

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 1616 TO BE ANSWERED ON 06.08.2024

'AATMANIRBHAR BHARAT' IN THE FERTILIZER SECTOR

1616 SMT. SANGEETA YADAV:

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

- (a) the efforts made by Government to make 'Aatmanirbhar Bharat in the fertilizer sector';
- (b) whether Government has drawn any roadmap for raising the share of domestic fertilizer industry in total medicine consumption by increasing production and quality;
- (c) if so, the details thereof;
- (d) whether efforts by Government in the last decade have helped in improvement in the contribution of fertilizer sector to the GDP of the country ; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY O CHEMICALS & FERTILIZERS
(SMT. ANUPRIYA PATEL)

(a) to (c): 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 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 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, 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/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 fertilizer as per the market dynamics.

To make country self-reliant in fertilizer production, THE following measures have been taken:

- i. Permission is granted to the fertilizer companies under NBS for increasing their manufacturing capacity and for induction of new P&K companies & their fertilizer products under NBS.
- 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 these steps, production of DAP has increased from 38.99 LMT in 2018-19 to 42.93 LMT in 2023-24, while during the same period, the production of NPKs has increased from 89.98 LMT to 95.48 LMT by 22 P&K fertilizer manufacturing units. Similarly, production of SSP increased from 40.72 LMT in 2018-19 to 44.44 LMT in 2023-24 by 104 SSP manufacturing units.

(d) & (e): Yes. The Economic Survey 2023-24 states that the Indian Agriculture sector provides livelihood support to about 42.3 per cent of the population and has a share of 18.2 per cent in the country's GDP at current prices. Fertilizers, water and seeds are vital inputs for achieving higher agricultural production in the country. Government has undertaken various efforts during the last decade due to which the total all fertilizer production has increased from 385.39 LMT in 2014-15 to 503.35 LMT in 2023-24.

Several measures were undertaken by the Government such as Urea Subsidy Scheme, New Urea Policy 2015, Nutrient based Subsidy scheme etc. to increase the total fertilizer production in the country. Besides, it also promotes sustainable methods such as the use of alternative fertilizers viz., Nano Urea, Nano DAP and organic fertilizer in the country.
