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STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS

(2025-26)

(EIGHTEENTH LOK SABHA)

MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF FERTILIZERS)

[Alignment of logistics for efficient fertilizer movement and availability at affordable prices during peak season and steps taken to curb forced Bundling of unnecessary boosters with essential fertilizers]

TWENTY- EIGHTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

August, 2026 / Sravana 1948 (Saka)

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[Alignment of logistics for efficient fertilizer movement and availability at affordable prices during peak season and steps taken to curb forced Bundling of unnecessary boosters with essential fertilizers]

Presented to Lok Sabha on 06 August, 2026

Laid in Rajya Sabha on 06 August, 2026



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2026 / Sravana, 1948 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS
(2025-2026)**

Shri Azad Kirti Jha - Chairperson

**MEMBERS
LOK SABHA**

2. Shri Brijmohan Agrawal
3. Shri Ajay Bhatt
4. Shri Robert Bruce C.
5. Shri Bharatsinhji Shankarji Dabhi
6. Smt. Kriti Devi Debbarmar
7. Dr. Kalyan Vaijinathrao Kale
8. Shri Malvinder Singh Kang
9. Shri Babu Singh Kushwaha
10. Shri Utkarsh Verma Madhur
11. Shri Praveen Patel
12. Dr. Sambit Patra
13. Shri Balram Naik Porika
14. Shri Sachithanantham R.
15. Shri Eatala Rajender
16. Shri Rajesh Ranjan
17. Shri Daggumalla Prasada Rao
18. Shri Tharaniventhan M.S.
19. Shri Nalin Soren
20. Shri Shivmangal Singh Tomar
21. Vacant*

RAJYA SABHA

22. Shri Naresh Bansal
23. Shri Subhash Barala
24. Shri Ramesh Lingamaneni^{\$}
25. Shri Rwngrwa Narzary
26. Shri Manmohan Samal[&]
27. Shri Arun Singh
28. Shri Akhilesh Prasad Singh
29. Shri Tejveer Singh
30. Shri L. K. Sudhish[%]
31. Vacant

SECRETARIAT

- | | | | |
|----|---------------------|---|-----------------|
| 1. | Smt. Maya Lingi | - | Joint Secretary |
| 2. | Ms. Miranda Ingudam | - | Director |
| 3. | Shri Abhishek Kumar | - | Joint Director |

* Vacant *vice* Dr. Ricky Andrew J. Syngkon, MP(LS), passed away on 19.02.2026 *vide* LS Table Office Notification No.21/4(8)/2026/TO(B) dated 20.02.2026.

& Nominated w.e.f. 03.06.2026 *vide* L.S. Bulletin-Part II dated 04.06.2026 Para No. 5267.

% Nominated w.e.f. 03.06.2026 *vide* L.S. Bulletin-Part II dated 04.06.2026 Para No. 5267.

\$ Nominated w.e.f. 23.07.2026 *vide* L.S. Bulletin-Part II dated 24.07.2026 Para No. 5724.

Dr. Bhagwat Karad, MP(RS) retired on 02.04.2026 *vide* Committee Branch note dated 19.02.2026.

Shri G.K. Vasan, MP(RS) retired on 02.04.2026 *vide* Committee Branch note dated 19.02.2026.

Shri Subhash Chandra Bose Pilli, MP(RS) retired from the membership of Rajya Sabha w.e.f. 21.06.2026 *vide* Committee Branch note dated 19.02.2026.

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals & Fertilizers (2025-26) having been authorized by the Committee do present on their behalf, this Twenty-Eighth Report (Eighteenth Lok Sabha) on 'Alignment of logistics for efficient fertilizer movement and availability at affordable prices during peak season and steps taken to curb forced Bundling of unnecessary boosters with essential fertilizers' pertaining to the Ministry of Chemicals and Fertilizers (Department of Fertilizers).

2. The Committee had a briefing by the representatives of the Department of Fertilizers on 4th November, 2025 and evidence on 6th January, 2026. In view of the geopolitical situations in the Middle East, the Committee held an additional briefing on 1st April 2026 to assess the Department's preparedness for potential disruptions to fertilizer and gas supplies, followed by conclusive oral evidence on 16 April 2026.

3. The Committee considered and adopted this Report at their Sitting held on 3rd August, 2026.

4. The Committee wish to express their thanks to the officers of the Ministry of Chemicals and Fertilizers, Department of Fertilizers for briefing before the Committee all the requisite information related to examination of the subject.

5. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

6. For ease of reference and convenience, the Observations/ Recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;
03 August, 2026
12 Sravana, 1948 (Saka)

AZAD KIRTI JHA,
Chairperson,
Standing Committee on Chemicals
and Fertilizers.

GLOSSARY OF ABBREVIATIONS

Abbreviation	Full Form
AIS	Automatic Identification System
BIFA	Business Intelligence and Fraud Analytics
CEBN	Conclusive Evidence Background Note
CEPPT	Conclusive Evidence PPT (Presentation)
CFR	Cost and Freight
CIL	Coromandel International Limited
CMD	Chairman and Managing Director
DA&FW	Department of Agriculture and Farmers' Welfare
DAP	Di-Ammonium Phosphate
DBT	Direct Benefit Transfer
DGFT	Directorate General of Foreign Trade
DGGI	Directorate General of GST Intelligence
DGS	Directorate General of Shipping
D.O.	Demi-Official (letter)
DoF	Department of Fertilizers
DPIIT	Department for Promotion of Industry and Internal Trade
ECA	Essential Commodities Act, 1955
EIL	Engineers India Limited
e-KYC	Electronic Know Your Customer
EPMC	'Empowered Pool Management Committee
EPPT	Evidence PPT (Presentation)
e-PoS	Electronic Point of Sale
FCO	Fertilizer (Control) Order, 1985
FEPPT	Further Evidence PPT (Presentation)
GNFC	Gujarat Narmada Valley Fertilizers and Chemicals Limited
GSFC	Gujarat State Fertilizers & Chemicals Limited
GST	Goods and Services Tax
GSTN	Goods and Services Tax Network
HTER	Haldor Topsoe Heat Exchange Reformer
ICAR	Indian Council of Agricultural Research
IFFCO	Indian Farmers Fertilizer Cooperative Limited
iFMS	Integrated Fertilizer Management System
IMC	Inter-Ministerial Committee
IPL	Indian Potash Limited
JV	Joint Venture
JWG	Joint Working Group
KRIBHCO	Krishak Bharati Cooperative Limited
KYC	Know Your Customer
LMT	Lakh Metric Tonne
LOP	List of Points
LTA	Long-Term Agreement
MAP	Mono-Ammonium Phosphate
MFMB	Meri Fasal Mera Byora
MOP	Muriate of Potash
MoPNG	Ministry of Petroleum and Natural Gas

MoPSW	Ministry of Ports, Shipping and Waterways
MoU	Memorandum of Understanding
MRP	Maximum Retail Price
MT	Metric Tonne
NBS	Nutrient Based Subsidy
NIP	New Investment Policy
NITI Aayog	National Institution for Transforming India
NPK / NPKS	Nitrogen, Phosphorus, and Potassium (Complex Fertilizers) [NPKS includes Sulphur]
NPS-III	New Pricing Scheme Stage-III
OGI	Open General Licence
OM	Office Memorandum
P&K	Phosphatic and Potassic (fertilizers)
PDM	Potash Derived from Molasses
PFMS	Public Financial Management System
PoS	Point of Sale
PPL	Paradeep Phosphates Limited
PPT	PowerPoint (Presentation)
PTPK	Per Tonne Per Kilometre
RFCL	Ramagundam Fertilizers and Chemicals Limited
SSP	Single Super Phosphate
STE	State Trading Enterprise
TSP	Triple Super Phosphate
UT	Union Territory
VC	Video Conference
VLTS	Vehicular Location Tracking System
ZACL	Zuari Agro Chemicals Limited

CHAPTER I

INTRODUCTION

Fertilizers are the bedrock of India's agricultural productivity and, by extension, its food security. Undoubtedly the ability of the country to feed a population exceeding 1.4 billion people depends critically on the timely, adequate, and affordable availability of key plant nutrients such as Urea, Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP) and complex NPK fertilizers to farmers across all agro-climatic zones during both the Kharif and Rabi cropping seasons. Any disruption in this supply chain, whether due to import constraints, logistical failures, malpractices at the retail level or geopolitical developments, can directly lead to crop losses, farmers distress and adverse consequences for national food security.

