GOVERNMENT OF INDIA

MINISTRY OF CHEMICALS AND FERTILIZERS

DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION **NO. 2588** TO BE ANSWERED ON**: 11.08.2026**

Impact of rising global prices of phosphatic fertilizers

2588. DR. M. DHANAPAL:

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

(a) the initiatives undertaken to address the impact of rising global prices of phosphatic fertilizers on farmers in Tamil Nadu,

(b) the measures implemented to ensure adequate availability of Diammonium Phosphate (DAP) and other phosphatic fertilizers during agricultural seasons in the State;

(c) the arrangements put in place for supporting fertilizer supply chains, including import-related and production-related interventions;

(d) the efforts made to coordinate with domestic producers and international suppliers to maintain stable fertilizer availability, and

(e) the outcomes achieved in ensuring affordable prices, adequate supply and timely access to fertilizers in Tamil Nadu?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (e): In case of Phosphatic and Potassic (P&K) fertilizers, Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 01.04.2010. Under NBS policy, MRP of P&K fertilizers is decontrolled and companies are free to fix MRP as per their business dynamics at a reasonable level. The Government monitors international prices of key fertilizers and raw materials and fluctuations, if any, are subsumed while fixing NBS rates for P&K fertilizers annually / bi-annually to ensure affordable supply of P&K fertilizers to the farmers. Relevant factors like requirement of nutrients in the country, balanced use of fertilizers, subsidy burden and MRP of fertilizers are taken into account while recommending the subsidy rates for different nutrients. The NBS scheme is implemented uniformly on pan-India basis including the State of Tamil Nadu and no regional differentiation is made.

Further, to make DAP which is a key fertilizer, available at affordable price of Rs. 1350 per 50 kg bag, special provisions like Rs. 3500 per MT to cover 'Other Costs' which includes costs incurred from factory gate to farm gate, advantage / disadvantage due to increase / decrease in international prices, provision for GST component included in the MRP and provision for reasonable return @ 4% of net MRP (MRP-GST) have been extended to both imported and domestic DAP and imported TSP over and above NBS subsidy for Kharif & Rabi 2025-26 and Kharif 2026 seasons.

For Kharif, 2026, under NBS Scheme, the Government has approved Rs. 41,533.81 Cr as subsidy to ensure availability of P&K fertilizers which is approximate Rs. 3581 crore more than the budgetary requirement for Rabi 2025-26 season.

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 Department of Agriculture, Tamil Nadu, closely monitor fertilizer availability and movement across districts and maintains regular coordination with fertilizer companies and distribution agencies to ensure that adequate stocks are available at both cooperative and private retail outlets. These measures have enabled farmers to obtain the required fertilizers in time for seasonal agricultural operations.

The Department of Agriculture, Tamil Nadu, maintains close and continuous coordination, with the Department of Fertilizers, Government of India, major fertilizer manufacturers and importers, cooperative institutions such as Tamil Nadu Cooperative Marketing Federation (TANFED) and Thanjavur Cooperative Marketing Federation (TCMF), and district-level enforcement officials to monitor fertilizer allocation, dispatch, stock position and availability across the State.

Periodic review meetings are conducted to assess supply performance, monitor the movement of fertilizers, and address issues relating to production, import, transportation and distribution. Wherever shortfalls or delays are noticed, the concerned fertilizer companies are instructed to augment supplies and furnish reasons for the shortfall, ensuring timely availability of fertilizers to meet the requirements of farmers across the State.

The availability of fertilizers has remained adequate in the State of Tamil Nadu during the ongoing Kharif 2026 season (from 01.04.2026 to 05.08.2026). The information regarding requirement, availability, sales and closing stock of fertilizers in Tamil Nadu during the period is as under:

FERTILIZERS AVAILABILITY POSITION IN TAMIL NADU DURING THE ONGOING KHARIF 2026 (FROM 01.04.2026 TO 05.08.2026)					
					Fig. in MTs
S. NO.	**PRODUCT**	**Requirement**	**Availability**	**DBT Sales**	**Closing Stock as on 05.08.2026**
1	UREA	3,01,906	4,98,640	3,24,850	1,73,900
2	DAP	87,471	1,17,110	65,580	51,510
3	MOP	67,674	76,030	44,830	32,160
4	NPKS	3,01,123	3,98,040	2,17,300	1,80,450

Under the NBS 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. However, the Government facilitates Indian fertilizer companies in entering into long term arrangements with overseas suppliers. In line with this, Indian companies have finalized the agreements with Saudi Arabian and Russian companies for the annual supply of about 31 LMT and 26.50 LMT of DAP/ NPKs respectively to India in this year. For Muriate of Potash (MOP), Indian companies have finalized agreements for the supply of 4.80 LMT this year, sourced from Russia, Germany and Turkmenistan.

For raw materials, agreements have been finalized by Indian companies with suppliers in Jordan, Morocco and Togo for the supply of 31.40 LMT of Rock Phosphate during the current year. Further, agreements have been finalized by the companies for the supply of 9.10 LMT of Phosphoric Acid from Tunisia and Senegal. In respect of another critical raw material, Ammonia, Indian companies have entered into agreements with suppliers in Saudi Arabia and Oman for the supply of 8.50 LMT during the current year.

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 269.42 LMTPA during 2026-27. 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 named as Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL).

Also, 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 2025-26, 293.30 LMT of Urea was produced in the country.

In addition to this, on 15.07.2026, CCEA approved New Investment Policy for Urea (NIPU) for Aatmanirbhar Bharat-2026 for making fresh investments in Urea Sector.

Under the Urea Subsidy Scheme, Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as 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 including Tamil Nadu are being supplied urea at the subsidized rate.

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