

**GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 3550 TO BE ANSWERED ON 24.03.2026**

**Import Substitution in the Fertilizer Sector**

**3550: Shri Rajinder Gupta:**

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

- (a) whether Government is taking measures to reduce import dependence in the fertilizer sector through domestic capacity enhancement and raw material security and if so, the details thereof;
- (b) the progress made in domestic production of urea, DAP, and other fertilizers under import substitution initiatives during the last three years, year-wise;
- (c) the challenges in ensuring supply chain resilience, including dependence on imported phosphoric acid, potash and natural gas; and
- (d) the measures proposed to achieve greater self-sufficiency in fertilizer production and secure long-term raw material supply through bilateral agreements and domestic sourcing?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

**(SMT. ANUPRIYA PATEL)**

**(a), (b) & (d):** With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> 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. Recently, the Union

Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Assam namely Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL).

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. During 2024-25, 306.67 LMT of Urea was produced in the country.

The Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/manufacture these fertilizers as per their business dynamics.

To reduce dependence on imported Phosphatic fertilizers and make country self-reliant the following measures have been taken by the Government:

- (i) D/o Fertilizers has issued guidelines 18.01.2024 to ensure reasonableness of MRP and encourage domestic production.
- (ii) 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 Scheme.
- (iii) The number of P&K fertilizers covered under NBS policy has increased from 22 grades in 2021 to 28 grades.
- (iv) Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, has been approved since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil.

Further, to strengthen supply security for the import of raw materials, Government facilitates Indian fertilizer companies in entering into Long Term Agreements (LTAs) and Memoranda of Understanding (MoUs) with resource-rich countries. In line with the above, Indian companies have secured agreements for 2025-26 covering Rock Phosphate from Jordan, Morocco, Togo, and Mauritania; Phosphoric Acid from Morocco, Tunisia, and Senegal; and Ammonia from Saudi Arabia, Oman, Japan, and Malaysia.

The details of the domestic production of Urea, DAP and other fertilizers under import substitution initiatives during the last three years, year-wise is as below:

<b>YEAR-WISE PRODUCTION OF MAJOR FERTILIZERS</b>				
<b>Production</b>				<b>(Fig. in LMT)</b>
<b>YEAR</b>	<b>Urea</b>	<b>DAP</b>	<b>SSP</b>	<b>NPKs</b>
<b>2022-23</b>	284.94	43.47	56.44	100.40
<b>2023-24</b>	314.09	42.93	44.44	101.85
<b>2024-25</b>	306.67	37.69	52.44	121.05

(c): The availability of fertilizers viz. Urea, DAP, MOP and NPK has remained adequate in the country during the last three FYs i.e. 2022-23, 2023-24 and 2024-25 and current year 2025-26. The information regarding requirement, availability and sales of these fertilizers during the said period is placed at **Annexure**.

Further, the following Steps are taken by the Government every season for ensuring timely and adequate supply of fertilizers in the country:

i. 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.

ii. On the basis of requirement projected by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

iii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Management System (iFMS).

iv. 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.

v. The distribution of fertilizers within the State is done by the respective State Government.

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ANNEXURE referred to in reply to part (c) of Rajya Sabha Unstarred Q. No. 3550 for answering on 24/03/2026

<b>ALL INDIA</b>													
<b>REQUIREMENT, AVAILABILITY &amp; SALES OF FERTILIZERS DURING 2022-23 to 2025-26 (Till 18.03.26)</b>													
Fig. in LMT													
S.No	State	UREA			DAP			MOP			NPKS		
		Requirement	Availability	DBT Sales	Requirement	Availability	DBT Sales	Requirement	Availability	DBT Sales	Requirement	Availability	DBT Sales
1	2025-26 (Till 18.03.26)	375.18	439.87	387.51	109.39	120.41	98.57	26.07	29.70	21.81	155.54	194.92	147.15
2	2024-25	364.01	443.83	387.92	111.92	105.14	96.29	22.21	30.85	22.02	151.29	183.98	149.72
3	2023-24	356.08	437.47	357.81	110.18	127.42	109.73	27.62	22.74	16.45	126.31	156.51	116.80
4	2022-23	359.19	415.82	357.26	114.20	130.93	105.31	34.17	19.55	16.32	120.69	138.15	107.31

1. Primary Indicator of comfortable availability: Availability > Requirement
2. Secondary Indicator of comfortable availability: Availability > Sales

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