1.2 The Department of Fertilizers (DoF) under the Ministry of Chemicals and Fertilizers is the nodal authority responsible for ensuring the timely production, import, allocation and availability of fertilizers in the Country. at State level; the distribution of fertilizers within the State at district level is done by the State Governments. The infrastructure underpinning this mandate is substantial: as of 2025-26, there are 33 operational Urea manufacturing units, 30 P&K manufacturing units, 105 Single Super Phosphate (SSP) manufacturing units and 17 ports through which fertilizer imports are handled and dispersed across the Country. The Department coordinates with the Department of Agriculture and Farmers Welfare (DA&FW), State Governments, the Ministry of Railways, Port Authorities and Fertilizer Companies to ensure seamless fertilizer movement from production units and ports to the farm-gates.

1.3 In terms of consumption, Urea continues to dominate the fertilizer basket. Total fertilizer consumption in FY 2024–25 reached a historic high of 708 Lakh Metric Tonnes (LMT) of which Urea accounted for approximately 387 LMT. In FY 2025–26, total fertilizer consumption further increased to 746 LMT. The composition of fertilizer consumption during FY 2025–26 comprised approximately 53 percent Urea, 20 percent NPKS, 14 percent DAP, 7 percent SSP and 3 percent MOP.

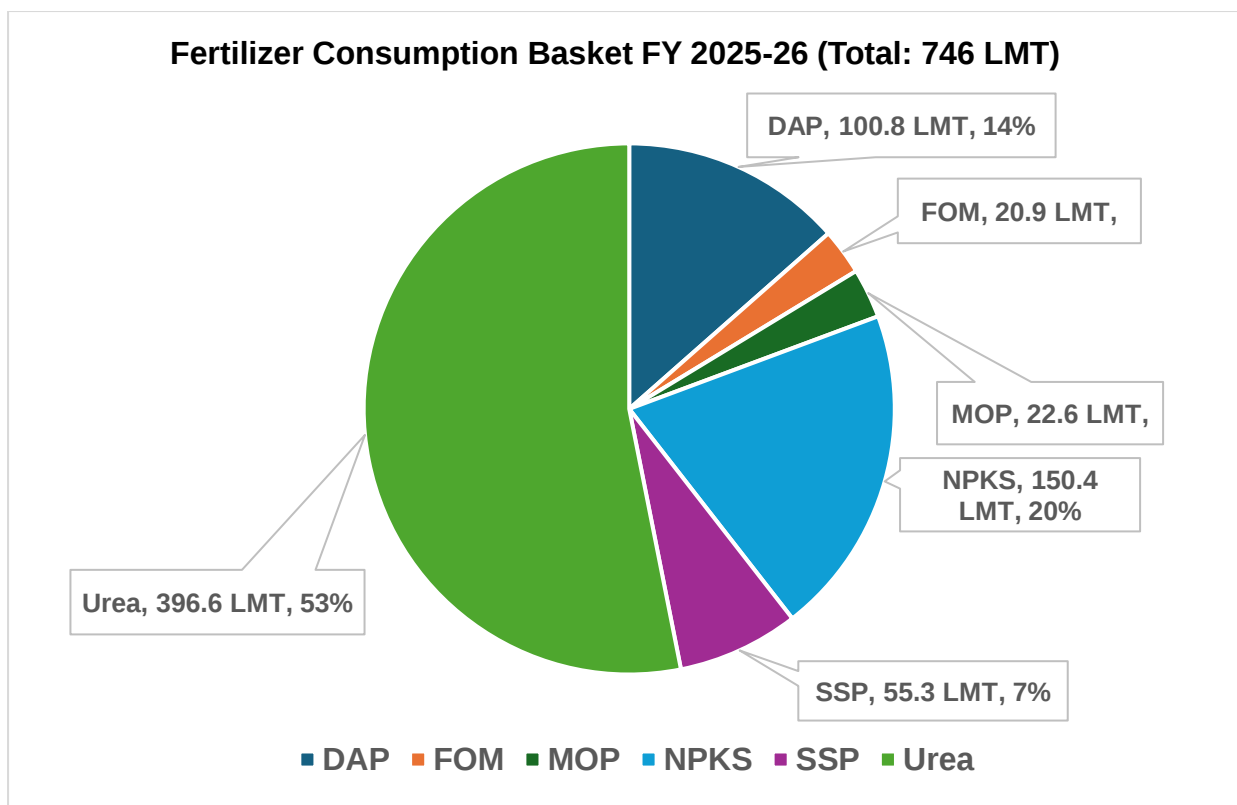


Figure 1: Fertilizer Consumption Basket- FY 2025-26 (Total Consumption: 746 Lakh Metric Tonnes)

1.4 The Standing Committee on Chemicals and Fertilizers (2025–26) selected the subject “Alignment of logistics for efficient fertilizer movement and availability at affordable prices during peak season, and measures to prevent forced bundling of unnecessary boosters with essential fertilizers” for detailed examination and report. Briefing on the subject was held on 4 November 2025 and the Committee took oral evidence of the representatives of the Department of Fertilizers on 6 January 2026. In view of heightened tensions in the Middle East, the Committee took another briefing on the subject on 1 April, 2026 with focus only to assess the Department’s preparedness for the potential, wide-ranging impact of the geopolitical crisis on the fertilizer sector and seek the Government’s plans to cushion farmers. The Department reported that India’s reliance on the Strait of Hormuz accounts for roughly 20–22% of fertilizer imports and about 50% of its gas supplies and furnished details of Government’s preparedness on facing the impacts of a possible gas-supply disruption resulting from a Strait of Hormuz blockade. Subsequently, conclusive Oral evidence on the subject was held on 16 April, 2026.

1.5 Following the aforesaid detailed scrutiny, this report contains the Committee's findings and recommendations and reviews the status, performance and preparedness of the fertilizer supply chain while also assessing logistics arrangements and distribution efficiency; evaluating measures to ensure timely availability and affordable prices during peak seasons; examining the steps taken to prevent forced bundling of non-essential boosters with essential fertilizers; and receiving Government contingency plans for supply shocks arising from geopolitical disruptions. These issues are highlighted in detail in the succeeding chapters.

CHAPTER II

FERTILIZER AVAILABILITY, LOGISTICS AND DIGITAL OVERSIGHT

I. Fertilizer Supply Chain Architecture: Structure and Stakeholder Responsibilities

2.1 On being sought a comprehensive account of the fertilizer supply chain from import or domestic production to retail sale, with clear demarcation of the responsibilities of each stakeholder, the Department of Fertilizers outlined the architecture of the supply chain as under:

The fertilizer supply chain from import or domestic production to retail sale is streamlined through coordinated efforts of the Department of Fertilizers (DoF), State Governments, fertilizer companies and Ministry of Railways, with defined roles and continuous oversight, particularly during peak sowing seasons, as mentioned below:

I. Assessment of Requirement: Before the commencement of each cropping season, the Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all State Governments, assesses the State-wise and month-wise requirement of fertilizers. This forms the basis for planning fertilizer availability across the Country.

