

Fertilizer Offtake

May'21: Urea and DAP sales grow by 109% and 108% YoY, respectively

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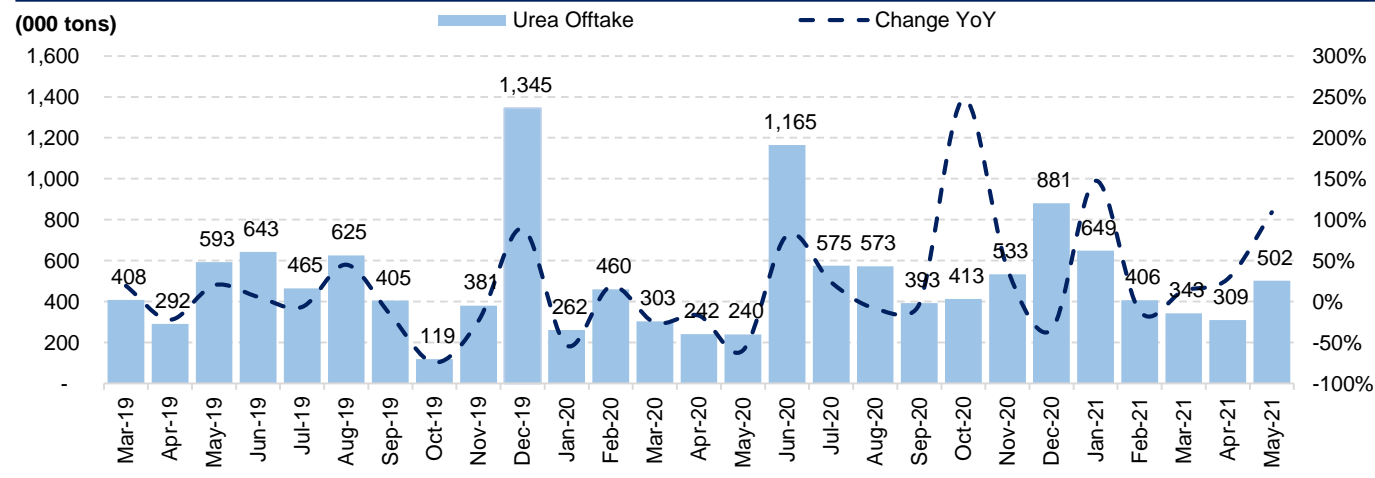
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Fertilizer Offtake

May'21: Urea sales witnessed a massive surge of 109% YoY/ 62% MoM

During the month of May'21, data for provisional fertilizer offtake show that urea offtake portrayed a significant growth of 109% YoY to 502k tons against 240k tons in SPLY given a low base impact since lockdown was imposed last year, constraining movement nationwide. Pertinently, FFC and FFBL sales witnessed a massive surge of by 82% YoY while EFERT and FATIMA posted 98% and 14x YoY growth respectively. Similarly, on a MoM basis, urea sales showcased a healthy growth of 62%, which is mainly attributable to jump in demand during the ongoing Kharif season, where urea offtake of FFC and FFBL cumulatively, EFERT and FATIMA were up by 48%, 85% and 74%, respectively. On a cumulative basis, urea sales climbed up by 47% YoY during 5MCY21, arriving at 2,209k tons. The company-wise urea sales data depicts that EFERT witnessed a hefty growth of 2x YoY, settling at 915k tons, while sales volumes of FFC and FFBL combined and FATIMA portrayed a jump of 13% and 7% YoY, respectively.

Exhibit: Urea offtake arrived at 502k tons in May'21



Source (s): NFDC, AHL Research

Exhibit: Industry offtake

000 tons	May-21	May-20	YoY	Apr-21	MoM	5MCY21	5MCY20	YoY
Urea	502	240	109%	309	62%	2,209	1,507	47%
DAP	127	61	108%	46	178%	487	423	15%
CAN	77	20	284%	70	10%	394	225	75%
NP	37	31	19%	97	-62%	311	223	39%
Company-wise offtake								
Urea								
FFC and FFBL	241	132	82%	164	48%	1,049	930	13%
EFERT	203	103	98%	110	85%	915	359	155%
FATIMA Group	45	3	1316%	26	74%	217	202	7%
DAP								
FFC and FFBL	99	75	32%	90	9%	334	227	47%
EFERT	27	11	147%	3	866%	84	75	12%

