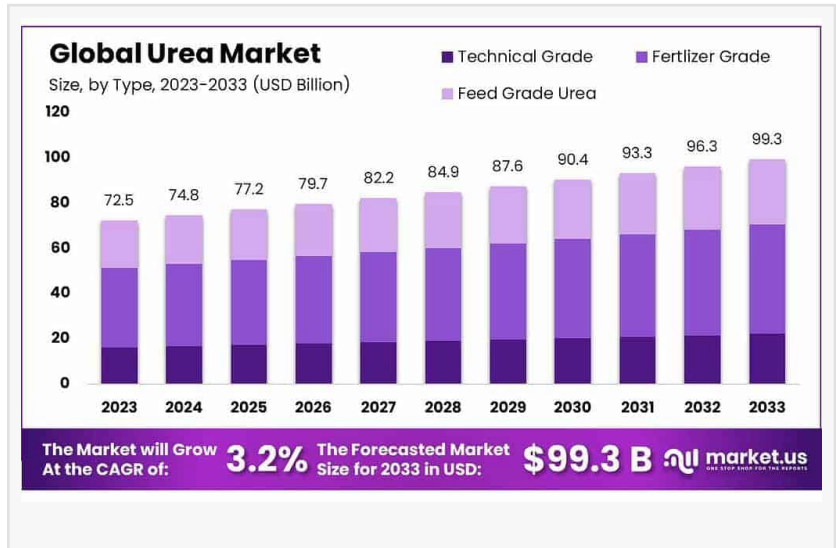


Urea Market To Reach USD 99.3 Bn by 2033, at a CAGR of 3.2% | By Key Players : Yara International, SABIC

Urea Market size is expected to be worth around USD 99.3 billion by 2033, from USD 72.5 billion in 2023, growing at a CAGR of 3.2% from 2023 to 2033.

NEW YORK, NY, UNITED STATES, January 27, 2025 /EINPresswire.com/ -- The global [Urea Market](#) has emerged as a crucial segment within the chemical and agricultural industries, primarily driven by its extensive application as a nitrogen-based fertilizer. Urea, a highly concentrated nitrogen source, plays a fundamental role in enhancing crop productivity and ensuring food security. Its cost-effectiveness and high nitrogen content have made it the preferred fertilizer worldwide, accounting for a substantial share of global nitrogen fertilizer consumption. Beyond



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Tajammul Pangarkar

agriculture, urea finds applications in various industrial sectors, including the chemical, pharmaceutical, and automotive industries, where it is used in resin production, diesel exhaust fluid (DEF), and livestock feed.

Natural gas serves as the primary feedstock for urea manufacturing, influencing production costs and market prices. Over the past decade, China has remained the largest producer and exporter of urea, benefiting from government-backed initiatives to enhance fertilizer self-

sufficiency. Meanwhile, India, a major consumer, relies on substantial urea imports to meet its growing agricultural needs, despite ongoing efforts to expand domestic production. The global supply chain is also impacted by geopolitical events, fluctuating energy prices, and environmental policies, all of which influence production strategies and trade flows.

Several factors are driving the growth of the global urea market, with agriculture being the

primary demand generator. The increasing need for higher crop yields due to expanding populations and shrinking arable land has led to greater reliance on synthetic fertilizers. Additionally, advancements in precision agriculture and fertilizer application technologies are boosting urea consumption by enhancing efficiency and reducing nitrogen losses.

Industrial applications, such as urea-formaldehyde resins used in wood-based products and DEF for emission control in diesel vehicles, are also contributing to market expansion. Furthermore, government subsidies on fertilizers, particularly in emerging economies, are encouraging widespread urea usage, supporting agricultural productivity and rural economies. However, environmental concerns regarding nitrogen runoff, greenhouse gas emissions, and soil degradation have prompted the development of enhanced efficiency fertilizers (EEFs) and stricter regulatory policies to mitigate urea-related environmental impacts.

