

INDIAN FERTILIZER MARKET WEEKLY REPORT

SEPTEMBER – 8 to 13, 2025



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Coverage: Sep 8 – Sep 13, 2025

Executive Summary

Between September 8 and September 13, 2025, the Indian fertilizer market witnessed notable developments across several fronts. The National Human Rights Commission (NHRC) issued notices to state authorities due to acute fertilizer shortages during the Kharif crop season, highlighting farmers' struggle to procure essential fertilizers. Odisha's government actively cracked down on black marketing, including the arrest of a PACS secretary for illegal practices, reinforcing supply chain transparency and equitable distribution.

National Fertilizers Limited (NFL) strategically secured 2.03 million tonnes of urea, evenly allocated between east and west coasts, to counter domestic shortages. Meanwhile, China announced plans to reimpose export curbs on specialty fertilizers in October, signaling potential cost and availability challenges for India's specialty fertilizer sector.

Fertilizer companies faced a persistent Input Tax Credit (ITC) pile-up due to subsidy policy structures, adding financial strain despite falling raw material costs. Conversely, Engineers India Limited secured a major ₹618 crore consultancy contract, underlining continued investment and export service potential.

India's urea tender affected global pricing trends, and sulphur market prices surged amid supply and geopolitical disruptions. Key industry expansions include NFL's projects in nano urea, agrochemical manufacturing, and solar energy, Chambal's TAN plant development in Rajasthan, and Coromandel's ₹500 crore investment to expand phosphatic fertilizer capacity at Kakinada.

Rashtriya Chemicals & Fertilizers Limited (RCF) launched an e-Tender for MAP/DAP bulk supply, expected to reshape supply strategies. Urea granular bulk prices continued to fluctuate in response to shifting domestic demand and global supply factors.



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Government Takes Strong Steps to Address Fertilizer Shortages

During the ongoing Kharif crop season in India, the fertilizer supply chain faced severe disruptions, prompting the National Human Rights Commission (NHRC) to intervene. The NHRC issued formal notices to the chief secretaries and Directors General of Police of all Indian states and union territories. These notices came in response to mounting complaints from farmers who were unable to procure essential fertilizers in time for their crops. The commission demanded immediate action and a detailed inquiry into the reasons for this shortage, emphasizing the critical impact on agricultural productivity and farmer livelihoods.

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Meanwhile, the Odisha state government intensified its crackdown against black marketing practices in the fertilizer sector. Authorities undertook stringent surveillance and enforcement actions, targeting individuals and entities involved in hoarding or selling fertilizers at inflated prices. Several arrests were made, including that of the secretary of a Primary Agriculture Cooperative Society (PACS) in Jharsuguda district, found guilty of black marketing. This decisive action aimed to ensure equitable fertilizer distribution, protecting the interests of genuine farmers and curbing unlawful profiteering.

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Supply Chain Movements and Import Challenges

To address the rising demand and domestic shortfalls, National Fertilizers Limited (NFL) secured contracts for importing 2.03 million tonnes of urea. The shipments were carefully allocated—1.01 million tonnes for India's west coast and 1.02 million tonnes for the east coast—to strategically balance regional supply and demand dynamics. This significant move is expected to alleviate immediate supply pressures, especially as Kharif season peaks.

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Financial Headwinds and Policy Struggles

Despite positive steps to secure imports and strengthen supply, Indian fertilizer companies continue to struggle with a growing pile-up of Input Tax Credit (ITC). The issue stems from the government subsidy structure, where the taxes on inputs and final products remain mismatched. As a result, companies are unable to fully offset their tax liabilities, leading to significant financial strain and working capital challenges. Industry leaders are urging policymakers to revisit the tax structure and provide long-term relief.

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In a major business development, Engineers India Limited (EIL) won a prestigious contract worth ₹618 crore to offer project management consultancy and engineering services for constructing a large fertilizer manufacturing plant in Africa. This milestone reinforces India's global footprint in the fertilizer engineering space, reflecting growing confidence in Indian firms for turnkey industrial solutions.

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Innovation, Expansion, and Market Dynamics

India's urea tender in early September had global implications, directly impacting international fertilizer pricing and trade flows. The tender's results led to adjustments in global supply strategies, as several exporters repositioned their offers to align with India's import decisions.

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Meanwhile, sulphur prices surged globally due to geopolitical tensions and supply chain disruptions, with direct implications for India's fertilizer import costs. This rising price trend forced Indian manufacturers to reassess their procurement and pricing strategies, driving the need for more sustainable sourcing models.

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On the domestic front, NFL is making significant progress on expansion projects such as nano urea production, agrochemical manufacturing at Bathinda, and solar energy installations. These steps are designed to enhance long-term self-reliance and reduce dependency on imports, paving the way for sustainable fertilizer production growth in India.

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Chambal Fertilizer and Chemical Ltd. is developing a new Technical Ammonium Nitrate (TAN) plant at its Gadepan facility in Rajasthan. Expected to start production by January 2026, this initiative will increase India's domestic ammonium nitrate supply, crucial for meeting agricultural and industrial demand without reliance on imports.

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Coromandel International Ltd. is investing ₹500 crore in expanding its Kakinada phosphatic fertilizer complex. The addition of a new NPK granulation train aims to significantly cut India's dependence on imported DAP (Diammonium Phosphate), while promoting balanced nutrient supply for Indian farmers.

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Market Price Movements & Supply Mechanism Developments

Rashtriya Chemicals & Fertilizers Limited (RCF) announced an e-Tender for bulk supply of MAP/DAP fertilizers for 2025. The tender, open for global participants, is set to play a key role in determining supply prices and availability, helping maintain market equilibrium amid shifting global supply scenarios.

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Additionally, urea granular bulk prices remained volatile during this period, driven by fluctuating domestic demand and changing global supply dynamics. Market analysts advised manufacturers and distributors to strategically manage their inventory and pricing structures to stay resilient against price swings.

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Conclusion

The Indian fertilizer sector from September 8 to September 20, 2025, faced critical challenges and notable developments. Government crackdowns addressed black marketing and supply chain disruptions, while major industry expansions aimed to strengthen self-reliance. Global influences, especially China's export restrictions and sulphur price surges, pressed Indian stakeholders to rethink sourcing and policy frameworks. Meanwhile, financial stresses from ITC accumulation and high international import costs remained key hurdles. This period exemplified the sector's resilience and adaptability amid complex global and domestic conditions.

Welcome to FERTILIZERFIELD

At FERTILIZERFIELD, we empower farmers, Fertilizer professionals, and industry stakeholders with accurate and timely fertilizer data. Our mission is to provide a comprehensive, reliable, and easy-to-use platform that supports informed decision-making in the Fertilizer-agricultural sector.

Who We Are

FERTILIZERFIELD is a cutting-edge online news and database platform dedicated exclusively to fertilizer prices. Our team of experts and analysts works tirelessly to gather, process, and deliver the latest market information. We bridge the gap between raw data and actionable insights, helping you navigate the complexities of the agricultural economy.

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