

# **KHARIF FERTILIZER SITUATION: MID MAY, 2018 AND OUTLOOK FOR KHARIF, 2018**

## **Executive Summary**

### **1. SUPPLY/DEMAND SITUATION DURING APRIL, 2018**

#### **1.1 Fertilizer offtake during April, 2018**

Total nutrient offtake during April, 2018 was about 260 thousand tonnes, which was 21.2 per cent higher than April, 2017. Nitrogen Offtake increased by 38.2 per cent over April 2017, while phosphate and potash offtake decreased by 20.9 and 37.8 per cent respectively. In product terms, urea offtake was 375 thousand tonnes; which was 50.3 per cent higher when compared with same timeframe of last year. Total DAP offtake was 69 thousand tonnes witnessing a decrease of 28.2 per cent over April, 2017.

#### **1.2 Fertilizer Production and imported supplies**

Production of all fertilizer products during April 2018 was about 557 thousand tonnes. Urea production was 433 thousand tonnes, which is 77.9 per cent of total production. The DAP production was 31 thousand tonnes. Production of other products was CAN 40 thousand tonnes, Nitrophos 42 thousand tonnes, SSP 4 thousand tonnes and NPKs 6 thousand tonnes. Imported supplies during April, 2018 were 55 thousand product tonnes including 45 thousand tonnes of DAP, 4 thousand tonnes of SOP and 2 thousand tonnes of MOP, AS and SSP each.

### **2. PRICE TREND**

**2.1 Domestic:** Prices of all fertilizers except urea (sona) and CAN increased during month under review. Prices of urea (sona) and CAN decreased by 0.4 and 1.6 per cent respectively while price of urea (other), DAP, NP, SSP (G), SOP and NPK increased by 0.4, 3.6, 5.5, 1.1, 1.0 and 1.4 per cent respectively.

**2.2 International:** Fob bulk China urea price during April 2018 fluctuated in the range of US \$ 295-305/t fob bulk. Middle East fob bulk urea price was in the range of US\$ 250-255/t. DAP prices during April, 2018 were around \$ 409-411/st in US Gulf, while US\$ 405-415/t in China market. Ex-Karachi price of imported urea was in range of Rs. 1920 to 2318 per 50 kg bag. Ex-Karachi price of DAP ranged from Rs. 3019 to 3170 per 50 kg bag.

### **3. OUTLOOK FOR KHARIF 2018**

#### **3.1 Urea**

Urea availability during Kharif, 2018 is estimated to be around 3115 thousand tonnes comprising 378 thousand tonnes of previous season left over and local production of 2737 thousand tonnes. The urea offtake is projected to be around 2813 thousand tonnes during Kharif, 2018 reflecting a reserve stock of 302 thousand tonnes for next season.

#### **3.2 DAP**

As regards DAP, Kharif 2018 started with an opening balance of 190 thousand tonnes. Domestic production during the season is estimated to be 381 thousand tonnes and imported supplies of 345 thousand tonnes. Thus total availability of DAP will be around 916 thousand tonnes. The estimated demand of DAP during Kharif, 2018 is around 720 thousand tonnes. There will be buffer stock of 199 thousand tonnes at the end of Kharif 2018.