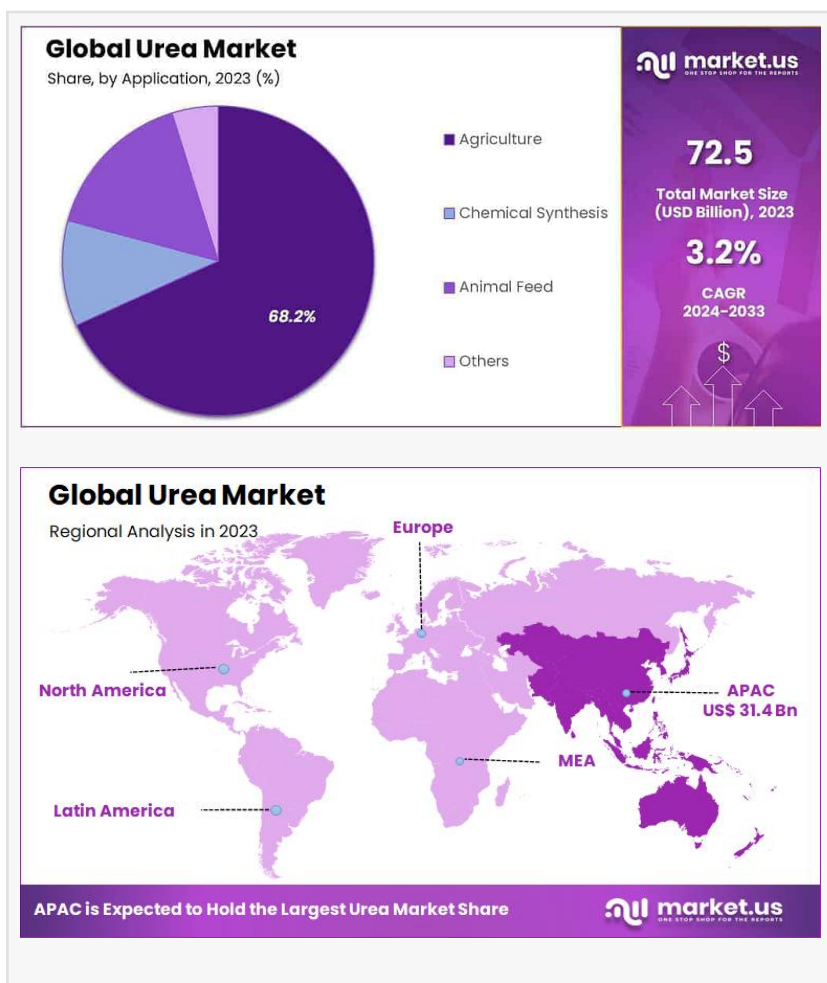
Looking ahead, the future growth opportunities in the urea market will be driven by innovation, sustainability, and regional expansion. The development of controlled-release and stabilized urea fertilizers is gaining traction, as these products improve nitrogen utilization efficiency and minimize environmental harm. Technological advancements in urea manufacturing processes, including green ammonia-based production, are also expected to reshape the market by reducing dependency on natural gas and lowering carbon footprints.

The rising demand for diesel exhaust fluid (DEF) in response to stringent emission regulations presents a significant growth avenue for urea manufacturers. Asia-Pacific will remain the dominant market due to its large agricultural base, while North America and Europe will focus on sustainable solutions and regulatory compliance.

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Key Takeaways



- Market Size and Growth: Expected to reach USD 99.3 billion by 2033, growing at 3.2% CAGR from USD 72.5 billion in 2023.
- Above 95% purity dominated the market in 2023, capturing over 42.2% share.
- Fertilizer Grade held the largest market share in 2023, accounting for more than 48.6%.
- Agriculture dominated with over 68.2% market share in 2023.
- The fertilizer segment held a dominant position with more than 65.5% market share in 2023.
- Asia Pacific region emerges as a dominant force in the urea market, boasting a substantial market share of 43.3%.