II. Allocation and Supply Planning by Department of Fertilizers: On the basis of the requirement projected by DA&FW, the Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing a monthly supply plan. The Department continuously monitors the availability to ensure timely and adequate supply, particularly during peak sowing seasons.

III. Monitoring through Integrated Fertilizer Management System (iFMS): The movement of all major subsidized fertilizers, whether from domestic production units or imports, is monitored throughout the Country through an online web-based monitoring system called Integrated Fertilizer Management System (iFMS). This enables the Department of Fertilizers to exercise oversight and intervene, wherever necessary, to streamline the fertilizer supply chain.

IV. Role of Fertilizer Companies and Coordination with State Governments:

The State Governments are regularly advised to coordinate with fertilizer manufacturers and importers for streamlining supplies through timely placement of indents. Fertilizer companies are responsible for ensuring supplies in accordance with the supply plan and coordination with State authorities.

V. Role of Ministry of Railways in Transportation: Regular coordination is done with the Ministry of Railways for providing sufficient rakes, according priority to fertilizer movement, and ensuring timely evacuation of fertilizer rakes to various States. This ensures uninterrupted transportation, especially during peak demand periods.

VI. Distribution within the State and District Level: The distribution of fertilizers within the State, up to the district level and retail points, is carried out by the concerned State Governments.

VII. Oversight and Intervention by Department of Fertilizers: The Department of Fertilizers exercises oversight at multiple stages, including allocation through monthly supply plans, continuous monitoring of fertilizer movement through iFMS, and coordination with State Governments, fertilizer companies and the Ministry of Railways. This ensures timely availability and effective distribution of fertilizers across the country, particularly during peak sowing seasons.

Thus, the fertilizer supply chain operates through a coordinated and monitored mechanism involving requirement assessment, allocation, transportation, monitoring and distribution, with clearly defined responsibilities and continuous oversight by the Department of Fertilizers to ensure timely and adequate availability of fertilizers to farmers.

2.2 On the key features of the supply chain coordination mechanism, the Department of Fertilizer during their oral evidence on 6 January 2026, submitted as follows: (i) Efficient coordination among the Department of Fertilizers, Department of Agriculture and Farmers Welfare, Railways, Ports, State Governments, and fertilizer companies to ensure adequate availability of fertilizers across the country; (ii) A robust logistics network supported by an integrated rail and road transportation system, enabling timely movement and delivery of fertilizers to all States, particularly during peak demand periods; and (iii) Continuous monitoring and improvement through the

use of the iFMS Dashboard for real-time tracking of fertilizer stocks and movement, complemented by regular review meetings with stakeholders to identify bottlenecks and undertake timely corrective measures.

2.3 Further, during the briefing on 4 November 2025, the Department of Fertilizers outlined the scale of the fertilizer supply chain and explained its logistics architecture, including the volume and modal split of fertilizer movement. The Department's representative responded as follows: -

" This is just basically to show the expanse of the location of our plants — the ports we have on the East and West side. Sir, from North in Nangal to South in Tuticorin, from East in Namrup till Kandla in the West, we have plants spread across the entire country. We have ports which handle the imported material, and from these locations the fertilizer is supplied to almost every nook and corner of the country. In this slide, we are trying to tell you about the volume or the quantum of material we handle in the season. This is last year figures. In last entire year, the consumption of Urea was 387 lakh metric tonnes, which was 55 per cent of the entire consumption of fertilizers. NPK was 21 per cent of the total basket of fertilizers, DAP was 14 per cent, SSP was 7 per cent and MOP was 3 per cent. This is the entire basket of consumption of fertilizers in last financial year. As far as Urea is concerned, almost 80 per cent of requirement of Urea was produced domestically in the country and about 20 per cent was imported. Similarly, in NPK fertilizer last year, 65 per cent was domestically produced and rest was imported. This is the scale of operation we look after as far as logistics management is concerned. Last year, in 2024-2025, the total sale of fertilizer was 700 lakh metric tonne of the total material. As far as movement of the fertilizer is concerned, in last year 4.16 crore kilometres of distance was travelled by rail and 14.8 crore kilometres of distance was travelled by road. "

2.4 Further elaborating the transport and logistics framework, the Department explained that fertilizer movement occurs in two stages viz primary movement and secondary movement. The Department's representative added as follows:

"I would like to tell just one thing. As far as road is concerned, there are two types of movement in fertilizer. One is primary, and the other is secondary.

Primary is mostly by Railways. In road, only distance up to 500 kilometres is allowed in primary, and rest is in secondary. When we take the volume of the material which has moved through Railways and road in primary, 90 per cent of the material has moved through Railways and only 10 per cent of the material has moved through road in primary. Secondary, in any case, is by road only. Now, as far as import shipments are concerned in the last entire year, about 131 vessels came to our ports carrying 56 lakh metric tonne of Urea and 359 vessels of P&K fertilizers were imported carrying about 103 lakh metric tonne of P&K fertilizers. Now, coming to the current year, we are done with the Kharif season. In Kharif season, the sale of Urea has been 193 lakh metric tonne, which is 58 per cent of the entire basket; 46 lakh metric tonne of DAP has been sold; 81 lakh metric tonne of NPK; and 10.94 lakh metric tonne of MOP. This is the basket of consumption in the current year.”

2.5 When asked to clarify the reasons for continued inefficiencies in fertilizer movement and the resulting high transportation subsidy burden, including instances of urea being supplied to West Bengal from distant States like Rajasthan, despite the availability of nearer sources, the Department replied as under:

“With regard to the Committee’s observation on instances of urea being transported to West Bengal from relatively distant States such as Rajasthan, it is respectfully submitted that the movement of urea is planned within the framework of national-level pooling and allocation to ensure equitable distribution across all States based on assessed demand and seasonal requirements.

While proximity to production units is an important logistical consideration, fertilizer movement planning also takes into account multiple dynamic factors, including plant-wise production schedules, rake availability, port operations in the case of imports, existing pipeline commitments, regional stock positions, and overall supply-demand balancing at the national level. At times, supplies from geographically distant plants may be necessitated to prevent regional shortages, manage inventory imbalances, or optimize railway logistics”.

II. Fertilizer Availability, Consumption and Seasonal Stock Position

(A) Availability, Consumption Profile FY 2024-25 and FY 2025-26

2.6 At the national level, India's installed capacity stood at 269.40 LMT for Urea, 49.68 LMT for DAP, and 120.14 LMT for NPK as on 1st April 2025. Actual production against this capacity over the four years examined is set out below:

Fertilizer	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 (Apr-Jan)
Urea (Capacity*: 269.40 LMT)	284.94 LMT (105.8%)	314.10 LMT (116.6%)	306.67 LMT (113.8%)	251.25 LMT (93.3%)
DAP (Capacity*: 49.68 LMT)	43.47 LMT (87.5%)	42.93 LMT (86.4%)	37.69 LMT (75.9%)	33.70 LMT (67.8%)
NPK (Capacity*: 120.14 LMT)	100.40 LMT (83.6%)	101.84 LMT (84.8%)	121.04 LMT (100.8%)	111.22 LMT (92.6%)

**Annual Reassessed Capacity as on 01.04.2025*

[Source: Annexure-I (Point Nos. 52(i) & 76), Department of Fertilizers. Figures in parentheses denote capacity utilization. FY 2025-26 figures cover April 2025 to January 2026 (10 months) and are not annualized.]

