

# Urea Offtake decreased by 14% YoY in Aug-24

Monday, 16 September, 2024



## UREA Price Per Bag (Rs.)

Aug/24	Jul/24	Change	% Change
4,742	4,768	▼ -26	▼ -0.5%

## DAP Price Per Bag (Rs.)

Aug/24	Jul/24	Change	% Change
11,798	11,352	▲ 446	▲ 4%

## NP Price Per Bag (Rs.)

Aug/24	Jul/24	Change	% Change
7,520	7,360	▲ 160	▲ 2%

## CAN Price Per Bag (Rs.)

Aug/24	Jul/24	Change	% Change
4,340	4,330	▲ 10	▲ 0%

Urea offtake experienced a decrease of 14% YoY in Aug-24 and clocked at 559K tons compared to 650K tons in SPLY. Cumulatively Urea offtake recorded a decline of 8.5% YoY. Furthermore, DAP offtake in Aug 2024 saw a decrease of 66.2% YoY, reaching 89k tons. Meanwhile, cumulative DAP offtake has declined by 32.9% in 2MFY25.

Company-wise, EFERT & FFC witnessed a decline of 29.6% & 14.6% respectively in Urea offtake in Aug-24 as compared to SPLY, whereas FFBL & FATIMA observed a surge of 271.4% & 39.2% YoY respectively. Cumulatively, FFBL and FATIMA showed a significant growth of 95.9% and 23.8%, while FFC and EFERT witnessed a decline of 8.9% and 17.5%, respectively, in Urea offtake in 2MFY25. Furthermore, cumulative DAP offtake for FFC, FFBL, and EFERT saw a decrease of 83.7%, 48.6%, and 7.2%, respectively, in 2MFY25.

The agriculture sector is grappling with several challenges, including climate change, falling crop prices, and increasing production costs. Extreme heat waves and recent heavy rains have severely affected crop yields, leading to substantial losses, particularly in cotton, sesame, and other crops. These issues are likely to exert pressure on fertilizer demand in the near term.

Industry (000' Tons)	Aug/24	Aug/23	YoY	Jul/24	MoM	2MFY25	2MFY24	YoY
Urea	559	650	14.0% ▼	612	8.6% ▼	1,171	1,280	8.5% ▼
DAP	89	263	66.2% ▼	163	45.4% ▼	252	376	32.9% ▼
NP	39	267	85.6% ▼	103	62.4% ▼	141	325	56.6% ▼
CAN	32	77	58.3% ▼	51	36.9% ▼	82	151	45.4% ▼
<b>Urea (000' Tons)</b>								
FFC	202	236	14.6% ▼	195	3.3% ▲	397	435	8.9% ▼
FFBL	49	13	271.4% ▲	53	6.6% ▼	102	52	95.9% ▲
EFERT	163	231	29.6% ▼	247	34.2% ▼	410	497	17.5% ▼
FATIMA Group	72	51	39.2% ▲	39	82.6% ▲	111	90	23.8% ▲
<b>DAP (000' Tons)</b>								
FFC	2.9	15	80.6% ▼	1.61	82.1% ▲	5	28	83.7% ▼
FFBL	51	197	74.1% ▼	87	41.7% ▼	138	269	48.6% ▼
EFERT	12	32	64.2% ▼	43	73.2% ▼	55	59	7.2% ▼

Source: NFDC

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

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- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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