

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO. 2647 TO BE ANSWERED ON: 04.08.2023

Fertilizer Shortage Due to Russia-Ukraine War

2647: SHRI VELUSAMY P.:

Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state:

- (a) whether the Government is aware of the fact that due to Russia-Ukraine war the fertilizers shortage has severely affected the agricultural production;
- (b) then if so, the details thereof;
- (c) the steps taken/proposed to be taken by the Government to overcome this shortage;
- (d) whether the Government has allowed tax free import of fertilizers and if so, the details thereof;
- (e) the quantum and value of the fertilisers imported during the past three years and the current year, year-wise; and
- (f) the steps taken/proposed to be taken by the Government to reduce expenditure on imports by the country and boost indigenous fertilizer manufacturing units in India?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)

(a) to (c): The Russia Ukraine war resulted in increase in prices of fertilizers and its raw materials at global level. However, Government of India has ensured availability of fertilizers at reasonable prices by increasing the quantum of subsidies. The expenditure incurred on the fertilizers' subsidy in 2021-22 was Rs. 1,57,640.09 Crores which increased to Rs. 2,54,798.93 Crores in 2022-23. Government of India also facilitated long term agreements and Joint Ventures (JVs) to ensure adequate supply of fertilizers. Further, the adequate availability of fertilizers in India has been ensured in last 2 years and in the ongoing season as stated below:

AVAILABILITY SCENARIO OF FERTILIZERS FOR THE SAID PERIOD									
	Fig. in LMT								
	2021-22			2022-23			2023-24 (TILL 1.08.2023)		
PRODUCT	REQ	AVL	SALES	REQ	AVL	SALES	REQ	AVL	SALES
UREA	356.53	389.68	341.73	359.19	415.82	357.26	116.71	169.53	109.44
P&K	283.74	263.28	237.95	269.06	288.63	228.94	93.95	151.93	68.57
#P&K GROUP INCLUDES DAP, MOP & NPKS									
<ul style="list-style-type: none"> • Primary indicator of comfortable availability = Availability > Requirement • Secondary indicator of comfortable availability = Availability > Sales 									

(d): No, Sir.

(e): P&K fertilizers are covered under Open General License (OGL) under the Nutrient Based Subsidy Scheme (NBS). They are imported by the companies on commercially viable terms. The value of P&K fertilizers are not maintained in the Department. The quantum of P&K fertilizers and quantum & value of the Urea imported during the past three years and the current year, year-wise is given in the table below:

Import of fertilizers (Urea, DAP, MOP & NPK) from the year 2020-21 to 2023-24 (Till June, 2023)					
<Qty in LMT>					
Year	Urea	Value in Million US\$	DAP	MOP	NPK
			As reported by companies		
2020-21	98.28	2580.27	48.82	42.27	13.90
2021-22	91.36	6041.06	54.62	24.60	11.70
2022-23	75.80	4751.29	65.83	18.66	27.52
2023-24 (Till June, 2023)	11.41	373.99	20.88	11.92	8.57

(f): In order to increase the availability of urea through indigenous sources, Government of India announced New Investment Policy (NIP) – 2012 to facilitate fresh investment in the Urea sector and to make India self sufficient in the Urea sector. A total of 6 new Urea units have been set up under NIP – 2012, which together have added 76.2 LMT per annum in the existing indigenous Urea production capacity of the country. In addition, Government of India also introduced the New Urea Policy (NUP)–2015 on 25th May, 2015 with one of the objectives of maximizing indigenous urea production. As a result, the indigenous production of the country increased from 225.08 LMT in 2014-15 to 284.95 LMT in 2022-23.
