

India's Fertiliser Shortage 2025: Causes, Supply Issues and Policy Lessons

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India's Fertiliser Shortage 2025 Latest News

- India witnessed an excellent southwest monsoon this year, with June–August rainfall 6.1% above the historical average and well-distributed across regions.
- Rainfall exceeded norms in June (8.9%), July (4.8%), and August (5.5%), while May also recorded 106.4% above-normal rain.
- Out of 36 meteorological subdivisions, 33 received normal rainfall, with deficiencies seen only in Bihar, Assam, Meghalaya, and Arunachal Pradesh.
- The timely and evenly spread rains have spurred higher kharif sowing: rice acreage rose 7.6% to 420.4 lakh hectares, while maize cultivation jumped 11.7% to 93.3 lakh hectares.
- This, in turn, has boosted fertiliser sales as higher crop acreages drove demand for essential fertilizers.

Fertiliser Sales Surge with Good Monsoon

- Between April–July 2025 and the same period in 2024, most fertilisers — including urea, single super phosphate (SSP), muriate of potash (MOP), and complex blends — recorded double-digit growth in sales.

Dip in DAP Sales, Rise of Alternatives

- The only exception was diammonium phosphate (DAP), whose sales fell by 12.8%.
- This decline continues a trend from recent years, driven by supply shortages.
- Farmers have increasingly substituted DAP with other phosphorus-rich fertilisers such as SSP and the complex 20:20:0:13.

20:20:0:13 Emerges as a Major Player

- With 20% phosphorus content — less than DAP's 46% but more than SSP's 16% — 20:20:0:13 has emerged as a popular choice.
 - The ratio 20:20:0:13 is commonly used to represent the composition of a specific type of fertilizer, known as Ammonium Phosphate Sulphate (APS).
 - **APS** provides 20% Nitrogen (N), 20% Phosphorus pentoxide (P_2O_5), and 13% Sulphur (S), with no potassium (K).
- Its sales reached a record 69.7 lakh tonnes in 2024–25, making it India's third-largest selling fertiliser after urea (387.7 lt) and DAP (92.8 lt).

Rising Demand vs. Limited Supply

- Despite a surge in fertiliser demand during the good monsoon, supply has not kept pace.
- **Domestic urea production** in April–July 2025 **fell** to 93.6 lt from 102.1 lt the previous year, while DAP output remained flat at 13.7 lt.
- Production rose modestly for NPKS complexes (35 lt to 37.4 lt) and SSP (17.1 lt to 19.1 lt), but **imports of urea and DAP also declined**, worsening the gap.

Sharp Stock Depletion

- Government data show steep declines in fertiliser stocks as of August 1, 2025.
- Urea stocks dropped to 37.2 lt from 86.4 lt a year earlier.
- DAP (13.9 lt vs 15.8 lt), complexes (35 lt vs 47 lt), and MOP (6.3 lt vs 8 lt) also saw lower inventories.
- Only SSP stocks saw a marginal rise to 20.7 lt.

Peak Season Shortages

- The supply crunch hit hardest during July–August, peak consumption months for kharif crops.
- Farmers need phosphatic fertilisers like DAP at sowing for root growth, while urea is applied in split doses later.
- Reports of farmers queuing for hours to secure urea bags highlighted the shortages.
- Industry experts noted that fear-driven pre-stocking worsened the situation, amplifying the actual shortage during the critical sowing season.

Policy Lessons for Fertiliser Management

- The government appears to have underestimated fertiliser demand this kharif, particularly for rice and maize, which are nitrogen-intensive crops requiring multiple urea applications.
- In contrast, soyabean and pulses, which need little urea, saw reduced acreage this season.
- With kharif consumption peaking, the focus now shifts to ensuring adequate fertiliser supplies for the rabi season, supported by strong water availability in reservoirs and aquifers.
- Falling imports of urea and DAP since 2023–24, **largely due to Chinese supply curbs**, may ease with the recent thaw in India–China ties.
- Experts suggest moderating usage by substituting some urea with ammonium sulphate and restricting DAP primarily to rice and wheat, while promoting complexes for other crops to ensure sustainability.

Source: IE | ET

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