

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO. 1082 TO BE ANSWERED ON: 08.12.2023

Self-Reliance in Fertilizer Production

+1082: SHRI SANTOSH KUMAR:

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

- (a) the details of fertilizers in which the country has achieved self-sufficiency with regard to production;
- (b) the quantity and name of fertilizers imported during the last three years and the foreign exchange spent on them, year-wise;
- (c) whether the Government has introduced any scheme to make the country self-reliant in future with regard to the fertilizers which the country presently imports; and
- (d) if so, the details thereof and the estimated costs/expenditure in this regard?

ANSWER

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

(a): Indigenous production of urea and P&K fertilizers except Single Super Phosphate (SSP) doesn't commensurate to the requirement in the country. The gap between the requirement and production is fulfilled by imports. Indigenous production of Urea has increased from 225.85 Lakh Metric Tonne in 2014-15 to 284.94 Lakh Metric Tonne in the year 2022-23.

(b): Urea is imported on government account. However, all P&K fertilizers (DAP, MOP and NPK) are covered under Open General License (OGL) under the Nutrient Based Subsidy (NBS) Scheme and they are imported by the fertilizer companies on commercially viable terms. Therefore, value of these grade of fertilizers is not available. The details of quantity and name of fertilizers imported during the last three years and the foreign exchange incurred on Urea is given below:

Import of fertilizers (Urea, DAP, MOP and NPK) from 2019-20 to 2021-22					
		Qty in LMT			Foreign exchange incurred on urea (in Million US\$)
Year	Urea	DAP*	MOP*	NPK*	
2020-21	98.28	48.82	42.27	13.9	2580.27
2021-22	91.36	54.62	24.6	11.7	6041.06
2022-23	75.8	65.83	18.66	27.5	4751.29

**Covered under OGL under the NBS and imported by the fertilizer companies on commercially viable terms. Therefore, value of these grade of fertilizes is not available.*

(c) & (d): 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 which includes 4 urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 urea units set up by the private companies. The units set up through JVC are Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd (RFCL) and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL). The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix); Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL). 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 283.74 LMTPA. 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.

With regard to P&K fertilizers, Government has implemented Nutrient Based Subsidy 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 - based on import prices of fertilizers and other relevant factors like requirement of nutrients in the country, balanced use of fertilizers, subsidy and MRP etc – is provided on P&K fertilizers depending on their nutrient content. Further, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/produce their fertilizers as per their business dynamics. Based on examination of requests received, permission is granted to the fertilizer companies for increasing their manufacturing capacity and for induction of new P&K companies & their fertilizer products under NBS, with a view to make country self-reliant in fertilizer production.

Further to promote Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer has been notified under Nutrient based subsidy (NBS) regime w.e.f 13.10.2021. Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, has been made applicable for Kharif and Rabi 2023-24 to help in promotion of SSP usage for providing Phosphatic or “P” nutrient to the soil.
