

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 3067 TO BE ANSWERED ON : 28.03.2023

Import of Raw Materials for Fertilizers

3067. SHRI JAGESH:

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

- (a) whether it is a fact that India is among top fertilizer users and despite the demand, it relies heavily on imports, pushing both import bills and the subsidy burden;
- (b) the import bills of raw materials for manufacturing fertilizers in the last three years;
- (c) whether Government is working on a national policy to boost local manufacturing of fertilizers and reduce dependency on imports; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

(SHRI BHAGWANTH KHUBA)

(a) & (b) : Sir, the requirement/demand for fertilizers for Kharif and Rabi season is assessed in bi-annual Zonal Conferences held by Department of Agriculture & Farmers Welfare (DA&FW) with the representatives of fertilizer companies, Fertilizer Association of India, Ministry of Railways, State Governments, Department of Fertilizers and other concerned agencies. Accordingly, the projected demand is communicated to Department of Fertilizer. To meet the demands which is beyond domestic production, the imports of finished fertilizers as well as its raw materials are done. The country is dependent on imports in the Potassic sector and to the extent of 90% in the Phosphatic sector in the form of either finished products or its raw material. Some of the fertilizers imported, like MOP, are used as finished fertilizer product as well as raw materials to manufacture other fertilizer grades. Moreover, under the NBS Policy, Government is giving subsidy on the notified finished fertilizer grades only. Thus, the Actual Expenditure done on Imported P&K fertilizer and Imported Urea during last three years are as under:

| Product | AE 2019-20 | AE 2020-21 | AE 2021-22 | (Rs. in Crore) |
|---------------|------------|------------|------------|--------------------------------|
| | | | | AE 2022-23 (upto 15.3.2023) |
| Imported P&K | 10429.00 | 15015.37 | 20794.80 | 35139.94 |
| Imported Urea | 14049.00 | 25049.62 | 50250.40 | 40747.13 |

AE : Actual Expenditure

As far as, the cost of input for urea i.e. imported natural gas used by domestic urea manufacturing units for the production of urea during last 3 years are as under:

| Year | Cost of Imported natural Gas |
|----------------------------|------------------------------|
| | Rs. In Cr |
| 2020-2021 | 30,401.33 |
| 2021-2022 | 59,549.81 |
| 2022-2023 (Till Feb'23) | 87,571.96 |

(c) & (d): Sir, Urea is a controlled fertilizer sector as Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). Thus, 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. These are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix); Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL); 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). Each of these units have the installed urea production capacity of 12.7 Lakh Metric Tonne per annum. Therefore, these units have together added 76.2 LMT per annum in the existing indigenous urea production capacity of the country.

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

The Government has notified the New Urea Policy (NUP) – 2015 on 25th 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 sector is concerned, the Government has taken following steps:

1. Granted permission to Madhya Bharat Agro product Limited Unit-II, Banda Sagar, MP for production of DAP/NPK with installed capacity 2.40 LMT per annum.
2. Granted permission to M/s. Krishna Phoschem Ltd, MP for production of DAP/NPK with installed capacity 3.30 LMT per annum
3. PDM or Potash Derived from Molasses (0-0-14.5-0), which is 100% indigenously manufactured Potassic fertilizer, has been included under Nutrient Based Subsidy (NBS) Scheme.
4. Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, has been made applicable for Kharif and Rabi 2022-23.
5. Efforts taken for mining of domestically available fertilizer mineral resources in consultation with Ministry of Mining, Geological Survey of India, Government of M.P., Rajasthan and Uttar Pradesh which is a continuous process.