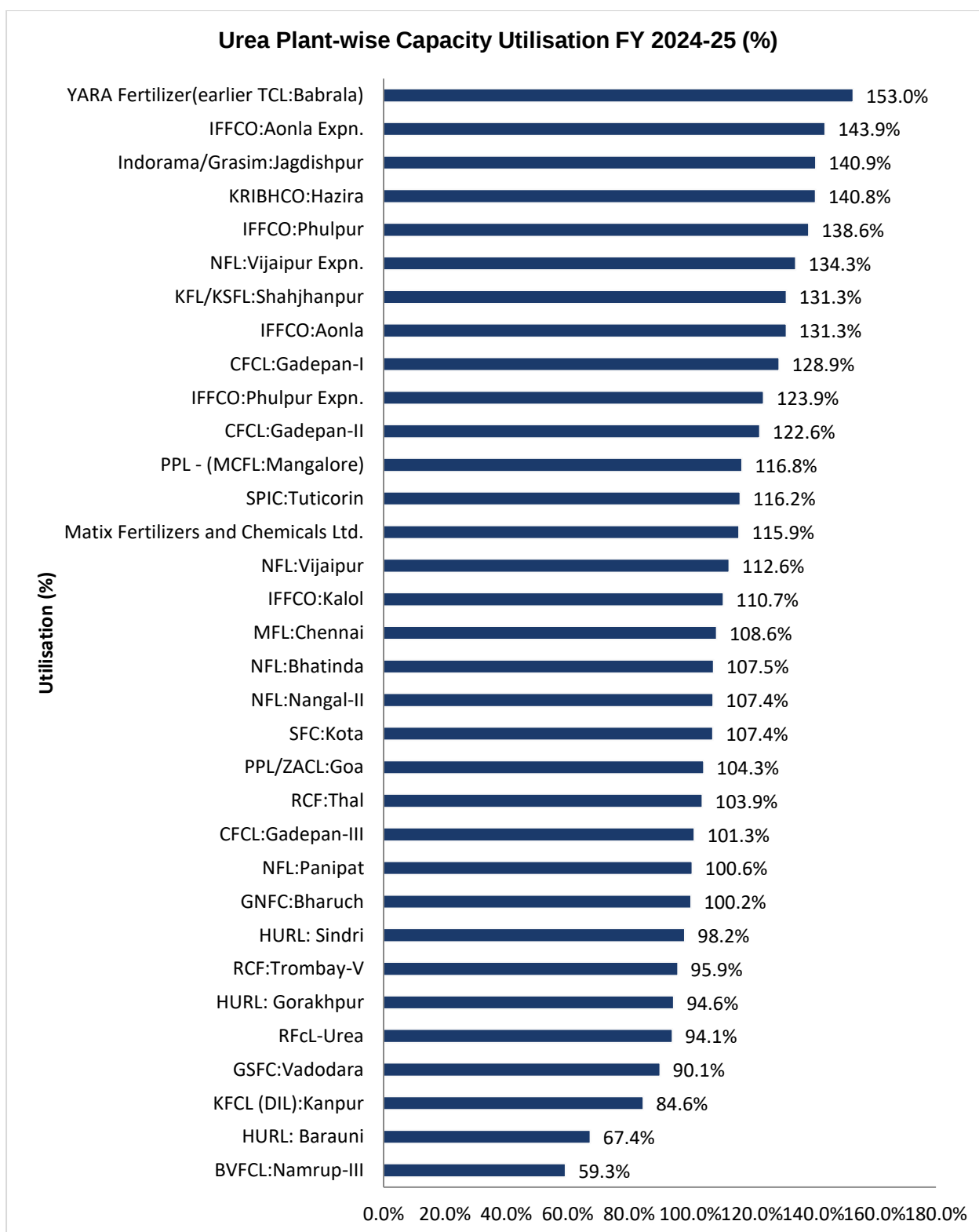
2.7 The sector-wise installed production capacity and actual production achieved during FY 2024–25 reveals varying levels of capacity utilization across the public, cooperative, and private sectors. The position in respect of Urea, DAP, and NPK fertilizers is presented below:

Sector-wise Installed Capacity and FY 2024-25 Production				
Fertilizer	Sector	Capacity (LMT)	FY24-25 Actual (LMT)	Utilisation (%)
Urea	Public Sector	60.69	65.19	107.4%
Urea	Co-op. Sector	54.19	72.51	133.8%
Urea	Private Sector	154.52	168.97	109.4%
DAP	Co-op. Sector	26.50	25.04	94.5%
DAP	Private Sector	23.18	12.66	54.6%

NPK	Public Sector	15.98	15.01	93.9%
NPK	Cooperative Sector	16.85	19.87	117.9%
NPK	Private Sector	87.31	86.16	98.7%

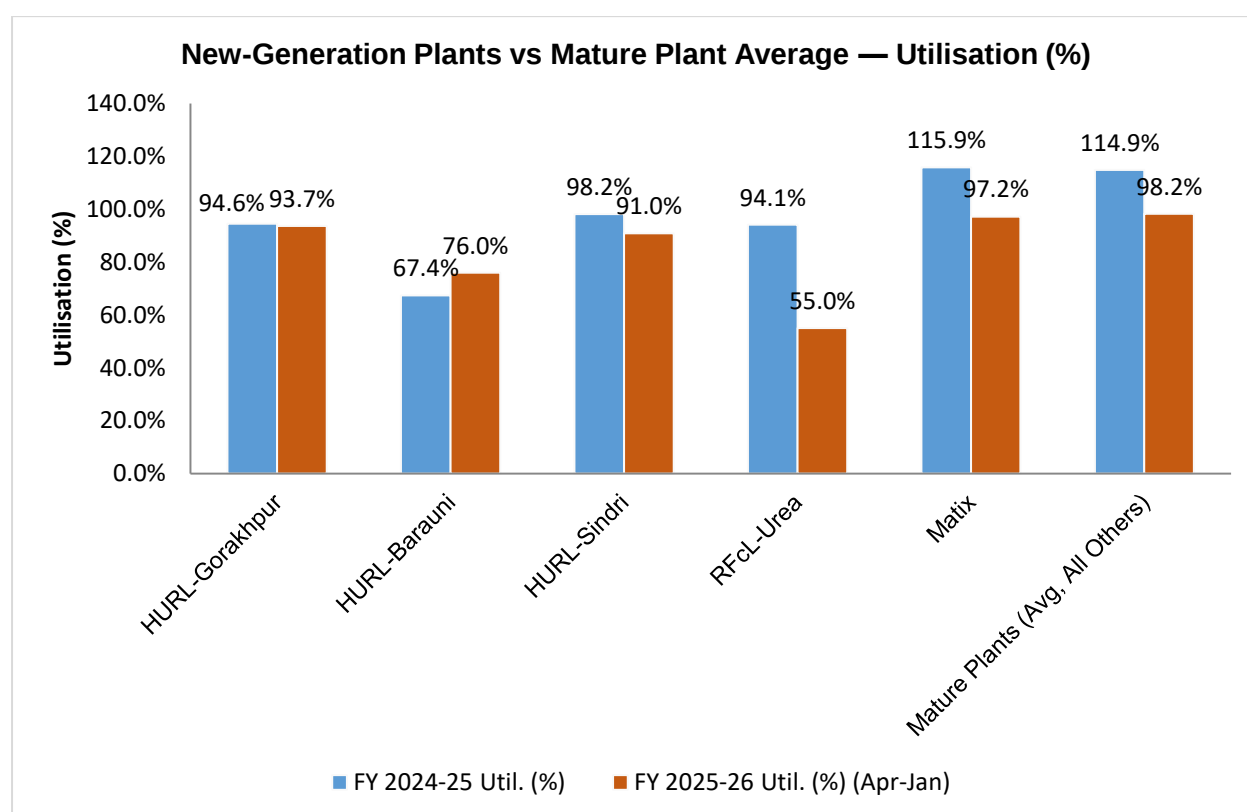
[Source: LOP Reply Evidence Annexure-I (Point Nos. 52(i) & 76)]

