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New Age Fertiliser Marketing

Frank Notes

Dr. Suresh Kumar Chaudhari

Fertiliser is the most important component of agricultural development in the world and India is no exception. Production of fertilisers in terms of $N+P_2O_5$ was 22.09 million MT in 2024-25 compared to 21.99 million MT in 2023-24. On the other hand, consumption of $N+P_2O_5+K_2O$ in 2024-25 has been 32.93 million MT compared to 30.64 million MT in 2023-24. Gap between consumption and production is met by import of finished products. The corresponding figures in terms of nutrients (kg ha^{-1}) has been 150.1 and 139.7. The growth in consumption of fertilisers was stupendous in 2024-25, thereby increased the production of food grains from 332.30 million MT in 2023-24 to 353.96 million MT in 2024-25, an impressive growth of 6.5 per cent. Consumption of total fertiliser products has been about 70.7 million MT in 2024-25 compared to 64.8 million MT in 2023-24. Such a large quantity was made available by fertiliser companies for use by the farmers to improve farm productivity. Fertiliser industry has been playing a key role in making fertilisers available to the farming community across such a large country having geographical area of about 329 million hectares (Mha) and net cultivated area of 140 Mha. The industry has been doing so by meticulous planning of production and import of finished products, and raw materials/intermediates/feedstock used for production of different fertilisers. Towards this, fertiliser industry has been working closely with the Government and farmers to make fertilisers available to the farming community.

In the current year up to July, production of urea has shown a decline of 8.3% due to closure of three plants but import has improved by 22.7% compared to corresponding period of last year. Production of DAP remained more or less at the level of previous year. However, import has increased by 35.1%. Production and import of NP/NPKs showed an increase of 6.7% and 22.5%, respectively. Production of SSP improved by 11.9%. Import of MOP has been less. Consumption of urea, NP/NPK complexes, MOP and SSP has shown an increase of 14.2%, 27.2%, 42.8% and 28.7% compared to corresponding figures of previous year. However, sale of DAP decelerated to 12.8%. Southwest monsoon has been very favourable, and the residual moisture in the soil will help in better sowing of crops, thereby fertiliser consumption may pick up further.

Realising the importance of fertiliser in agriculture, Government of India formulated various policies starting from FCO in 1957 and then in 1985; *kharif* and *rabi* zonal conferences in 1972; Fertiliser Movement Control Order in 1973; Retention Price Scheme in 1977 for urea and for P&K fertilisers in 1979; decontrol & de-canalization of P&K fertilisers in 1992 and ad hoc concession from *rabi*-1992-93; fixing of MRPs of these fertilisers except SSP from *kharif* 1997 and of SSP from *kharif* 2008; New Pricing Scheme for urea in 2003 and modifications; fertiliser monitoring system in 2007; customized and fortified fertilisers in 2008; Nutrient Based Subsidy on P&K fertilisers in 2010; mobile based fertiliser monitoring system in 2012; New Investment Policy of urea in 2008, 2012 and modifications; New Urea Policy in 2015 and tightening of energy norms on 4 occasions; integrated fertiliser management system across the country from March 2018 and linking reimbursement of 100% subsidy to companies on sale of fertilisers by the retailers through point of sale machines; introduction of 45 kg bag of urea in 2018 and fixing its MRP; revision of dealer/distribution of urea in 2018; policy on promotion of organic fertilisers in 2023; MRP of sulphur coated urea in 2024; GST in 2017; PM PRANAM scheme - promotion of alternate fertilisers in 2023 and others; etc.

Fertiliser companies welcome the decision of the Government to reduce GST rates from 18% to 5% on ammonia, sulphuric acid and nitric acid to bring parity with GST rates on fertilisers, thereby correcting the inverted duty structure; and also slashing the GST rates on micronutrients from 12% to 5% to be effective from 22 September 2025. Fertiliser industry always believes in supply of quality fertilisers to the farmers for agriculture use only and is totally against diversion of fertilisers for other purposes.

Fertiliser marketing can be defined in six words *i.e.* Find a need and fulfil it. Fertiliser marketing,

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undergoing a sea change, is becoming more and more challenging and shifting from sellers to buyers' market. India is heavily dependent on import. More than 90% demand of P&K fertilisers is met either by import of finished products or raw materials/ intermediates used for production. There is 100% import dependency on MOP. About 78% demand of feedstock is met by importing regasified liquefied natural gas for production of urea, in addition to importing 5 to 6 million MT. The international market is quite volatile and ups/downs are witnessed depending on demand-supply position, geo-political disruptions, restrictions, etc. However, fertiliser companies have been putting their sincere and intense efforts in ensuring inputs and finished products on sustainable basis.

Challenges have been cropping up in agriculture such as dwindling of soil and water resources; deterioration of soil health; decline in crop response to fertilisers, endophytic bacteria & microbial count in soil; low nutrient use efficiency; emergence of multi-nutrient deficiencies; overuse and underuse of fertilisers; emissions of GHGs; low water use efficiency; poor rain water management; adverse effects of climate change on agriculture, etc. Companies may have to realign their marketing strategies keeping in view the challenges in mind. No doubt, various types of fertilisers are being marketed by the companies and but more focused attention is required as per the emerging need. There are large numbers of fertiliser products under the categories of 8 schedules of FCO 1985 such as specifications of chemical fertilisers, bio-fertilisers, organic fertilisers, bio-stimulants, Nano fertilisers and organic carbon enhancer from compressed bio-gas plants, etc. There is no second thought that the companies are fully engaged in marketing of such fertilisers to improve soil health, organic carbon content in the soils, farm productivity and farmers' income.

Companies are producing, importing and marketing water soluble fertilisers. Therefore, consumption is on rise, which may have crossed 4 lakh MT in 2024-25. Use of such ingredients with micro-irrigation improves water as well as use efficiency of applied nutrients through such sources. Area under micro-irrigation has reached a level of more than 16.7 Mha. In case of micro-nutrients, use is about 3.4 lakh MT. Application of such fertilisers result in balanced fertilisation, improve use efficiency of major nutrients and improve soil health. Consumption of bio-fertilisers for carrier-based is about 2.2 lakh MT and of liquid-based is nearly 0.86 lakh KL. It is an important component of integrated nutrient supply system in addition to organic-based fertilisers.

India is the leader in evolution of Nano-based fertilisers in the world. Government of India covered Nano fertilisers in separate Schedule VII of FCO 1985. There are 5 categories such as Nano Urea, Nano Phosphorus, Nano DAP, Nano Zinc and Nano Copper. Many companies are engaged in production and sale of these fertilisers. Nano Zinc and Nano copper are being produced and marketed by IFFCO. Use of such fertilisers supplement nutrient requirement of the crops and are environment friendly.

Digitalization is on rise and with such technology, business can transform to improve efficiency, decision-making, and customer experiences. Integration of e-commerce platforms and digital marketing channels improve last-mile connectivity and engagement of the farmers with such tools. In rural market, mobile phones have been showing a tremendous growth. Farmers can place order from their mobiles for purchase of agri-inputs and access crop-specific recommendations and get advisory related to advances in agriculture. E-commerce is poised to play a pivotal role in modernizing fertiliser distribution system in the country.

Programs and schemes of the Government of India, efforts of ICAR Institutes, Agricultural Universities, State Departments of agriculture and Krishi Vigyan Kendras have been contributing a lot in development of agriculture.

This marketing special issue has been published along with the Annual Review of Fertiliser Production and Consumption 2024-25. The issue includes eight papers covering important areas of fertiliser marketing. It is hoped that all those involved in the fertiliser and agriculture sectors will find the content of this special issue and annual review informative and useful. ■