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Rising global fertilizer costs spark US Senate debate on Indiaâ??s import dependence

15 May 2026 | News

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A hearing of the United States Senate Agriculture Committee in Washington, D.C. placed global fertilizer markets under renewed scrutiny, with lawmakers, industry leaders, and farm representatives warning that rising input costs and supply chain disruptions are intensifying financial pressure on American agriculture.

The discussion repeatedly referenced Indiaâ??s large-scale fertilizer import programme and its role in shaping global demand dynamics, amid broader concerns about volatility in international fertilizer supply chains.

According to testimony from industry stakeholders, global fertilizer markets have become increasingly unstable due to geopolitical tensions, export restrictions, and logistical bottlenecks linked to key shipping corridors such as the Strait of Hormuz.

A central point of discussion was the scale of Indiaâ??s urea procurement, with witnesses noting that the country remains one of the worldâ??s largest fertilizer importers, alongside China, and plays a significant role in global price formation.

Corey Rosenbusch, President and Chief Executive Officer of The Fertilizer Institute, told lawmakers that India recently issued a major urea tender for approximately 2.5 million metric tons at near-record price levels, underscoring sustained global demand pressure.

He noted that Indiaâ??s subsidy-driven procurement systemâ??where the government purchases fertilizer and subsidizes distribution to farmersâ??has a material impact on international market behaviour by insulating domestic consumption from global price fluctuations while maintaining strong import demand.

Senators described the current environment as a period of structural stress for agricultural input markets, with Senate Agriculture Committee Chairman John Boozman characterizing conditions facing US agriculture as â??a generational event.â?•

American producers who testified during the hearing reported sharp increases in fertilizer prices, with some noting that elevated input costs have forced changes in crop management decisions and, in some cases, reductions in fertilizer application.

South Dakota farmer Trent Kubik told lawmakers that phosphate application was eliminated on parts of his farm in 2025 due to cost constraints, while Kentucky farmer Eddie Melton reported significant increases in anhydrous ammonia, urea, and liquid nitrogen prices since early 2026.

Industry witnesses also highlighted structural risks associated with global supply routes, particularly the Strait of Hormuz, which remains a critical corridor for energy and fertilizer-related trade flows.

According to testimony, a significant share of globally traded urea and sulfur passes through the region, making fertilizer markets highly sensitive to geopolitical disruption.

Additional concerns were raised regarding export restrictions from major producing countries, including China, which participants said have contributed to tightening global supply conditions and upward pressure on prices.

While India was frequently cited as a major importer influencing global demand, analysts also emphasized that the country remains highly dependent on international fertilizer supply chains, particularly for urea, potash, and phosphates.

Experts cautioned that sustained disruptions in global shipping routes or further tightening of export availability could increase subsidy burdens in importing countries and amplify cost pressures across agricultural systems worldwide.

The hearing concluded with broad agreement that fertilizer affordability has become a central challenge for agricultural stability, linking global trade dynamics directly to farm-level economic viability in the United States.