Source (s): NFDC, AHL Research

Fertilizer Offtake

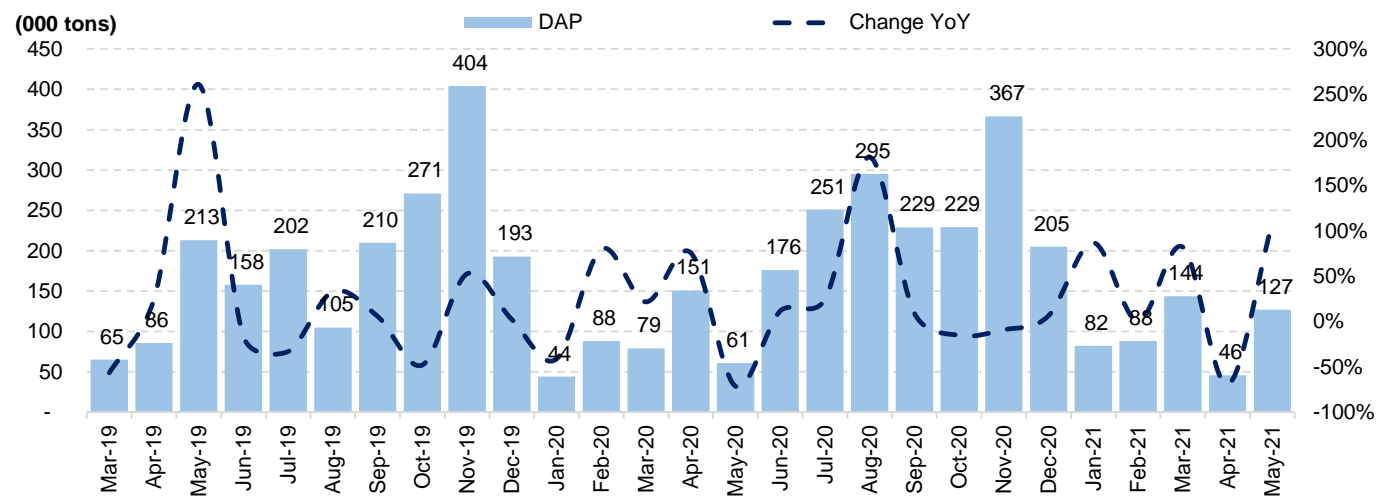
DAP offtake jumps up by 108% YoY/ 15% MoM in May'21

DAP sales displayed a substantial jump of 108% YoY / 178% MoM to 127k tons during May'21. Meanwhile, during 5MCY21, DAP offtake depicted a growth of 15% YoY, settling at 487k tons. On a company specific basis, DAP sales of FFC and FFBL arrived at 99k tons in May'21, depicting a YoY and MoM jump of 32% and 9%, respectively. During 5MCY21, FFC and FFBL's DAP sales surged by 47% YoY to 334k tons. Whereas, EFERT's DAP sales recorded a huge growth of 147% YoY and 10x MoM during May'21 to 27k tons. Likewise, during 5MCY21 EFERT's DAP offtake climbed up by 12% YoY to 84k tons.

Inventory position

Towards the end of May'21, closing inventory of urea with local manufacturers stands at 619k tons vis-à-vis 531k tons in Apr'21. Moreover, inventory position for DAP is set at 82k tons at the end of May'21.

Exhibit: DAP offtake climbs up to 127k tons in May'21



Source (s): NFDC, AHL Research

Exhibit: Inventory Position

Fertilizer Inventory (000 tons)	May-21	Apr-21
Urea	619	531
DAP	82	133
CAN	48	65
NP	285	245
Company Inventory (000 tons)	May-21	Apr-21
Urea		
FFC and FFBL	196	167
EFERT	188	192
FATIMA	175	127
NFML	-	-
AGL	61	38
DAP		
FFC and FFBL	69	93
EFERT	6	0
FATIMA	7	9
Private Import	22	11

Source (s): NFDC, AHL Research

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- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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