2.8 The plant-wise analysis of urea production during FY 2024–25 reveals significant variations in capacity utilization across individual units in the Country. While several plants operated substantially above their installed capacities, certain units continued to exhibit comparatively low levels of utilization. On being asked to respond to the persistent underperformance of the Namrup-III plant of BVFCL in Assam, which recorded capacity utilization of only 59.3 per cent during FY 2024–25 and 61.6 per cent during FY 2025–26, the Department attributed the shortfall to recurring technical and operational issues, including breakdowns in the Ammonia Synthesis Section, maintenance requirements of the Synthesis Gas Compressor and vibration-related problems in the Process Air Compressor, which reportedly recurred over several months. This particular Plants chronic operational constraints and low capacity utilization had earlier necessitated the establishment of the new Namrup-IV unit. The plant-wise position is indicated in the figure below:



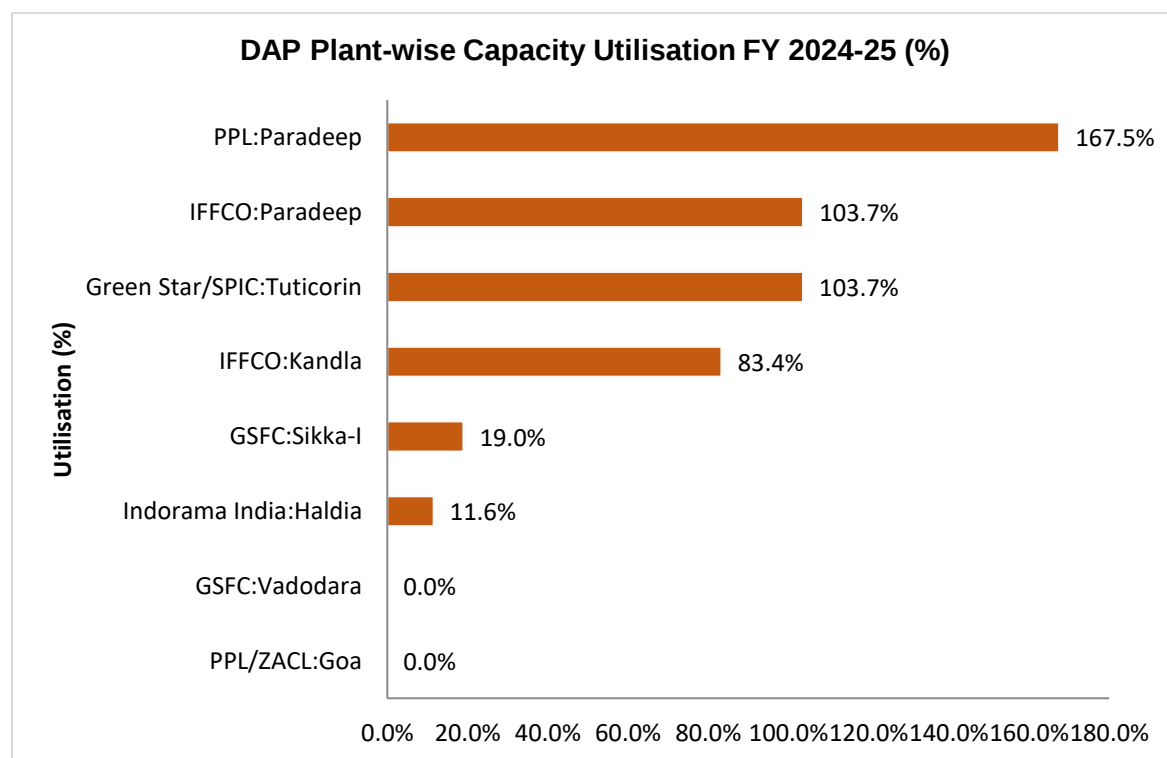
2.9 On the performance of the Country's newer urea plants, namely HURL's units at Gorakhpur, Barauni, and Sindri, RFCL at Ramagundam and Matix Fertilizers at Panagarh, the Committee's examination focused on the comparison of their capacity utilisation during FY 2024–25 and FY 2025–26 with the average capacity utilisation of

the other operating urea plants in the Country, the data showed that HURL, Gorakhpur recorded capacity utilisation of 95 per cent in FY 2024–25, HURL, Sindri 98 per cent, and Matix Fertilizers, Panagarh 116 per cent, against the corresponding average of 115 per cent for the other operating urea plants. HURL, Barauni reported capacity utilisation of 67 per cent in FY 2024–25 and 76 per cent in FY 2025–26. RFCL, Ramagundam reported capacity utilisation of 94 per cent in FY 2024–25 and 55 per cent during the first ten months of FY 2025–26. The comparative position is illustrated below:



2.10 On Di Ammonium Phosphate (DAP), the Committee examined the plant wise capacity utilisation of the Country's DAP manufacturing units during FY 2024–25. The data showed that, of the eight DAP plants with installed capacity, PPL, Paradeep, IFFCO, Paradeep, and Greenstar/SPIC, Tuticorin recorded capacity utilisation of 103.7 per cent, while IFFCO, Kandla recorded capacity utilisation of 83.4 per cent. GSFC, Sikka I reported capacity utilisation of 19.0 per cent and Indorama India's Haldia plant reported 11.6 per cent. GSFC, Vadodara and PPL/ZACL, Goa reported

no DAP production during FY 2024–25. The combined installed capacity of these four plants was 16.45 LMT. The comparative position is illustrated below:



2.11 Turning to NPK fertilizers, the Committee's plant-wise analysis reveals considerable variation in capacity utilization across the major manufacturing units during FY 2024–25. Among the largest plants, several units recorded satisfactory or exceptionally high levels of utilization, while others continued to operate significantly below their installed capacities. The plant-wise position is indicated in the figure below:

