

Ammonium Nitrate Market to Reach \$34,500 Million by 2035 as Food Security and Mining Demand Converge

Asia-Pacific commands approximately 42% of the Ammonium Nitrate Market, anchored by China's and India's combined agricultural demand

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/EINPresswire.com/ -- Ammonium nitrate occupies a unique position in the global economy: it is

simultaneously the fertilizer that feeds billions and the explosive that moves mountains. This dual identity has made it one of the most consequential—and controversial—commodities of the industrial age. As the world grapples with food security imperatives, critical-mineral extraction demands, and the energy transition, ammonium nitrate is experiencing a demand renaissance that extends far beyond its traditional agricultural stronghold. According to a

comprehensive report by Market Research Future (MRFR), the global [ammonium nitrate market](#) stood at an estimated USD 21,800 million in 2025 and is projected to reach USD 22,820 million in 2026, ultimately climbing to USD 34,500 million by 2035 at a compound annual growth rate (CAGR) of 4.7%. Two forces are pulling this trajectory upward: tightening carbon-border adjustment mechanisms across the EU and North America that reward low-emission feedstock producers, and a sustained cycle of copper, lithium, and nickel mine development in South America and sub-Saharan Africa that is driving bulk explosive demand.



Ammonium Nitrate Market (2026 - 2035)

The Agricultural Imperative: Feeding a Growing World

Fertilizers remain the backbone of the ammonium nitrate market, accounting for approximately 70% of demand in 2025. The compound's 34% nitrogen content—delivered in both ammonium

and nitrate forms—provides faster plant uptake than urea alone, an advantage in high-value horticulture and temperate cereal rotations where rapid nutrient availability justifies the price premium. Global harvested area expanded by roughly 4.2 million hectares between 2022 and 2024, with the Food and Agriculture Organization projecting cereal acreage to grow at 0.8% annually through 2035.

India's PM-KISAN program alone distributes direct benefit transfers to over 110 million farming households, sustaining baseline demand for the ammonium nitrate market regardless of commodity price swings. China's position as the world's largest fertilizer consumer anchors Asia-Pacific's dominance, while India's nutrient-based subsidy (NBS) policy, revised in 2024, increased the per-tonne subsidy for complex fertilizers containing ammonium nitrate, directly incentivizing domestic production expansion.

The technological transformation of agriculture is reshaping product demand. Precision-agriculture platforms now guide coated-granule placement within centimeters, reducing per-hectare nitrogen waste by up to 18% while sustaining yield targets. Variable-rate nitrogen treatment combined with polymer-coated ammonium nitrate granules reduces runoff losses by 15–20% without yield reduction—a combination that meets both economic and environmental goals. Granular products are the fastest-growing form segment at a 6.1% CAGR, as precision-agriculture coatings gain traction and application frequency drops from three passes to one in many temperate-cereal rotations.

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The Mining Explosive Boom: Critical Minerals Need Bulk Blasting

While agriculture provides volume, mining provides growth momentum. The explosives segment is forecast to expand at a 5.3% CAGR through 2035, fueled by deeper ore-body mining in copper and rare-earth projects. Mining companies are projected to invest more than USD 45 billion on copper projects between 2025 and 2030, with the majority concentrated in Chile, Peru, the Democratic Republic of the Congo, and Indonesia. Every new underground mine requires large quantities of bulk explosives—typically 0.3 to 0.5 kilograms of ammonium-nitrate-based emulsion per tonne of ore moved.

The critical-minerals supercycle is creating a structural demand uplift that is largely decoupled from agricultural commodity cycles. Chile's Codelco and Peru's Antamina operations alone consume an estimated 800,000 tonnes of AN-based explosives annually. The Democratic Republic of the Congo's copper-cobalt belt and Indonesia's nickel laterite corridor are expected to generate the largest incremental explosive demand, supported by over USD 20 billion in committed mining capital expenditure. This capex wave gives the ammonium nitrate market a non-agricultural growth path that is less seasonal and often higher-margin than fertilizer sales.

Industrial-grade ammonium nitrate—produced to tighter density and porosity specifications for explosive applications—is tracking faster growth than agricultural grade. Premium technical-

grade low-density ammonium nitrate commands a 15–25% market premium over standard agricultural high-density formulations due to its customized structural porosity, engineered oil absorption rates, and rigorous explosive-application quality testing.

The [Green Ammonia](#) Revolution: Decarbonizing the Feedstock

Perhaps the most transformative trend reshaping the ammonium nitrate market is the emergence of green and blue ammonia as feedstock alternatives. Globally, approximately 60 green and blue ammonia projects are in various phases of development, funded by around USD 14 billion in declared investment through 2030. Projects in Saudi Arabia (NEOM), Norway (Yara Clean Ammonia), and Australia (Fortescue) are attempting to manufacture low-carbon ammonia that feeds directly into nitrate manufacturing.

