

Urea Market to Approach US\$ 118.9 Billion by 2032 - Persistence Market Research

The global urea market will grow at a 2.5% CAGR, reaching US\$ 118.9 Billio by 2032, driven by its role in boosting crop yield and soil health.

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The urea market, a vital part of the global chemical and agricultural industry, plays a crucial role in feeding the world's growing population. Urea, a nitrogen-based compound, is primarily used as a fertilizer, essential for

boosting crop yield and soil fertility. It is one of the most widely used fertilizers worldwide, and its impact on agriculture is profound. As the global demand for food continues to rise, the urea market is expected to experience significant growth in the coming years.

According to Persistence Market Research, the [global urea market](#) is estimated to reach a size of US\$ 102.3 billion in 2025, with projections indicating a rise at a compound annual growth rate (CAGR) of 2.5% through the assessment period, ultimately reaching a value of US\$ 118.9 billion by 2032. This steady growth can be attributed to a variety of factors, including the increasing demand for food, the need for better crop production, and the growing emphasis on sustainable agricultural practices.

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Urea and Its Role in Agriculture:

Urea is a vital nitrogen fertilizer used to promote plant growth. It provides a key nutrient for plants — nitrogen — which is essential for photosynthesis, protein synthesis, and overall plant development. Nitrogen is one of the primary nutrients required for plant growth, and urea offers a highly effective way to deliver it to crops.



The graphic features the Persistence Market Research logo at the top left. Below it, the text reads "Market Study On Urea Market 2025 - 2032". A "Contact Us" button with a downward arrow is positioned below the text. Further down, there are icons for a phone and an email, with the phone number "+1 646-878-6329" and the email address "sales@persistencemarketresearch.com". On the right side of the graphic is a circular image showing white urea granules spilling from a burlap sack onto a wooden surface. The background of the graphic is light blue with a subtle grid pattern.

Urea Market

Farmers worldwide use urea-based fertilizers to boost agricultural productivity. The compound's high nitrogen content makes it particularly effective in increasing crop yield, improving the quality of soil, and enhancing the fertility of arid lands. As a result, urea is indispensable to the modern agricultural landscape, playing a key role in addressing the challenge of feeding an ever-growing global population.

The demand for urea as a fertilizer has been driven by several factors:

Population Growth: The world's population is growing at an unprecedented rate, which directly impacts the demand for food. According to the United Nations, the global population is expected to reach nearly 9.7 billion by 2050. To meet the nutritional requirements of this population, global food production must increase by 70%. Urea, as a critical fertilizer, plays a major role in improving crop yields to meet these demands.

Soil Fertility: Soil fertility is one of the most important factors for agricultural production. Over time, soils lose their nutrient content, which can limit the growth and productivity of crops. Urea's ability to replenish nitrogen in the soil helps restore its fertility and ensures that plants have access to the nutrients they need for growth. This has made urea an essential input for farmers aiming to maximize their crop yields.

Technological Advancements in Farming: With the rise of precision farming and other technological innovations in agriculture, the efficiency and effectiveness of urea application have significantly improved. This has allowed farmers to use urea more effectively and reduce waste, which, in turn, increases its demand.

Key Drivers of Growth in the Urea Market:

The global urea market is projected to grow steadily in the coming years, driven by several key factors. Some of the most significant drivers of growth include:

Increasing Demand for Food: As the global population grows, so does the demand for food. According to the Food and Agriculture Organization (FAO), food production must increase by 60-70% to meet the needs of the projected population by 2050. Fertilizers, including urea, are essential to increasing agricultural productivity and meeting this growing demand. Urea's nitrogen content makes it an ideal solution for improving crop yields and soil health, making it indispensable to global food production.

Rising Adoption of Fertilizers: As global agricultural practices become more industrialized, the use of chemical fertilizers, including urea, has increased. Farmers are increasingly turning to fertilizers to boost crop yields, especially in regions with limited natural soil fertility. In developing regions such as Sub-Saharan Africa, Southeast Asia, and Latin America, the adoption of urea-based fertilizers is growing rapidly.

