2025-26 marketing season, the government is targeting a wheat procurement of 31.2mt, compared to 26.6mt bought in 2024-25.

According to the agriculture ministry, wheat production during the 2024-25 rabi season is estimated to reach a record 115.43mt, surpassing the 113.29mt harvested last year. Experts attribute the bumper harvest to conducive weather conditions and the absence of major crop-damaging events this season. In the Delhi wholesale market, wheat is currently trading between ₹2,600 and ₹2,700 per quintal, compared to ₹3,300 a month ago—a substantial correction that analysts believe will provide vital relief to the broader inflation outlook. Retail inflation slowed to 3.34% in March, with food inflation easing sharply to 2.69% year-on-year from 3.75% in February. Economists see the ongoing wheat harvest and strong procurement efforts as key factors that could further cool prices in the coming months.

"With a bumper wheat crop expected and robust procurement, we should see a stable-to-softening trend in food inflation. Wheat prices have a direct impact on staples like flour, bread, and biscuits," said Madan Sabnavis, chief economist at Bank of Baroda. This year's wheat harvest is turning out to be a crucial turning point after months of volatility. Wheat prices had started climbing after mid-December 2024 due to dwindling supplies and strong demand from flour mills. By early February, wheat prices had hit a record high, prompting the government to intervene through the Open Market Sale Scheme (OMSS) and regulatory measures such as stock limits on traders and millers.

However, the supply situation only began easing after new crop arrivals began mid-March.

Under OMSS, the Food Corporation of India (FCI) offloaded 3mt of wheat starting mid-December in FY25, compared to a record 10mt sold to bulk buyers in FY24. Wheat was offered at ₹2,325 per quintal, slightly above the official minimum support price (MSP) of ₹2,275 for the 2024-25 marketing year. Despite these interventions, the real relief has come only now with the actual arrival of fresh supplies. Retailers confirm that the fall in prices is currently more pronounced for unbranded atta and chakki atta sold in bulk (10kg or 50kg bags) compared with branded packaged atta.

"It takes time for branded players to recalibrate their shelf prices even if procurement costs fall. So far, we haven't seen major changes at the retail level," said Dhairyashil Patil, president, All India Consumer Products Distributors' Federation. Branded wheat flour accounts for only 5-8% of India's 45-50mt annual atta market, meaning that most consumers are likely to benefit relatively faster through loose and unbranded flour purchases. Queries sent to major branded players like ITC Ltd and Adani Agri Business Ltd (formerly Adani Wilmar) remained unanswered. Industry watchers caution that products made from wheat, such as bread and biscuits, may not immediately see price cuts. "The prices of secondary products like bread and biscuits won't necessarily come down in perfect sync with wheat prices," Sabnavis added, pointing to processing and packaging costs that remain elevated.

Source: Livemint, Monday, 28 April 2025

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Plan afoot to revive sunflower cultivation

The Indian government plans to revive sunflower cultivation across multiple states to reduce edible oil import dependence. Under the national mission on edible oils, sunflower will be promoted as a summer crop, with processing facilities and financial incentives aimed at boosting production and reducing reliance on imports.

The government is aiming to revive cultivation of sunflower in states including Karnataka, Andhra Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Punjab and Haryana. The oilseed will be cultivated as summer crop and by replacing some rabi paddy area. After a gap of over a decade, Bihar, Chhattisgarh, Madhya Pradesh, Punjab and Haryana took up sunflower as summer crop in the 2024-25 season under the national mission on edible oils. The mission aims to reduce the import dependence on edible oil from the current level of 57% to 28% by 2032.

Out of the total edible oils import of 15.96 million tonne (MT) in 2023-24 oil year (Nov- Oct) crude sunflower oil import was 3.5 MT or 22%. India mostly imports sunflower oils from Ukraine. Although the area under sunflower is very small compared to total oilseeds area, an official said with the setting up of clusters for processing, farmers would again revive cultivation of oilseeds variety for ensuring remunerative prices for the farmers.

“We are aiming to replace summer and rabi grown paddy area with sunflower cultivation,” Kapildev Deepak, joint director, agriculture, Chhattisgarh told FE. The state government is looking for setting up processing facility through value chain development for sunflower farmers. In the 2010-11 crop year, area under sunflower was 0.93 million hectare (Mha), which gradually declined as farmers shifted to more remunerative crops in Karnataka, Andhra Pradesh and Telangana. “Lack of availability of hybrid seeds, un-remunerative prices because of surge imports lead to decline in domestic output of the sunflower,” an official said

Out of the total oilseeds cultivated area of 30.19 Mha in 2023-24 crop year (July-June), area under sunflower was only 0.15 Mha (0.5%). Share of other key oilseeds include soybean 13.25 Mha (44%), mustard 9.18 Mha (30.4%), groundnut 4.7 Mha (15.65%) and Sesameum 1.53 Mha (5.1%). Oilseeds have traditionally been grown during kharif and rabi seasons. Meanwhile, the area under oilseeds – groundnut, sunflower and sesame, during summer season (2024-25) is over 1.03 million hectare (Mha), compared to 0.82 Mha in the previous year.

An agriculture ministry official said that while edible oil missions seek to boost oilseeds output, sunflower cultivation has huge potential to expand.

Currently financial incentives are being provided to farmer producers organisations (FPOs), cooperatives, and industry players to establish or upgrade post-harvest units through cluster development.

Officials said that summer-sown oilseeds are expected to boost overall output, leading to enhanced area and availability of edible oil. “States have come up with proposals for setting up clusters for boosting oilseed output and setting up processing units in collaboration with private entities and farmers’ collective,” an official said.

The Rs 10,103 crore national edible oil mission aims at enhancing the production of key primary oilseed crops such as rapeseed-mustard, groundnut, soybean, sunflower, and sesame.

The mission launched last year also aims to increase collection and extraction efficiency from secondary sources like cottonseed, rice bran, and tree borne oils.

In addition, the mission has proposed a dynamic import duty structure based on the minimum support price (MSP) of oilseeds as well as domestic and global prices.

Source: Financial Express, Monday, 28 April 2025

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