By 2030, the International Energy Agency projects that global low-carbon ammonia capacity will reach 15 million tonnes annually, up from fewer than 1 million tonnes in 2024. Producers that integrate green ammonia into their feedstock mix can label finished product as "low-carbon AN," commanding a 10–15% price premium from sustainability-conscious agricultural cooperatives and mining operators in Europe and Australasia. Early movers are already securing offtake agreements tied to embedded-carbon certificates, and producers using green ammonia feedstock can generate verified carbon credits under EU ETS or voluntary registries, offsetting 40–60% of the green-premium cost.

CF Industries secured a 15-year blue-hydrogen supply agreement with ExxonMobil at its Donaldsonville, Louisiana complex in June 2024, positioning the site as the largest low-carbon AN production hub in North America. Yara International initiated a comprehensive Fixed Cost and Capex Reduction Program in September 2024, focusing capital strictly on lower-emission ammonia facilities. These moves signal a strategic pivot: carbon intensity is becoming as important as production cost in competitive positioning.

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Regional Dynamics: Asia-Pacific Dominates, South America Surges

Asia-Pacific commands approximately 42% of the ammonium nitrate market, the largest regional share, and is simultaneously the fastest-growing with a projected 5.4% CAGR. China's combined agricultural demand and growing mining sector in Indonesia and Australia anchor this dominance. India is the fastest-growing country opportunity within the region at a 5.8% CAGR, powered by government fertilizer subsidies and expanding crop intensity. Japan's high-value horticulture and drone-based application growth sustain a USD 520 million market, while ASEAN nations expand palm oil and rice cultivation at a 5.5% CAGR.

Europe holds the second-largest share at roughly 23%, driven by established agrochemical

supply chains in France, Germany, and Russia. Germany anchors demand through intensive cereal farming and Haber-Bosch legacy production infrastructure. However, tighter EU REACH amendments are adding compliance costs, and the EU Carbon Border Adjustment Mechanism—entering full implementation by 2026—will impose levies on AN imports with high embedded carbon, giving domestic green-ammonia-linked producers a structural edge. Russia accounts for approximately 22% of European regional share as a major exporter leveraging low-cost gas feedstock.

North America is growing at a 4.3% CAGR, with the United States dominating at 68% of regional share. Large-scale corn belt fertilizer demand and defense procurement sustain the market. The U.S. Department of Defense's munitions modernization program, which earmarked USD 21 billion across FY 2024–2028, sustains a steady industrial-grade offtake channel independent of agricultural cycles. Canada's potash-belt adjacent AN blending and western mining activity support growth, while Mexico's irrigated agriculture in Sinaloa and Sonora expands demand.

South America is emerging as a high-growth corridor at a 5.1% CAGR, driven by Brazilian soybean expansion and Chilean copper mine development. Brazil dominates at 58% of regional share, with soybean and corn double-cropping across the Cerrado sustaining robust fertilizer demand. Argentina's Vaca Muerta gas reserves are enabling low-cost AN production, while Chilean and Peruvian mining operations along the Andean belt consume massive volumes of explosives.

The Middle East & Africa, valued at approximately USD 1,960 million, is characterized by extreme divergence. Gulf states leverage cheap gas to produce AN for export—Saudi Arabia accounts for 22% of regional share—while sub-Saharan nations rely almost entirely on imports. The African Development Bank's Feed Africa initiative, targeting USD 4 billion in agricultural investment by 2030, could catalyze local production capacity. Nigeria, Ethiopia, and Tanzania have earmarked land for integrated ammonia-urea-AN complexes, presenting significant greenfield opportunities.

Product and Form Dynamics

Porous prills held roughly 55% of total volume in 2025, driven by cost-effective production and broad compatibility with bulk blending systems. Their dominance stems from dual-purpose utility: they serve as direct-application fertilizer and as the oxidizer component in ANFO and emulsion blasting agents. Granular products are the fastest-growing form at a 6.1% CAGR, reflecting precision-agriculture adoption and polymer-coating technologies that improve controlled-release performance. Liquid solution and suspension products, valued at USD 2,180 million, serve fertigation systems and specialty crop nutrition channels.

Agricultural grade captures the leading share by grade at approximately 72%, reflecting entrenched use in row-crop and cereal programs worldwide. Industrial grade is tracking the fastest growth trajectory as mining operators seek higher-energy oxidizers for increasingly deep and hard-rock extraction.

Headwinds: Regulation, Substitution, and Feedstock Volatility

The ammonium nitrate market faces persistent challenges. Regulatory restrictions on storage and transport have tightened dramatically following high-profile incidents. The EU's revised Seveso III directive reclassified storage thresholds downward, forcing mid-tier distributors to invest in compliance infrastructure or exit the supply chain entirely. These regulatory layers add an estimated 8–12% to logistics costs in affected regions, compressing margins.