Sustainable Agricultural Practices: In recent years, there has been a growing emphasis on sustainable farming practices that minimize environmental impact while maximizing agricultural productivity. Urea is widely considered an efficient nitrogen fertilizer, as it provides a high concentration of nitrogen in a cost-effective and environmentally friendly manner. Advances in urea production technology, such as controlled-release urea and enhanced efficiency fertilizers, are helping mitigate environmental concerns while still meeting the need for increased agricultural productivity.

Global Demand for Biofuels: The rising demand for biofuels has also contributed to the growth of the urea market. Urea is used in the production of biofuels, particularly ethanol, and is an important input in the production of bioenergy crops such as corn and sugarcane. As governments around the world implement policies promoting renewable energy and biofuels, the demand for urea is expected to rise.

Regional Market Analysis:

The global urea market is influenced by regional factors such as agricultural practices, climate conditions, and economic development. Several regions are expected to contribute significantly to the growth of the market:

Asia Pacific: Asia Pacific is the largest market for urea, owing to the region's dominance in global agricultural production. Countries such as China, India, and Indonesia are major consumers of urea, with agriculture playing a key role in their economies. In these countries, the growing demand for food, the increasing use of fertilizers, and government subsidies for fertilizers are driving urea consumption. China is the largest producer and consumer of urea, accounting for a significant share of the global market.

North America: The North American market for urea is also significant, driven by the large-scale agricultural production in the United States and Canada. The United States, in particular, is a major producer of corn and other crops that require nitrogen-based fertilizers like urea. The adoption of [precision agriculture](#) and technological advancements in farming is helping drive the demand for urea in the region.

Europe: Europe is another important market for urea, with countries like Russia, Germany, and France being major consumers. The European Union has stringent regulations related to fertilizer use, particularly concerning environmental impact. However, sustainable farming practices and efficient fertilizers like urea are in demand to meet these regulatory requirements.

Latin America and Africa: The urea market in Latin America and Africa is expected to grow significantly in the coming years, driven by increasing agricultural activity, expanding food production, and the need for fertilizers in emerging markets. Brazil, Argentina, and South Africa are key markets in these regions.

Challenges Facing the Urea Market:

While the urea market is poised for significant growth, it is not without its challenges. Some of the most prominent challenges include:

Environmental Concerns: The excessive use of urea and other nitrogen-based fertilizers has led to environmental concerns, particularly related to soil and water contamination. Nitrogen runoff from agricultural fields can pollute water sources, leading to issues such as eutrophication and the degradation of aquatic ecosystems. Additionally, the production of urea itself involves the use of [natural gas](#), which contributes to greenhouse gas emissions. The urea industry must focus on sustainable practices to address these environmental challenges.

Fluctuating Raw Material Prices: Urea is produced using natural gas, which is a key raw material in the manufacturing process. Fluctuations in the price of natural gas can significantly affect the cost of urea production. Any disruptions in the supply of natural gas, such as geopolitical tensions or changes in energy policies, can impact the urea market's stability.

Regulatory Challenges: Fertilizer markets around the world are subject to stringent regulations, particularly related to environmental concerns. Governments are increasingly focused on minimizing the environmental impact of fertilizers, and regulations may become more stringent in the coming years. The urea market will need to adapt to these changes by developing more efficient and eco-friendly products.

The Future Outlook of the Urea Market:

Despite the challenges, the outlook for the urea market remains positive. The continued demand for food, the rising adoption of fertilizers, and the increasing importance of sustainable agricultural practices will drive the growth of the urea market. Innovations in urea production technology, such as slow-release fertilizers and controlled-release urea, will play a crucial role in addressing environmental concerns and improving the efficiency of urea application.

As the global agricultural landscape evolves, the urea market will continue to be an essential component of global food production, supporting farmers in their efforts to increase crop yields and improve soil fertility. The projections of a steady growth trajectory, with the market expected to reach US\$ 118.9 billion by 2032, highlight the continued importance of urea in global agriculture and its role in meeting the challenges of feeding a growing population.

In conclusion, the urea market is set for a bright future, driven by the increasing demand for food, advancements in agricultural technologies, and the need for improved soil fertility. Urea's role as a key nitrogen source in fertilizers ensures its position as a cornerstone of modern agriculture, helping secure global food production and supporting sustainable farming practices.

Persistence Market Research Pvt Ltd

Persistence Market Research

+1 646-878-6329

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