
— Continuing of Structural Adjustment and Optimizing of Fertilizer Industry

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Research Background

Based on 20 years of accumulative industrial data such as a continuous track on industrial changes and in-depth research, BOABC offers a valuable fertilizer industry and investment analysis report.

Fertilizer industry showed the below features in 2018:

(1) Along with the continuing of structural adjustment, domestic fertilizer output showed the decreasing trend.
Fertilizer output has decreased for two years from 2016. Influenced by the policies of structural adjustment and a reduction in capacity, the output of fertilizer output for agriculture during January and October 2018 totaled 46.892 million MT, down 5.7% year on year.

(2) Along with costs less than selling prices, fertilizer companies raised their prices.
Owing to an increase in raw materials such as anthracite, sulfuric acid and ammonia, the costs were less than selling prices and several fertilizer product prices went up. Compared to those in the same period of last year, urea prices increased by 300 RMB/MT, P-fertilizer prices were up 40-300 RMB/MT, and K-fertilizer and NPK prices both witnessed an increase of more 200 RMB/MT.

(3) Along with changes in export patterns, urea exports were blocked and ammonium sulfate exports ascended greatly.
Influenced by an oversupply on the international market, relatively high production costs in the domestic and a reduction in demand from the main market India, China’s urea exports shrank to 1/3 of those in the same period of last year, but ammonium sulfate exports increased by nearly 20%.
(4) Along with the advancing of the plan of zero increase in use of fertilizer, many places have achieved the target of zero growth in advance.

2018 is the fourth year that the plan of zero growth in use of fertilizer is implemented. Along with the actively advancing of many measures such as formula fertilization by soil testing, changes in fertilization methods, the use of new techniques for new-type fertilizer, utilization of organic fertilizer and improvements for quality of farm land, some areas have achieved the target of zero growth in use of fertilizer in advance.

(5) Owing to a drop in enthusiasm for agricultural materials e-business, the companies are keen on diversified development.

Due to a drop in enthusiasm for agricultural materials e-business, some online agricultural material shops closed down. Along with a failure of agricultural materials e-business, the companies change to become agricultural comprehensive service providers or extent to downstream industrial chains, and they try to diversity the development.

Under the background of cutting down capacity and adjusting structure, fertilizer industry is facing above challenges, but meanwhile have developmental opportunities, which can optimize the industrial development by selecting the superior and eliminating the interior.

This report does deep analysis on developmental trends of 2018 fertilizer industry, dissects operating, transformation and upgrading modes of key companies, and sums up investment trends of domestic companies and capital, in order to provide accurate operating trends, the opportunities of transformation and upgrading and future investment trends to the players involving in fertilizer industry.
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