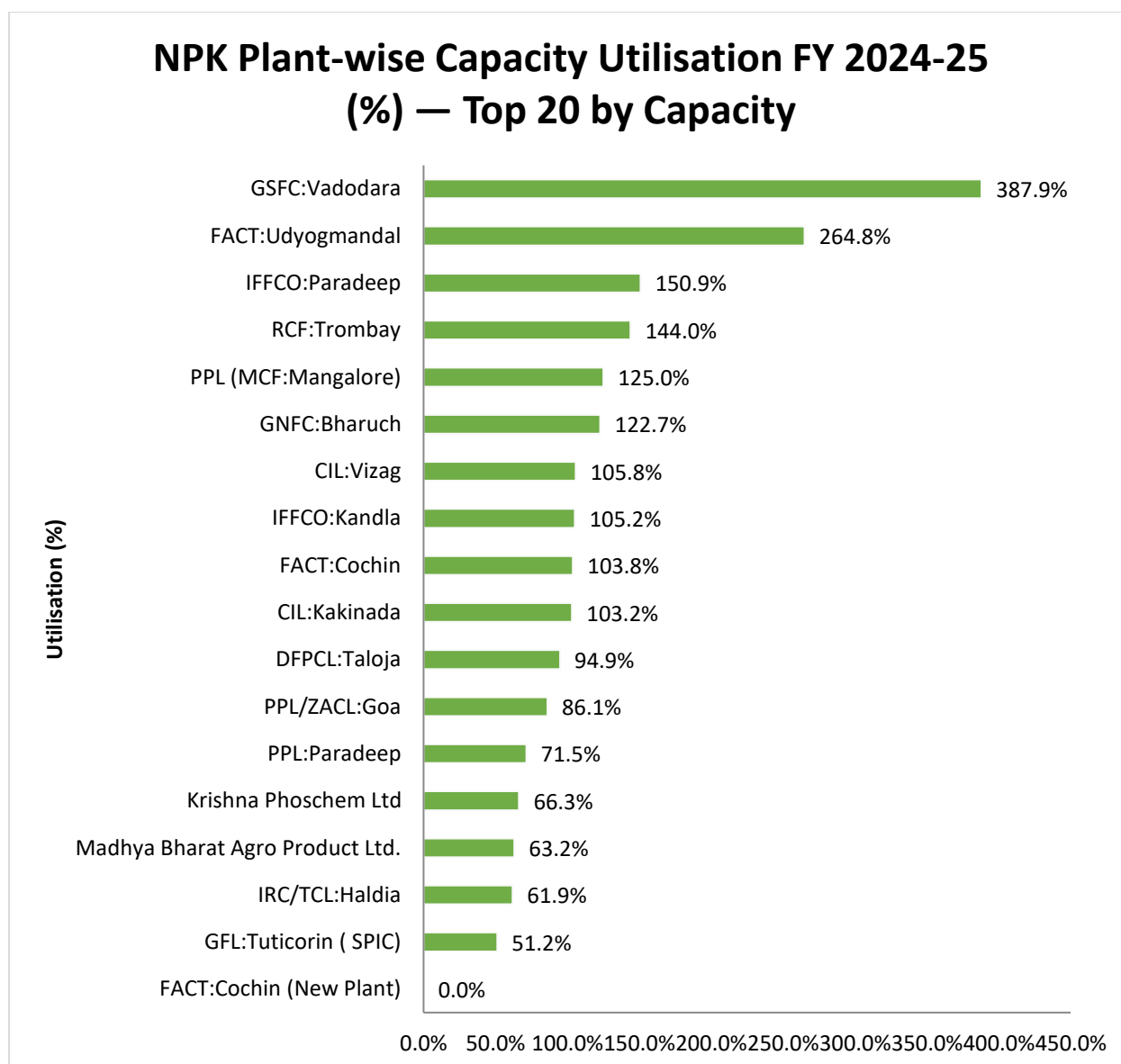


Figure: NPK — Plant-wise Capacity Utilisation, FY 2024-25 (Top 20 Plants by Capacity)

(B) Geographic Distribution of Manufacturing Capacity and Implications for the Logistics Network

2.12 The State-wise location of all 89 plants examined across the three fertilizers was mapped to assess the extent to which manufacturing capacity is geographically concentrated, and the implications of this concentration for the rail and port logistics network. The analysis appear to indicate that Uttar Pradesh (77.31 LMT combined capacity across 9 plants, entirely in Urea) and Gujarat (69.26 LMT across 13 plants spanning all three fertilizers) together account for over 27 per cent of the Nation's combined Urea, DAP and NPK manufacturing capacity. A second tier of States, Odisha, Rajasthan, Maharashtra, Andhra Pradesh and West Bengal; each hold

between 27 and 36 LMT of capacity. A composite hub-mapping analysis, presented at Figure below, combines installed capacity and FY 2024-25 utilizations performance for each State into a single supply-chain network view.

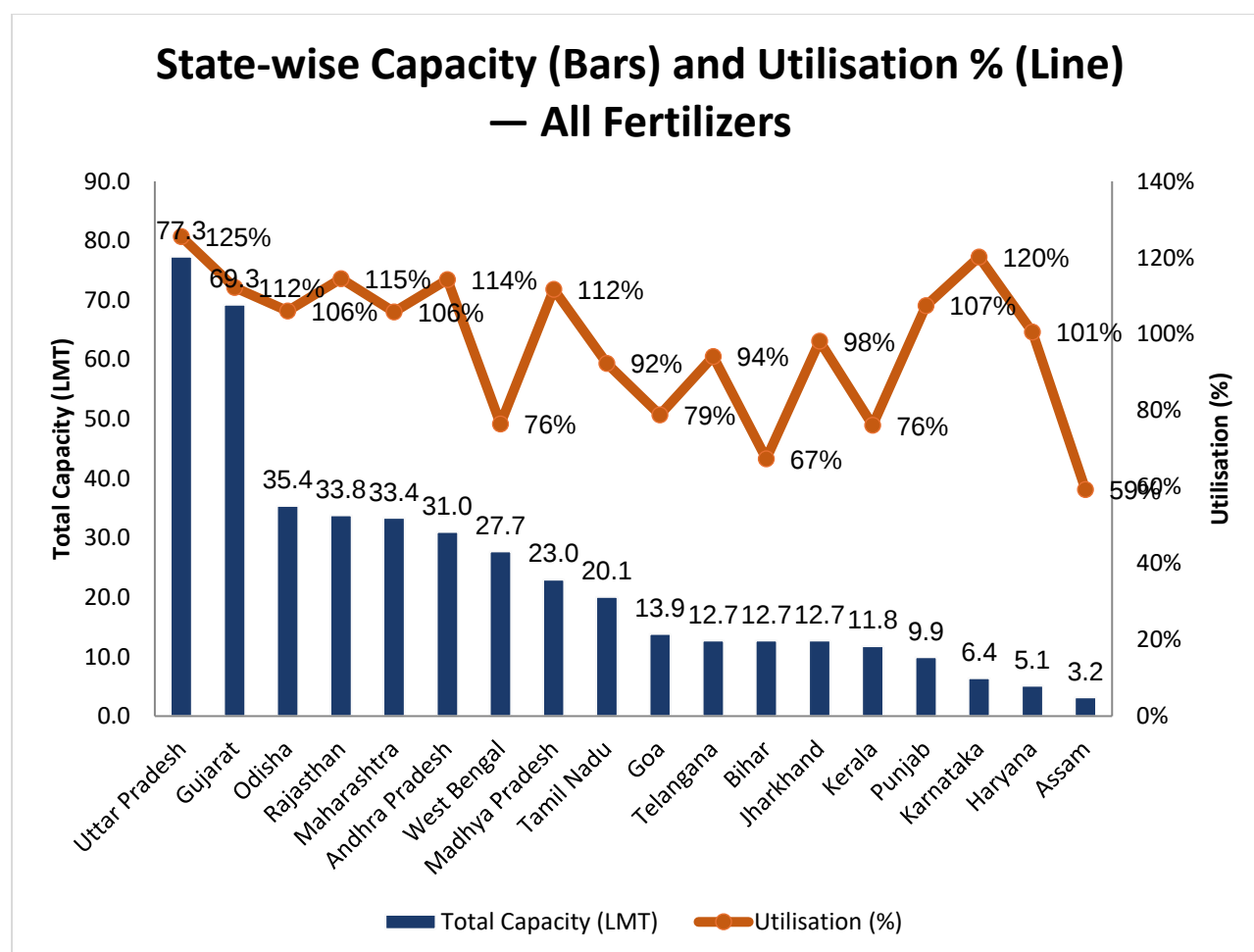


Figure: National Fertilizer Production Hub Map — State-wise Capacity and Utilization %

National Fertilizer Production Hub Map — State-wise Capacity, Plants and Utilisation					
State	Total Capacity (LMT)	No. of Plants	FY24-25 Actual (LMT)	Utilisation (%)	Performance Band
Uttar Pradesh	77.3	9	97	125%	High (>115%, grade-mix)
Gujarat	69.3	13	78	112%	Good (100-115%)
Odisha	35.4	4	38	106%	Good (100-115%)
Rajasthan	33.8	6	39	115%	Good (100-115%)
Maharashtra	33.4	4	35	106%	Good (100-115%)
Andhra Pradesh	31.0	6	35	114%	Good (100-115%)
West Bengal	27.7	3	21	76%	Critical (<85%)
Madhya Pradesh	23.0	7	26	112%	Good (100-115%)

Tamil Nadu	20.1	6	19	92%	Moderate (85-100%)
Goa	13.9	3	11	79%	Critical (<85%)
Telangana	12.7	1	12	94%	Moderate (85-100%)
Bihar	12.7	1	9	67%	Critical (<85%)
Jharkhand	12.7	1	12	98%	Moderate (85-100%)
Kerala	11.8	3	9	76%	Critical (<85%)
Punjab	9.9	2	11	107%	Good (100-115%)
Karnataka	6.4	3	8	120%	High (>115%, grade-mix)
Haryana	5.1	1	5	101%	Good (100-115%)
Assam	3.2	2	2	59%	Critical (<85%)

2.13 During the briefing on 4 November 2025 and again during evidence on 6 January 2026, the Committee was apprised of the scale of fertilizer consumption in the country. In FY 2024-25, India's total fertilizer consumption reached 708 LMT, the highest on record, comprising urea (387 LMT), NPKS (150 LMT), DAP (96 LMT), SSP (49 LMT), and MOP (22 LMT). Total import shipments in FY 2024-25 were, for Kharif, 88 urea shipments carrying 39.81 LMT and 214 P&K shipments carrying 57.60 LMT, and for Rabi, 131 urea shipments carrying 56.47 LMT and 359 P&K shipments carrying 103.82 LMT.

