

Fertiliser stocks dip as global prices surge, farmers hit hard

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"DAP BAZAAR mein nahi hai (there's no di-ammonium phosphate in the market)," says Pritam Singh Hanjra.

This farmer from Urlana Khurd village in the Madlauda tehsil of Haryana's Panipat district is, like many others, desperately searching for India's second-most consumed fertiliser after urea. Containing 46% phosphorous, which is necessary for root establishment and growth, farmers mostly apply DAP as a basal dose before sowing.

"It is neither available at the nearby Madlauda and Safidon mandis nor the more distant ones at Karnal and Kaithal. Farmers who go to sell paddy (currently being harvested) normally bring back DAP for their next wheat crop on the same tractor trolleys to save on burning diesel. But this time, they are all returning

empty," notes Hanjra.

Farmers require about 110 kg of urea, 50 kg of DAP and 20 kg of MOP (muriate of potash) for every acre of wheat. "The first dose of urea can be given 25-26 days after sowing. But DAP cannot wait and we need it well before sowing starts first week of November," he adds.

The desperation is more for potato, where sowing is already underway in Punjab and extends from mid-October to early-November in Uttar Pradesh. The fertiliser requirement, per acre, for it is around 110 kg urea, 90 kg DAP and 80 kg MOP.

Harjinder Singh from Malliwal village in Shahkot tehsil of Punjab's Jalandhar district plans to cultivate potato on 85 acres, including 47 acres of his own and the remaining taken on lease.

"I have just 30 bags (each of 50 kg) of DAP and 10 bags of 12:32:16 (a complex fertiliser containing 12% nitrogen or N, 32% phosphorus or P and 16% potassium or K). These will

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suffice for hardly a fourth of my area," he complains.

The picture projected by farmers – there are viral media videos of lathi charges and even trucks being raided – is consistent with the stocks position of key nutrients, as per the government's own data.

Opening stocks for this month were less than half of their year-ago levels in the case of DAP and MOP, while also lower for urea and NPKS complexes.

The main reason for the precarious stocks – ahead of rabi plantings and also crucial Assembly polls in Uttar Pradesh, Punjab and Uttarakhand, scheduled for February-March – is surging global prices.

The landed price of imported DAP in India is now \$675-680 per tonne (cost plus freight), compared to \$370 at this time last year. MOP was imported at \$230 per tonne a year ago, whereas it is available for not less than \$500 today.

Prices have similarly soared for urea (from \$280-285 to \$660-665) and also intermediates such as phosphoric acid (from \$689 to \$1,160), ammonia (\$230 to \$615-625), rock phosphate (\$100 to \$150) and sulphur (\$80-85 to \$250-260).

The Narendra Modi government, on October 12, approved an increase in the subsidy on DAP from Rs 24,231 to Rs 33,000 per tonne, besides that on three NPKS complexes (from Rs 18,377 to Rs 20,377 for 12:32:16, Rs 16,293 to Rs 18,293 for 10:26:26 and Rs 13,131 to Rs 15,131 for 20:20:0:13, 0 refers to zero potassium, 13% Sulphur).

The decision was taken to make it viable for fertiliser firms to import and also stop them from raising maximum retail prices (MRP) too sharply, especially given the upcoming state elections. Some companies had already hiked the MRP of the popular 12:32:16 complex from Rs 23,700-24,000 to Rs 34,000 per tonne. With the latest subsidy announcement, that is expected to be partially rolled back to Rs 29,000-29,500 levels.

But the main concern is availability: Has the higher subsidy come too late?

"There would certainly be incentive to import more now. I expect ships to start arriving by end-October to early-November. The government should undertake 24/7 surveillance so that the imported material is moved directly to the consumption centres rather than being stocked. Secondly, some kind of rationing is required. DAP can be reserved mainly for wheat-growing areas, with 12:32:16 going for oilseeds; 10:26:26 for rabi paddy, pulses, sugarcane and potato; and 20:20:0:13 for universal application," industry expert G Ravi Prasad told *The Sunday Express*.

ALL-INDIA STOCK OF FERTILISERS

	2021	2020	2019	2018
UREA	5245	5590	6885	6896
DAP	2075	5023	6596	4798
NPKS	3241	3600	5142	4068
MOP	963	2024	2286	1590

* As on Sept 30; in thousand tonnes
Source: Department of Fertilisers