

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 1637 TO BE ANSWERED ON : 10.12.2024

Self-reliance in fertilizer production

1637. SMT. JEBI MATHER HISHAM:

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

- (a) the measures taken to mitigate the impact of inadequate fertilizer subsidies on small and marginal farmers;
- (b) the primary reasons for the persistent fertilizer shortages in various regions and the steps implemented to ensure a stable and timely supply across the country;
- (c) whether Government has considered revising fertilizer subsidy rates in response to escalating fertilizer prices, which significantly raise production costs, the details thereof; and
- (d) whether any long-term strategy has been adopted to ensure self-reliance in fertilizer production and reduce dependency on imports, especially in addressing current subsidy and supply challenges, the details thereof?

ANSWER

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

(a) & (c): Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP) irrespective of the cost of production. The subsidized MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers are being supplied urea at the subsidized rates.

In case of Phosphatic and Potassic (P&K) fertilizers, Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided to manufacturer / importer on subsidized P&K fertilizers depending on their nutrient content i.e. Nitrogen (N), Phosphorus (P), Potassium (K) and Sulphur (S) to improve availability of fertilizers to farmers. Import of P&K fertilizers is decontrolled and companies are free to import / produce fertilizer raw materials, intermediaries and finished fertilizers as per their business dynamics. In view of price volatility in international prices of key fertilizers and raw materials, the Government has subsumed fluctuations, if any, while fixing NBS rates for P&K fertilizers bi-annually. NBS policy is implemented on Pan India basis uniformly and no state wise differentiation is made.

(b): The availability of fertilizers in the country during the current Rabi 2024-25 season (upto 01.12.2024) has remained comfortable. The details of availability of fertilizers is placed at **Annexure**. To ensure timely and adequate supply of fertilizers in the country, before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the state-wise & month-wise requirement of fertilizers. On the basis of requirement projected, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS). Regular Weekly Video Conference is conducted jointly by DA&FW and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch fertilizers as indicated by the State Governments. The gap between demand (requirement) and production of fertilizers is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

However, distribution of fertilizers within the state at district level is the mandate of the State Government.

(d): Under New Investment Policy (NIP), to facilitate fresh investment in the urea sector and to make India self-sufficient, 6 new urea units have been set up with a production capacity of 12.7 Lakh MT each. 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 LMT/PA 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. These steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.09 LMT during 2023-24.

In case of Phosphatic & Potassic fertilizers (P&K), the companies are free to import /produce fertilizer raw materials, intermediaries and finished fertilizers as per their business dynamics. 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. Further, to promote Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer, it has been notified under Nutrient based subsidy (NBS) regime w.e.f 13.10.2021. Also, freight Subsidy on SSP, which is an indigenously manufactured fertilizer, has been made applicable since Kharif 2022 to help in promotion of SSP usage for providing Phosphatic or “P” nutrient to the soil. These steps have facilitated increase in production of P&K fertilizers from 159.54 LMT in 2014-15 to 182.85 LMT in 2023-24.

Annexure

Annexure referred to in reply to part (b) of the Rajya Sabha unstarred question No. 1637 for answering on 10.12.2024

Product -Wise Average MRP(Rs./MT) from 2019-20 to 2024-25 as on October-24

ALL INDIA POSITION FOR RABI 2024-25 (UPTO 03/12/2024)

Fig. in LMT

S.NO	Product	Seasonal Requirement for RABI 2024-25	Pro rata Requirement From 01/10/2024 to 03/12/2024	Availability From 01/10/2024 to 03/12/2024	Cumulative DBT Sales From 01/10/2024 to 03/12/2024	Closing Stock as on 03/12/2024
1	UREA	186.89	81.41	125.99	63.82	62.11
2	DAP	52.05	35.52	38.27	29.22	9.20
3	MOP	11.95	5.94	13.59	5.25	8.38
4	NPKS	77.10	38.46	58.36	34.11	24.91
5	SSP	36.48	20.31	31.94	13.30	19.01

* Data from FMS & iFMS(dbtfert.nic.in)