Urea Market Top Trends

1. Technological Advancements in Production: Innovations like Blue Urea are transforming urea manufacturing. This method utilizes water, nitrogen, and carbon dioxide, powered by renewable energy sources such as wind turbines. The process not only decentralizes production, reducing transportation costs and emissions but also yields a contaminant-free product, making it more environmentally friendly and efficient.
2. Rising Demand in Agriculture and Animal Feed: With the global population increasing, there's a heightened need for food production. Urea, rich in nitrogen, is essential for fertilizers, enhancing crop yields. Additionally, its use in animal feed supports protein requirements in livestock, contributing to the overall efficiency of food production systems.
3. Expansion in Industrial Applications: Beyond agriculture, urea's chemical properties make it valuable in various industries. It's used in the production of resins, and adhesives, and as a reducing agent in diesel exhaust systems to lower emissions. This versatility is driving its demand across multiple sectors, reflecting its integral role in modern industrial processes.
4. Market Growth in Asia-Pacific: The Asia-Pacific region dominates the urea market, accounting for a significant share of global consumption. Factors such as a large and growing population, increased agricultural activities, and supportive government policies contribute to this trend. Countries like China and India are leading consumers, driven by their extensive agricultural sectors and initiatives to enhance food security.
5. Environmental and Regulatory Challenges: The urea industry faces challenges related to environmental concerns and regulatory pressures. Issues such as nitrogen runoff affecting water bodies and greenhouse gas emissions are prompting stricter regulations. The industry is responding by developing enhanced-efficiency fertilizers and adopting sustainable practices to

mitigate environmental impacts.

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Key Market Segments

By Purity

In 2023, the Above 95% purity segment held the largest market share, accounting for over 42.2% of the urea market. This high-purity urea is preferred in agriculture due to its efficiency in delivering essential nitrogen to crops. It ensures optimal nutrient absorption, enhancing plant growth and yield. Additionally, its minimal impurities contribute to better soil health, reducing risks of contamination. This segment continues to be in high demand, particularly for premium agricultural and industrial applications.

The 90-95% purity segment plays a significant role in industrial applications where slightly lower purity is acceptable. It is widely used in the production of urea-formaldehyde resins and adhesives, essential in woodworking industries. Manufacturers in these sectors prefer this grade as it balances cost and performance effectively. Its chemical properties make it an ideal component in resin production, offering strength and durability for various industrial uses.

The Below 90% purity segment caters to specialized industrial applications where high purity is not mandatory. It is commonly used in certain chemical processes, low-grade fertilizers, and pollution control systems. This grade of urea is particularly useful in nitrogen oxide reduction technologies for industrial plants. Due to its lower cost, it remains a viable choice for industries that prioritize affordability over high purity.

By Grade

The Fertilizer Grade segment led the urea market in 2023, capturing more than 48.6% share. This dominance is attributed to its critical role in agriculture as a cost-effective, high-nitrogen fertilizer that enhances soil fertility and crop yields. Designed for efficient nitrogen delivery, it easily dissolves in soil and is widely used by farmers worldwide. As food demand continues to rise, the reliance on fertilizer-grade urea remains strong.

Technical Grade urea holds a smaller but essential share of the market. This grade is used in plastics, adhesives, and environmental applications such as diesel exhaust fluids (DEF) for emission reduction. Due to its high purity and chemical stability, it is preferred for manufacturing resins, coatings, and specialty chemicals. The growing focus on industrial innovations is expected to sustain demand for this segment.

The Feed Grade urea segment is essential in animal nutrition, particularly for ruminants like

cattle and sheep. It acts as a non-protein nitrogen (NPN) source, enabling livestock to convert urea into usable protein through microbial digestion. This cost-effective supplement helps farmers improve feed efficiency while maintaining livestock health. The demand for feed-grade urea is expected to grow with increasing global meat consumption.

By Application

The Agriculture segment accounted for more than 68.2% of the urea market in 2023, solidifying its position as the largest application segment. Urea is a primary nitrogen fertilizer, crucial for plant protein synthesis and soil health. Farmers prefer urea due to its high nitrogen concentration, affordability, and ease of application. With the global food supply under pressure, the demand for urea-based fertilizers continues to surge.

The Chemical Synthesis segment plays a crucial role in the urea market, particularly in resins, adhesives, and plastic production. Urea-formaldehyde resins, used in plywood and particleboard, are among the key drivers of this segment. The construction and manufacturing industries fuel demand, ensuring steady market growth. Additionally, urea's chemical properties make it a preferred component in various industrial processes.

The Animal Feed segment utilizes urea as a non-protein nitrogen source, essential for livestock nutrition. Farmers integrate urea into cattle and sheep feed to enhance protein utilization from carbohydrates. This economic feeding solution helps optimize livestock productivity while keeping feed costs manageable. As the demand for high-quality meat products rises, the use of urea in feed is projected to grow.

By End-Use

The Fertilizer segment remained the largest end-use category, holding over 65.5% of the urea market in 2023. Urea's high nitrogen content, affordability, and soil compatibility make it the most widely used fertilizer worldwide. Farmers leverage its versatility in direct soil application and irrigation systems, ensuring efficient crop growth. As global agricultural demands increase, the fertilizer segment is expected to maintain strong market leadership.

