

More use of speciality fertilisers can help tide over supply shocks: Experts

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As the government grapples with rising fertiliser subsidy in the wake of the West Asia crisis, experts gathered at a discussion in New Delhi on Thursday said that rising sales of non-subsidised speciality fertilisers at around 10-12 per cent per annum show that farmers have an appetite for good products irrespective of the price charged.

Also, non-subsidised speciality fertilisers have a much more diverse sourcing range than that of urea, DAP (diammonium

phosphate) and others, and hence are relatively insulated from global supply shocks like the ones currently happening due to the West Asia situation.

The supply shocks have pushed global urea rates to almost \$800 per tonne from the pre-war levels of less than \$450 per tonne, while DAP prices have also crossed \$800 per tonne from around \$650-670 per tonne before the war.

“Most speciality or non-subsidised fertilisers are sourced from Europe, China, Taiwan, and the Middle East. Also, their transportation is not difficult as they pack more punch than

conventional urea, DAP, and NPK (nitrogen, phosphorus, and potassium), and are required in lesser quantities. Therefore, they can be an ideal replacement for traditional products,” said Sanjeev Kanwar, managing director of Yara International South-Asia.

In India, speciality fertiliser sales have been growing at the rate of 10-12 per cent per annum. Though their total sales volume is quite small at around 0.4-0.5 million tonnes (mt) compared to over 65 mt of subsidised fertilisers sold in India every year, the volume rise shows that niche products that give better value for money do command a market, experts said.