Substitution pressure from urea and UAN solutions limits upside in price-sensitive markets. Urea accounts for more than 55% of worldwide nitrogen-fertilizer usage, and a discount of USD 30–60 per tonne over ammonium nitrate in many Asian spot markets constrains the market in agrarian nations where cost is the primary procurement criterion. In tropical and subtropical cropping systems—particularly Brazilian sugarcane and Indian rice paddies—urea provides a cheaper nitrogen source with fewer handling constraints.

Volatile natural gas feedstock costs represent the most persistent headwind. Natural gas constitutes 70–80% of variable production cost in the typical ammonium nitrate process. European gas prices were extremely volatile throughout 2022–2024, with TTF spot prices ranging from EUR 25 to EUR 130 per MWh, leading some EU producers to temporarily curtail production. While prices have stabilized, the market remains susceptible to future supply interruptions. A sustained USD 20 per barrel crude-price shift can move AN margins significantly, given the petroleum-derived nature of key feedstocks.

Environmental regulations on nitrogen runoff are tightening in Europe and North America, potentially constraining application rates and favoring controlled-release formulations that command premium pricing but reduce total volume.

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Emerging Opportunities: Digital Agriculture, Autonomous Mining, and Circular Economy

Several transformative trends are poised to reshape the ammonium nitrate market. Drone- and sensor-enabled application services are expanding rapidly, with the global agricultural drone fleet projected to exceed 500,000 units by 2030. This technology favors granular and coated products with consistent particle-size distribution—precisely where ammonium nitrate manufacturers can differentiate. New "application-as-a-service" business models allow AN producers to capture downstream margin by bundling product with precision delivery.

Autonomous mining and smart blasting are optimizing explosive consumption. Orica Limited launched its 4D bulk explosives system in March 2024, incorporating real-time blast-hole sensing and enabling a 12% improvement in fragmentation efficiency for open-pit copper mines in Chile. While AI-driven blast-design software may optimize explosive consumption per tonne of ore by 10–15% over the next decade, this efficiency gain expands total addressable mining activity by making previously uneconomic ore bodies viable—a net positive for the market.

Digital agriculture and nutrient stewardship are embedding AN more deeply into farm-level digital ecosystems. The FAO's Global Soil Partnership is pushing for mandatory nutrient management plans requiring auditable nitrogen-application records. This regulatory push accelerates adoption of connected fertilizer spreaders and coated AN granules with traceable batch coding.

Circular-economy integration is emerging as a novel feedstock pathway. Processes that recover ammonium nitrate from industrial wastewater and flue-gas scrubbing are moving from pilot to demonstration scale in Europe and Japan. While circular-economy AN is unlikely to exceed 3–5% of total supply by 2035, it diversifies the supply chain and aligns with extended producer responsibility regulations.

Data-driven supply-chain platforms are reducing distributor inventory carrying costs by 15–20%. Several startups in India and Brazil are piloting marketplace models that connect producers directly with farming cooperatives, bypassing traditional multi-tier distribution. Success here would open a new services-revenue stream adjacent to core product sales.

Competitive Landscape

The ammonium nitrate market exhibits medium concentration, with the top five producers estimated to hold roughly 35–42% of global revenue and a Herfindahl-Hirschman Index in the range of 800–1,100. Large integrated players compete on feedstock cost advantages and global distribution reach, while regional specialists target niche mining and defense channels.

Yara International leads with an estimated 8–11% revenue share, distinguished by vertical integration from ammonia to finished nitrate and leadership in green ammonia projects. The company's Fixed Cost and Capex Reduction Program, initiated in September 2024, focuses capital strictly on lower-emission facilities.

CF Industries captures 7–10% as a gas-cost-advantaged U.S. Gulf producer. Its 15-year blue-hydrogen supply agreement positions the Donaldsonville complex as North America's largest low-carbon AN production hub.

OCI Global holds 5–8% through dual-market fertilizer and industrial supply across European and MENA operations. Orica Limited specializes in mining-services integration at 5–7%, with its 4D smart blasting system differentiating beyond commodity supply. Incitec Pivot (Dyno Nobel) focuses on Asia-Pacific and Americas mining at 4–6%, while EuroChem Group leverages low-cost Russian and Belgian production at 4–6%.

Competition is evolving from pure volume rivalry toward differentiation through carbon intensity, precision-agriculture compatibility, and smart blasting integration. Producers with green-ammonia feedstock, coated-granule capabilities, and digital supply-chain platforms are capturing premium positioning that commodity suppliers cannot replicate.

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