CARE
Portfolio Managers

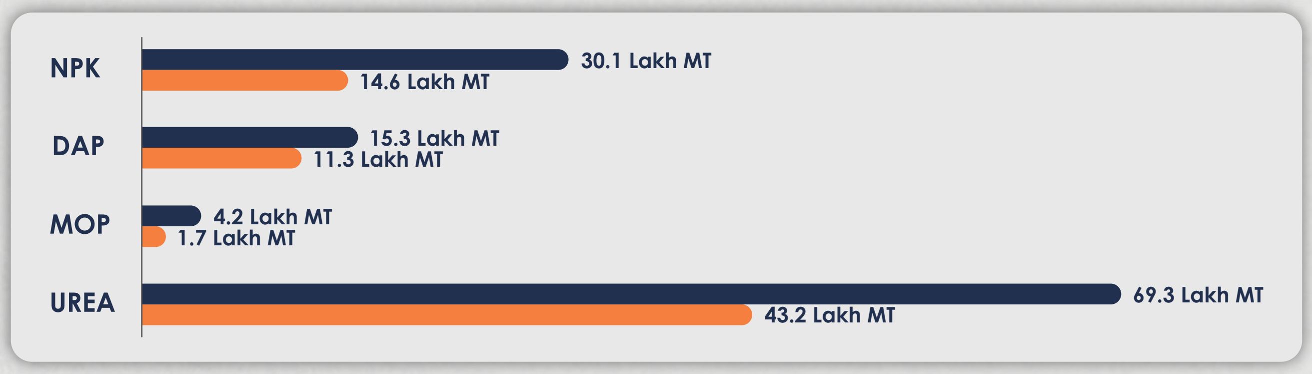
Kharif Fertilizer Demand Shows Resilience

July sales gained pace while inventory stayed comfortable, giving investors a cleaner read on rural activity, crop input demand and distribution efficiency.

Core Signal

Fertilizer sales in July point to strong demand momentum during the ongoing Kharif season. July alone achieved nearly **60% of the total fertilizer sales volume recorded in Q1 FY27**, according to government data shared through PIB.
The pickup was visible across key categories, with strong movement in Urea, DAP, NPK and MOP.

Category Sales Snapshot



Availability Has Held Up

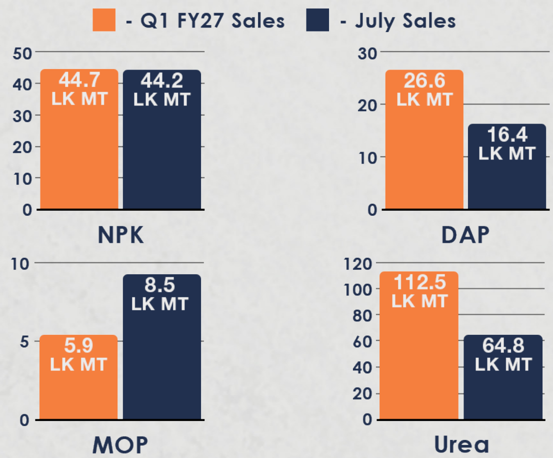
The stronger signal is that higher sales have not created visible stress in availability. Closing stock remained comfortable across key fertilizer categories, which suggests demand, supply planning and distribution were moving in the same direction during the season.

Distribution Support

The **One Nation, One Fertilizer** initiative brings subsidised fertilizers under the common **BHARAT** brand, with the objective of improving availability, reducing farmer confusion and supporting timely supply.

Inventory Position

Cumulative sales and closing stock across key fertilizers



Source: PIB, Ministry of Chemicals and Fertilizers. Data as of July 29, 2026.

Investor Takeaway

July sales, along with comfortable stock availability, point to a constructive rural demand backdrop. The key from here is whether this momentum holds through the rest of the Kharif season.

Key Monitorables

- Rainfall spread
- Crop sowing progress
- Subsidy policy
- Import costs
- Channel inventory
- Farmer demand through the rest of the season

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