The Urea-Formaldehyde Resin segment holds a significant share in the urea market. These resins are essential for plywood, particleboard, adhesives, and coatings in the construction and furniture industries. Due to their strength, durability, and cost-effectiveness, urea-formaldehyde resins remain in high demand. Rising construction activities and industrial advancements are driving the steady growth of this segment.

Key Market Segments List

By Purity

- Below 90%
- 90-95%
- Above 95%

By Grade

- Technical Grade
- Fertilizer Grade
- Feed Grade Urea

By Application

- Agriculture
- Chemical Synthesis
- Animal Feed
- Others

By End-Use

- Fertilizer
- Urea Formaldehyde Resin
- Others

Regional Analysis

The Asia Pacific region dominated the urea market, capturing a 43.3% share, with projections to reach USD 31.4 billion by the end of the forecast period. This growth is driven by high consumption in agriculture, chemical manufacturing, and industrial applications. Leading economies like China, India, Japan, and South Korea are expanding production capacities to meet the rising demand. Government support, agricultural expansion, and strong industrial sectors are key contributors to the region's market leadership.

The North American urea market is experiencing stable growth, fueled by increasing demand from agriculture, automotive, and industrial sectors. Urea is widely used in fertilizers, urea-formaldehyde resins, and diesel exhaust fluids (DEF) for emission control in vehicles. The region benefits from technological advancements in chemical production, ensuring consistent adoption across multiple industries. With a well-developed agricultural sector and strict environmental regulations, North America remains a key player in the global urea market.

Regulations On the Urea Market

1. Pricing Controls in India: The Indian government sets the maximum retail price (MRP) for urea to make it affordable for farmers. As of now, a 50 kg bag of urea is priced at Rs. 268. The

government provides subsidies to manufacturers to cover the difference between production costs and the MRP, ensuring urea remains accessible to the agricultural sector.

2. Usage Restrictions in England: In England, new rules mandate that solid urea fertilizers must be used with an inhibitor for most of the year to limit ammonia emissions. Uninhibited solid urea can only be applied between 15 January and 31 March. Compliance is overseen by Red Tractor, requiring farmers to maintain records of responsible fertilizer use.

3. Import Regulations in the U.S.: Entering the U.S. urea market involves understanding import trends and adhering to regulatory requirements. Businesses must comply with permits, certifications, and labeling standards set by authorities like the U.S. Department of Agriculture (USDA) to ensure legal importation and distribution within the country.

4. Environmental Considerations: Urea application can lead to significant nitrogen loss as ammonia if not managed properly. To mitigate this, guidelines recommend incorporating urea into the soil promptly or using inhibitors to conserve nitrogen, thereby reducing environmental impact and enhancing fertilizer efficiency.

5. Market Dynamics in Europe: European fertilizer producers face challenges due to an influx of low-cost Russian urea, which threatens local production and poses risks to long-term food security. This situation has prompted discussions about the need for regulatory measures to protect domestic industries and ensure sustainable agricultural practices within the region.

Key Players

- Yara International ASA
- SABIC
- Qatar Fertiliser Company
- OCI NV
- CF Industries Holdings, Inc.
- EuroChem Group AG
- Nutrien AG
- Koch Fertilizer, LLC
- Coromandel International Limited
- Acron Group
- Chambal Fertilisers and Chemicals Ltd
- Uralchem Group
- Others

Conclusion

The global Urea Market will be shaped by several key factors, including technological advancements, regulatory policies, and evolving demand patterns across industries. Innovations

such as enhanced efficiency fertilizers (EEFs) and controlled-release urea will play a crucial role in reducing environmental impact while improving nitrogen utilization. Additionally, the increasing focus on sustainable agricultural practices and emission reduction strategies is expected to drive market evolution.

This growth is primarily driven by the agriculture sector's demand for high-nitrogen fertilizers to enhance crop yields. Additionally, urea's applications in industrial processes, such as resin production and emissions control, contribute to its expanding market. However, challenges like environmental concerns and market dynamics, including competition from low-cost producers, may impact future growth. Overall, the urea market is expected to experience steady expansion, supported by its versatile applications and the ongoing need for efficient agricultural inputs.

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