

Fertiliser sales drop in H1; import and production up

NEGATING BENEFITS. Subsidy at 78 per cent of this fiscal's Budget Estimate

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The import of urea dropped by 25 per cent in the first half of the current fiscal while its domestic production increased by 17 per cent. However, the benefit of the fall has been negated by the increased import of di-ammonium phosphate (DAP) and complex fertilisers, which along with high global prices have resulted in the subsidy level reaching nearly 80 per cent of the Budget allocation.

According to the latest official data, the import of urea in April-September dropped 24.7 per cent to 29.91 lakh tonne (lt) from 39.7 lt a year ago. But imports of all other fertilisers increased – complex by 121.5 per cent to 15.26 lt, DAP 43.3 per cent to 33.25 lt and muriate of potash (MOP) by 4.9 per cent to 8.83 lt. Overall, the im-



MIXED TREND. Import of urea dropped by 25 per cent to 29.91 lakh tonnes, while that of all other fertilisers has increased

port of all fertilisers increased by 11.6 per cent to 87.25 lt.

“It is natural to see a drop in import after domestic production goes up in urea. But it is a concern when the import of complex has more than doubled,” an industry expert said. The main reason for the drop in import is due to higher production which was 139.32 lt

on September 30 in the current fiscal against 119.19 lt a year ago. Though global prices softened to \$600/tonne in August from \$990 in December 2021, they are still high as they were below \$300 till January 2021.

SKewed SALES

Meanwhile, the urea subsidy

was ₹55,198.18 crore in H1 — 87.3 per cent of the Budget Estimate (BE) of ₹63,222.32 crore and the subsidy on DAP and MOP fertilisers topped ₹27,000 crore — 64.3 per cent of ₹42,000 crore BE. The total fertiliser subsidy in April-September was ₹82,204.74 crore or 78.1 per cent of ₹1,05,222.32 crore BE 2022-23.