

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

STARRED QUESTION NO. 93* TO BE ANSWERED ON: 12.12.2023

Production of Fertilizers

***93: SHRI IRANNA KADADI:**

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

- (a) the details of the various schemes introduced by Government to increase the domestic production of chemicals and fertilizers in the country;
- (b) the steps taken/proposed to be taken by Government for the smooth distribution of fertilizers in rural tribal and remote areas across the country;
- (c) whether any specific mechanism has been initiated by Government to help the producers to become more competitive in global market by ensuring the required standards and demands; and
- (d) if so, the details thereof?

ANSWER

MINISTER FOR CHEMICALS & FERTILIZERS AND HEALTH & FAMILY WELFARE

(DR. MANSUKH MANDAVIYA)

(a) to (d): A statement is laid on the table of the House.

STATEMENT REFERRED TO RAJYA SABHA STARRED QUESTION NO. 93* FOR ANSWERING ON 12.12.2023 REGARDING 'PRODUCTION OF FERTILIZERS' ASKED BY SHRI IRANNA KADADI.

(a): With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector. Total 6 new urea units have been set up under NIP-2012. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). Therefore, these units have together added urea production of 76.2 LMTPA thereby total urea production capacity has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA at present. Further, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield urea plant of 12.7 LMTPA at coal gasification route has also been approved. In addition, The Government also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production. The NUP-2015 has led to additional production of urea by 20-25 LMTPA as compared to the production during 2014-15. These steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to 284.94 LMT during 2022-23.

With regard to P&K Fertilizers, Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/semi-annual basis is provided on P&K fertilizers depending on their nutrient content. As P&K fertilizer sector is covered under Open General Licence (OGL), the companies are free to import/produce fertilizers as per market dynamics. Based on examination of requests received, permissions are granted to the fertilizer companies for increasing their manufacturing capacity and for induction of new P&K companies & fertilizer products under NBS, with a view to make the country self-reliant in P&K fertilizer production. Further, to promote indigenously produced fertilizers, freight subsidy on SSP has been made applicable from Kharif 2022 onwards and Potash Derived from Molasses (PDM) 100% indigenously produced fertilizer has been notified under NBS since Rabi 2021-22.

So far as chemicals are concerned, the Government has notified Plastic Park Scheme to support setting up need based Plastic Parks, with requisite state-of-the-art infrastructure, enabling common facilities through cluster development approach, to consolidate the capacities of the domestic downstream plastic processing industry. The scheme aims to increase investment, production and export in the plastics sector. A policy called PCPIR Policy, 2007 has also been notified to boost manufacturing in Chemicals and Petrochemicals sector, augment exports and generate employment

with co-development of downstream industry in cluster based approach. PCPIRs are dedicated investment regions equipped with necessary infrastructure for establishment of manufacturing facilities for domestic and export-led production of chemicals and petrochemicals. At present, three Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) are being implemented in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep) to promote investment and industrial development in these sectors under the PCPIR Policy, 2007.

(b): Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW) assesses the state-wise & month-wise requirement of fertilizers. To fulfill this requirement of fertilizers in the states (including rural tribal and remote areas) across the country, as per assessment done by DA&FW, Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plans. The movement of all major subsidized fertilizers is monitored through web-based monitoring system called integrated Fertilizer Monitoring System (iFMS). However, the inter/intra-district distribution of fertilizers is being done by the respective state to meet the field requirement within the state.

(c) & (d): The fertilizers manufactured/imported are governed by the Fertilizer Control Order (FCO), 1985 which prescribes the standards of various fertilizers. The fertilizers are incorporated in FCO on the basis of its agronomic efficacy data of trials conducted under Indian conditions and on the recommendations of Technical Committee that is Central Fertilizer Committee (CFC).

Government introduced the New Urea Policy-2015 on 1st June 2015 to make the old/existing urea manufacturing units in the country global competitive by ensuring energy efficiency in Urea production. Further, the units set up under the New Investment Policy (NIP)-2012 are based on the best available technologies/standards and are highly energy efficient. In view of our import dependency in the P&K sector, the domestic industry has been encouraged to establish supply linkages through long term agreements at competitive prices with resource rich nations.
