

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1017 TO BE ANSWERED ON : 08.12.2023

Shortage of Fertilizers

1017: SHRI VIJAYKUMAR (ALIAS) VIJAY VASANTH:

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

- whether it is a fact that the production of all forms of fertilizers in the country is just half of the demand and the remaining was met by imports during 2021-22 and 2022-23 (till now) and even prior to the said years;
- if so, the details thereof;
- whether the Government has made/making efforts to ascertain the reasons for the shortage of fertilizers in the country and if so, the details thereof;
- whether the Government is taking steps to increase local production of all forms of fertilizers to be Atmanirbhar in this regard and if so, the details thereof;
- whether the Government has reviewed/is reviewing the present nutrient based subsidy policy to remove the disincentives for farmers to use other fertilizers in the country; and
- if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

(SHRI BHAGWANTH KHUBA)

(a) & (b): Fertilizers are made available to the farmers, majorly through indigenous production. However, the gap between demand-supply is met through imports. The details of the total all fertilizers production in the country, total all fertilizers demand and total all fertilizers imports during 2019-20 to 2021-22, 2022-23 are as under:

<b>Total All Fertilizers Production, Total All Fertilizers Demand and Total All Fertilizers Import during 2019-20 to 2021-22, 2022-23</b>			
<b>(Figures in 'LMT')</b>			
<b>Year</b>	<b>Total All Fertilizers Production</b>	<b>Total All Fertilizers Demand</b>	<b>Total All Fertilizers Imports</b>
<b>2019-20</b>	425.95	581.50	184.09
<b>2020-21</b>	433.68	601.91	203.27
<b>2021-22</b>	435.95	640.27	182.28
<b>2022-23</b>	485.29	628.26	187.81

(c) to (f): There is no shortage of fertilizers in the country that has been reported during 2021-22 & 2022-23. With regard to urea fertilizer, the Government had announced New Investment Policy (NIP) – 2012 on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> 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. These are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan; Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd.(RFCL) in Telangana; and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar respectively. Each of these units has the installed urea production capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). Therefore, these units have together added 76.2 LMT per annum in the existing indigenous urea production capacity of the country which is currently at 283.74 LMTPA.

Further, an exclusive policy has been notified on 28<sup>th</sup> April, 2021 for the revival of Talcher unit of FCIL in Odisha by setting up a new greenfield urea plant of 12.7 LMT per annum through coal gasification route.

The Government has notified New Urea Policy (NUP) – 2015 on 25<sup>th</sup> May, 2015 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.

As far as P&K fertilizer are concerned, 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, is provided on subsidized P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. Accordingly, the latest subsidy rates for P&K fertilizers under the NBS Scheme are as under:

<b>Sl. No.</b>	<b>Nutrients</b>	<b>NBS rates for Rabi 2023-24 (Rs. Per kg of nutrient) ( from 1.10.2023 to 31.3.2024)</b>
1.	N	47.02
2.	P	20.82
3.	K	2.38
4.	S	1.89

The steps taken by the Government every season to ensure adequate and timely availability of fertilizers to the farmers are as under :

(i) Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the requirement of fertilizers. After assessment of requirement, DA&FW projects month-wise requirement of fertilizers.

(ii) On the basis of month-wise & State-wise projection given by DA&FW, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

(iii) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS);

(iv) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes.

(v) Regular Weekly Video Conference is conducted jointly by Department of Agriculture and Farmers Welfare (DA&FW) and Department of Fertilizers (DoF) with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.

(vi) The gap between demand (requirement) and production in case of urea, is met through timely imports. In case of P&K fertilizers, the imports come under Open & General license and fertilizer companies import these fertilizers based on their commercial judgements.

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