

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 1644 TO BE ANSWERED ON 10.12.2024

Schemes to promote indigenous fertilizer production

1644: SHRI TEJVEER SINGH:

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

- (a) the new schemes and policies recently implemented by Government to promote indigenous fertilizer production and ensure self-sufficiency in the agriculture sector;
- (b) the special measures taken by Government to promote safe use of pesticides and chemicals and to protect the agricultural environment; and
- (c) the latest initiatives taken by Government to attract investments in the chemical industry and to promote innovation in the green chemical sector?

ANSWER

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

(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 at present.

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.

At present, there is no provision for subsidy for Nano Urea by Department of Fertilizers (DoF). The Government of India is not directly involved in setting up of Nano Urea Plants, However, DoF is encouraging its PSUs to set up Nano Urea plants. As on date, 7 Nano urea plants have been setup with production capacity of 27.22 Crore Bottles (500ml equivalent) per Year. Further, 4 Nano DAP plants have been setup with production capacity of 7.64 Bottles (500ml equivalent) per Year.

With regard to P&K Fertilizers, the 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 fertilizers as per the market dynamics.

The Government has taken following measures to promote indigenous fertilizer and self-sufficiency in the agriculture sector:

- (i) Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer has been notified under Nutrient Based Subsidy (NBS) scheme.
- (ii) 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.

(b): Government of India regulates the manufacture and the use of Pesticides in the country through comprehensive legislation known as Insecticides Act, 1968 and Insecticides Rules, 1971 and pesticides are allowed for use in the country only after ensuring the efficacy and safety of the pesticides to prevent risk to human beings or animals and for matters connected therewith. Further, the details of doses, crops, precautionary measures, antidotes etc are prescribed on Label and Leaflets of

pesticides. The registered pesticides if used as per Label and Leaflets do not pose any harm to human beings, animals, environment and living organisms other than pests.

Ministry of Agriculture and Farmers Welfare through its Krishi Vigyan Kendras (KVKs), Central Integrated Pest Management Centers (CIPMCs) and State Agriculture Department create awareness among farming community through various training programs such as Farmers Field Schools (FFS), Two days and five days HRD programs and 30 days' Season Long Training Programs (SLTP) to educate & train farmers and state agriculture extension functionaries as well as pesticide dealers about safe, judicious & need based use of pesticides and promoting use of bio-pesticides to manage the crop pests.

The Department of Chemicals and Petrochemicals has been organizing various training programmes for farmers. Through these training programmes, farmers are sensitized on the various topics, such as (i) Safe and Judicious use of pesticides and (ii) Use of botanical pesticides based on locally available resources/plants for crop protection and enhancing crop productivity.

(c): The Department of Chemicals and Petrochemicals has taken the following initiatives to promote investment and innovation in this sector:

Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR): To attract mega investments in chemicals & petrochemicals sector, the Government had notified the Petroleum, Chemicals and Petrochemical Investment Region (PCPIR) Policy, 2007. PCPIRs are conceptualized as cluster-based model of Development with common infrastructure and support services. Three PCPIRs have been set up at Dahej (Gujarat), Vishakhapatnam–Kakinada (Andhra Pradesh) and Paradeep (Odisha). Currently, 824 Petroleum, Chemicals, Petrochemicals and ancillary industries are functional in these PCPIRs having a cumulative investment of Rs. 2,43,000 crore and these regions have generated employment of 3.7 lakh persons.

Plastic Parks: The Department of Chemicals and Petrochemicals has a Plastic Parks scheme, which promotes setting up of need-based Plastic Parks with requisite state-of-the-art infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. Under the Scheme, the Government of India provides grant funding up to 50% of the project cost to the State government subject to a ceiling of Rs. 40 crore per project. In accordance with the Scheme Guidelines, 10 Plastic Parks have been approved so far and the same are at different levels of implementation.

Centre of Excellence: The Department of Chemicals and Petrochemicals has formulated a scheme on setting up of Centres of Excellence. The objective is to provide grant-in-aid to educational and research institutions to improve existing technology and promote development of new applications of polymers and plastics. The emphasis of the Scheme is on modernization and upgradation of existing manufacturing processes as well as improving the quality of products. Under the scheme, the Government of India provides financial support up to 50 per cent of the total project cost subject to an upper limit of Rs. 5 crores. So far, 18 CoEs have been approved under the Scheme. Earlier the CoE scheme was only available for petrochemical sector, now revised scheme includes chemicals sector also.

Chemical Promotion Development Scheme (CPDS): The objective of the scheme is to facilitate growth and development of Chemicals and Petrochemicals Industry by creation of knowledge products through studies, survey, data banks, promotional material as also to facilitate seminars, conferences, and exhibitions to facilitate development of the sector. The Scheme also promotes research and innovation by awarding outstanding efforts in the field of chemicals and petrochemicals.