2.14 During FY 2025-26, total fertilizer consumption rose further to 746 LMT, reflecting continued growth in agricultural activity. Import shipments in FY 2025-26 comprised: during Kharif — 89 Urea shipments (39.79 LMT) and 222 P&K shipments (70.36 LMT); during Rabi — 139 Urea shipments (63.71 LMT) and 150 P&K shipments (57.66 LMT); bringing the cumulative FY 2025-26 total to 228 Urea shipments (103.50 LMT) and 372 P&K shipments (128.02 LMT). Total freight movement in FY 2025-26 stood at 4.78 crore km by rail and 16.41 crore km by road.

(C) Seasonal Stock Position and Adequacy

2.15 The Committee, during the evidence held on 16th April 2026, were informed that adequate availability of fertilizers was ensured across the States during the Rabi 2025–26 season. The Department stated that the opening stock position at the commencement of the season had improved significantly over the corresponding period of the previous year. The opening stock position as on 1st October 2025 and the sales figures during the Rabi 2025–26 season are given below:

PRODUCT- WISE REQUIREMENT, RECEIPTS, AVAILABILITY & SALES POSITION FOR RABI 2025-26 (LMT)									
S. No	Product	Seasonal Requirement for Rabi 2025-26	Opening Stock as on 01/10/2025	Receipts From 01/10/25 to 31/03/26	Availability From 01/10/25 to 31/03/26	Cumulative DBT Sales From 01/10/25 to 31/03/26	Cumulative DBT Sales From 01/10/24 to 31/03/25	Excess Sale	Closing Stock in the States as on 31/03/26
1	Urea	196.06	37.33	220.26	257.59	203.39	198.81	+4.58	54.20
2	DAP	53.43	20.07	55.34	75.41	54.47	50.17	+4.30	20.94
3	NPKs	82.38	35.59	81.84	117.43	68.88	74.26	-5.38	48.55
4	MOP	15.69	7.14	12.50	19.63	11.62	12.76	-1.14	8.01

2.16 The Committee, during the evidence held on 16th April 2026, were also informed that adequate availability of fertilizers had been maintained across the States during the ongoing Kharif 2026 season. The Department stated that sufficient stocks had been positioned in advance of the season to meet the anticipated demand. It was further informed that the total fertilizer stock available in the country, including pipeline stocks, stood at 64.40 LMT of Urea (as against 65.52 LMT during the corresponding period of the previous year), 22.00 LMT of DAP (12.42 LMT), 12.88 LMT of MOP (13.31 LMT), and 56.90 LMT of NPKS (40.82 LMT). The Department emphasized that the enhanced availability of DAP and NPKS, in particular, had strengthened preparedness for the Kharif 2026 season. The stock position and availability of fertilizers during Kharif 2026 (up to 10th April 2026) are indicated below:

PRODUCT- WISE REQUIREMENT, RECEIPTS, AVAILABILITY & SALES POSITION FOR KHARIF 2026 (TILL 10/04/2026) (LMT)										
S. No	Product	Seasonal Requirement for Kharif 2026	Pro rata Requirement From 01/04/26 to 10/04/26	Opening Stock as on 01/04/2026	Receipts From 01/04/26 to 10/04/26	Availability From 01/04/26 to 10/04/26	Cumulative Sales From 01/04/26 to 10/04/26	Cumulative DBT Sales From 01/04/25 to 10/04/25	Excess Sale	Closing Stock in the States as on 10/04/26
1	Urea	196.06	7.11	54.22	6.04	60.26	5.95	4.12	+1.83	54.31
2	DAP	53.43	2.31	20.93	0.44	21.37	1.50	0.63	+0.87	19.87
3	NPKs	82.38	2.92	48.59	1.62	50.21	2.00	1.28	+0.72	48.21
4	MOP	15.69	0.68	8.01	0.13	8.14	0.46	0.33	+0.13	7.68

2.17 The all-India fertilizer requirement, availability, and sales data for the last three years presented during evidence confirms that availability has consistently exceeded both projected requirement and actual sales, which the Department characterises as the primary indicator of supply adequacy:

ALL INDIA REQUIREMENT, AVAILABILITY & SALES POSITION OF FERTILIZERS DURING LAST 3 YEARS													
Fig. in LMT													
S. No.	Year	UREA			DAP			MOP			NPKS		
		Requirement	Availability	Sales	Requirement	Availability	Sales	Requirement	Availability	Sales	Requirement	Availability	Sales
1	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
2	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
3	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													

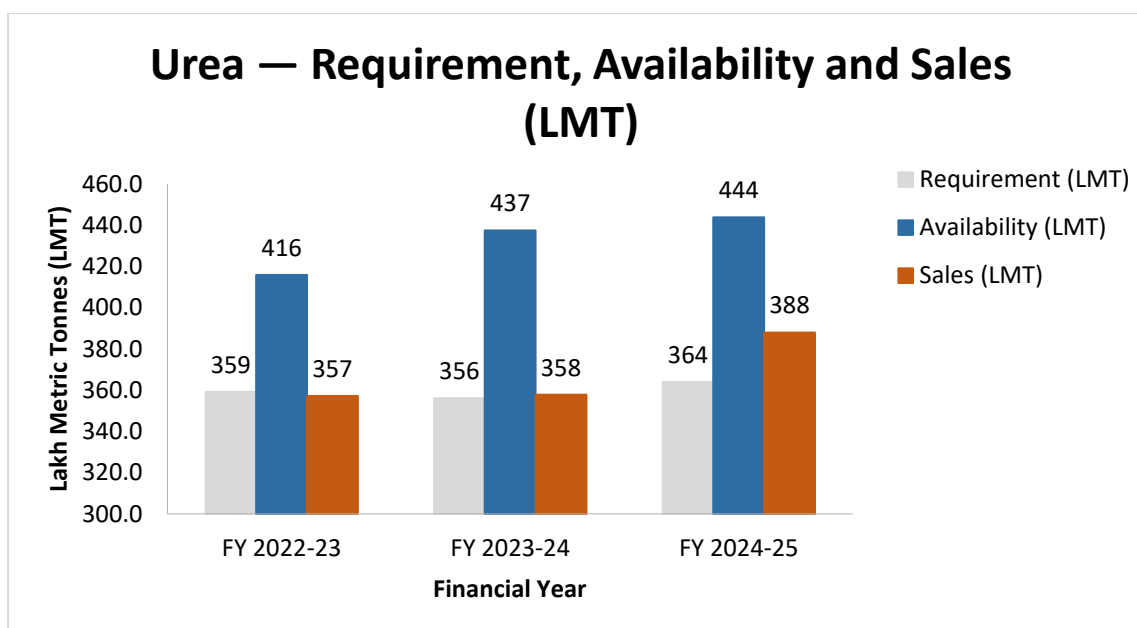


Figure 2: Urea — Requirement, Availability and Sales (LMT), FY 2022-23 to FY 2024-25

