

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

STARRED QUESTION NO. 62* TO BE ANSWERED ON: 07.02.2025

Production of Fertilizers

***62: SMT. LOVELY ANAND:
SHRI DINESH CHANDRA YADAV:**

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

- (a) the steps taken by the Government to achieve self-sufficiency in the production of fertilizers during the last five years;
- (b) whether the Government has any plans to set up fertilizer plants in States which consume more fertilizers like Bihar, if so, the details thereof;
- (c) whether the Government is not keen in setting up of fertilizer plants in the country because of cheaper prices of imported fertilizers; and
- (d) if so, the details thereof?

ANSWER

MINISTER FOR CHEMICALS & FERTILIZERS AND HEALTH & FAMILY WELFARE

(SHRI JAGAT PRAKASH NADDA)

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

STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO. *62 FOR ANSWERING ON 07.02.2025 REGARDING 'PRODUCTION OF FERTILIZERS' ASKED BY SMT LOVELY ANAND AND SHRI DINESH CHANDRA YADAV

(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 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) in Telangana and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar, respectively. The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology. Therefore, these units have together added urea production capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA during 2023-24. 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 beyond RAC. The NUP-2015 has led to additional production of urea by 20-25 LMT as compared to the production during 2014-15 annually.

Above steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24.

With regard to P & K fertilizers, the Government has implemented Nutrient Based Subsidy Policy w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content. The P&K sector is decontrolled and the fertilizer companies manufacture/import/develop domestic production capacities of fertilizers as per the market dynamics. Further, to reduce dependency on imported fertilizers, the following measures have been taken by the Government & private sector:

- (i) Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized/taken on record under the NBS subsidy scheme, with a view to boost manufacturing and make country self-reliant in fertilizer production.

(ii) Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer has been notified under Nutrient based subsidy (NBS) scheme.

(iii) Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is applicable since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil.

As a result of the above steps, the installed capacity of P&K fertilizers has increased from 146.24 LMT during 2014-15 to 160.50 LMT during 2023-24. Similarly, the installed capacity of SSP has increased from 96.07 LMT during 2014-15 to 123.15 LMT during 2023-24.

(b): The setting up of fertilizer plant in a state is primarily based on the viability and not on the consumption trend of fertilizers at that place. 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 fulfil this requirement of fertilizers in the States as per the assessment done by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to the States by issuing monthly supply plans. These supplies are met through indigenous production as well as imports. The movement of all major subsidized fertilizers is monitored through web-based monitoring system called integrated Fertilizer Monitoring System (iFMS).

(c) & (d): As stated at (a) above, the Government has taken various effective steps to achieve self-sufficiency in the production of fertilizers in the country. However, the indigenous production of fertilizers is not commensurate with the requirement in the country and the gap is fulfilled through imports. The details of production, consumption and imports of fertilizers during last three years are given below:-

(in LMT)

UREA			
Year	Production	Consumption	Import
2021-22	250.72	341.73	91.36
2022-23	284.94	357.26	75.80
2023-24	314.07	357.81	70.42

(in LMT)

P&K			
Year	Production	Consumption	Import
2021-22	185.23	294.70	90.92
2022-23	200.35	279.12	112.01
2023-24	189.26	288.42	106.53