III. Fertilizer Logistics and Transportation: Rail, Road and Port Networks

(A) Scale of Freight Movement

2.18 In their Background Note furnished for the evidence Sitting held on 16 April 2026, the Committee were informed that fertilizer movement in the Country was undertaken through both rail and road modes. The Department stated that, through close coordination with the Railways, rake movement had witnessed significant improvement, thereby ensuring the timely availability of fertilizers in the States. During FY 2024–25, total freight movement amounted to 4.16 crore km by rail and 14.80 crore km by road, which increased to 4.78 crore km by rail and 16.41 crore km by road during FY 2025–26. The Department further submitted that the seamless coordination between the rail and road networks had facilitated the timely delivery of fertilizers during both the Kharif and Rabi seasons. The details of fertilizer imports through various shipments, together with the quantities imported during FY 2025–26, including the Kharif and Rabi seasons, are furnished in the table below:

Imported Fertilizers Details			
Period	Fertilizer Type	Quantum Imported (LMT)	Number of Shipments
Kharif 2025-26	Urea	39.79	89
	P&K	70.36	222
Rabi 2025-26	Urea	63.71	139
	P&K	57.66	150

2.19 During the evidence held on 16 April 2026, the Department presented the overall scale of operations and the movement of fertilizers across the Country, as detailed below:

Scale of Operation : Snapshot of 2025-26	
PoS Sales 2025-26	746 Lakh MT
Freight Movement by Rail in 2025-26	4.78 crore KMs
Freight Movement by Road in 2025-26	16.41 crore KMs

2.20 The modal split between rail and road transportation in primary fertilizer logistics, an issue of considerable policy significance in view of the freight reimbursement framework, was examined in detail by the Committee during its briefing held on 4 November 2025. While reviewing the data presented by the Department, the Committee sought clarification on the apparent discrepancy in the freight movement figures, observing that while freight movement by rail was reported at 2.57 crore kilometres and that by road at 9.55 crore kilometres, the data appeared to suggest a greater reliance on rail transport. In response to the Committee's query seeking an explanation of this apparent inconsistency, the Department responded as under:

“No, Sir. What I am trying to say is that out of this 9.55 crore kilometres by road, it has two parts. One is primary. Primary is also by road. So, primary movement by road is 4.2 crore kilometres and secondary is 5.3 crore kilometres. So, primary is 2.57 crore kilometres by rail, 4.2 crore kilometres by road. When we see the volume of material they have carried, crore kilometres by Railway seems less than road, but since they carry good volume as volume of material is 90 per cent by Rail and only 10 per cent by road. That is the number relation. Similarly, as regards the import shipment of vessel this year, Urea is 129 and P&K is 249. It is good increase as compared to last year. I have just explained the reasons because we have actually increased the import of material looking at the increase in demand and some short supply last year.”

2.21 The DoF further stated that a policy requiring 80 percent or more of Urea movement to be through railways and not more than 20 percent through roadways, has been formulated with the aim of optimising both subsidy expenditure and

affordability for farmers and regular coordination was maintained with the Ministry of Railways for provision of sufficient rakes, prioritising fertilizer movement and ensuring timely evacuation of rakes to States.

(B) Rake Movement: Record Performance in 2025-26

2.22 The rake movement data for the current year indicates a marked improvement over the previous year across all categories. The Department informed the Committee that the average rake movement reached an all-time high of approximately 80.6 rakes per day in December 2025, the highest recorded in recent years. The details of fertilizer rake movement relating to indigenous and imported urea as well as P&K fertilizers during the Kharif 2025 and Rabi 2025–26 seasons, as presented during the evidence held on 16 April 2026, are as follows:

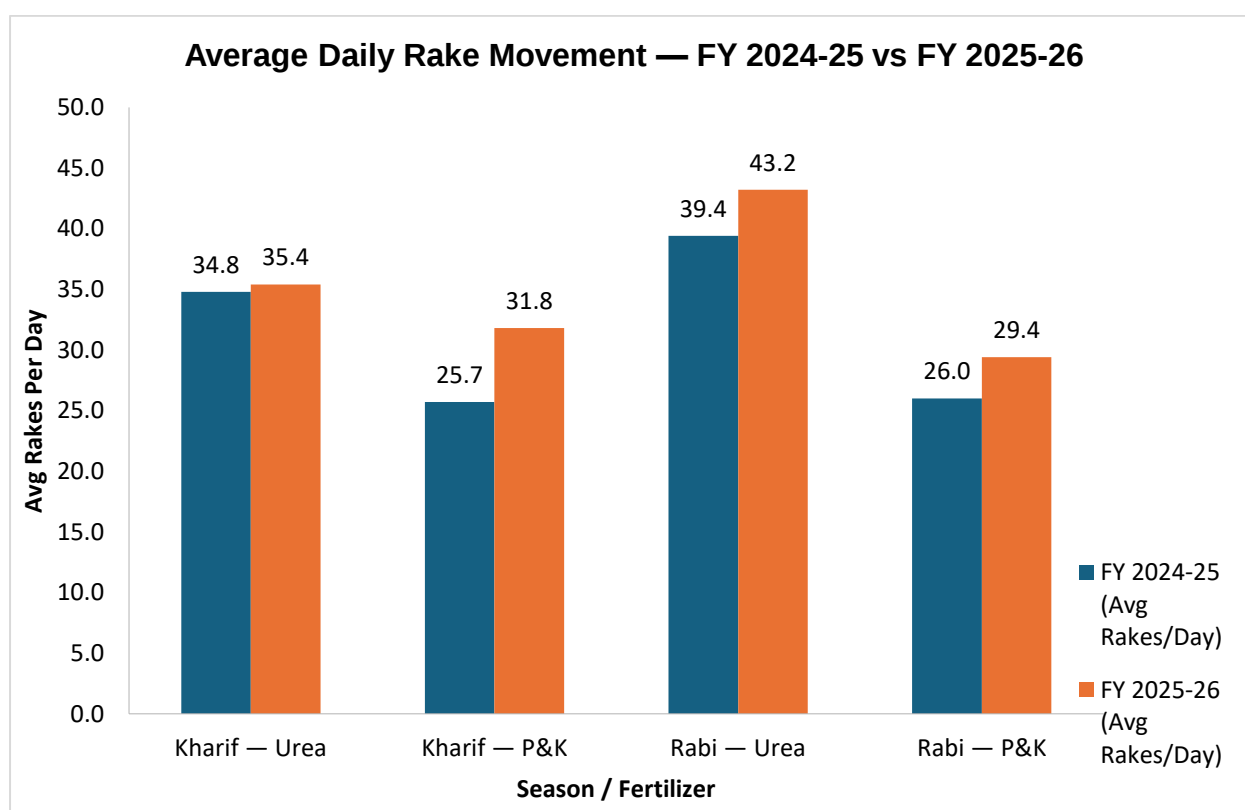


Figure 3: Average Daily Rake Movement — FY 2024-25 vs FY 2025-26

2.23 During the evidence held on 16 April 2026, the Department further informed the Committee that fertilizer rake movement witnessed a significant improvement during 2025–26. Total urea rake movement during Rabi 2025–26 increased to 7,860 rakes

from 7,166 rakes during Rabi 2024–25, while the average daily loading rose from 39.4 to 43.2 rakes per day, the highest recorded during the period under review. Similarly, the movement of P&K fertilizers during Kharif 2025 increased to 5,821 rakes as compared to 4,703 rakes during Kharif 2024. The increase in both total rake movement and average daily loading indicates improved coordination among the Department, fertilizer companies and the Railways, which has contributed to the timely availability of fertilizers during the Kharif and Rabi seasons.

2.24 The Ministry of Railways' account of the operational data on rake movement and freight growth in the fertilizer sector was placed before the Committee during conclusive evidence on 16th April 2026. The following figure captures the key data points presented by the Railways representative:

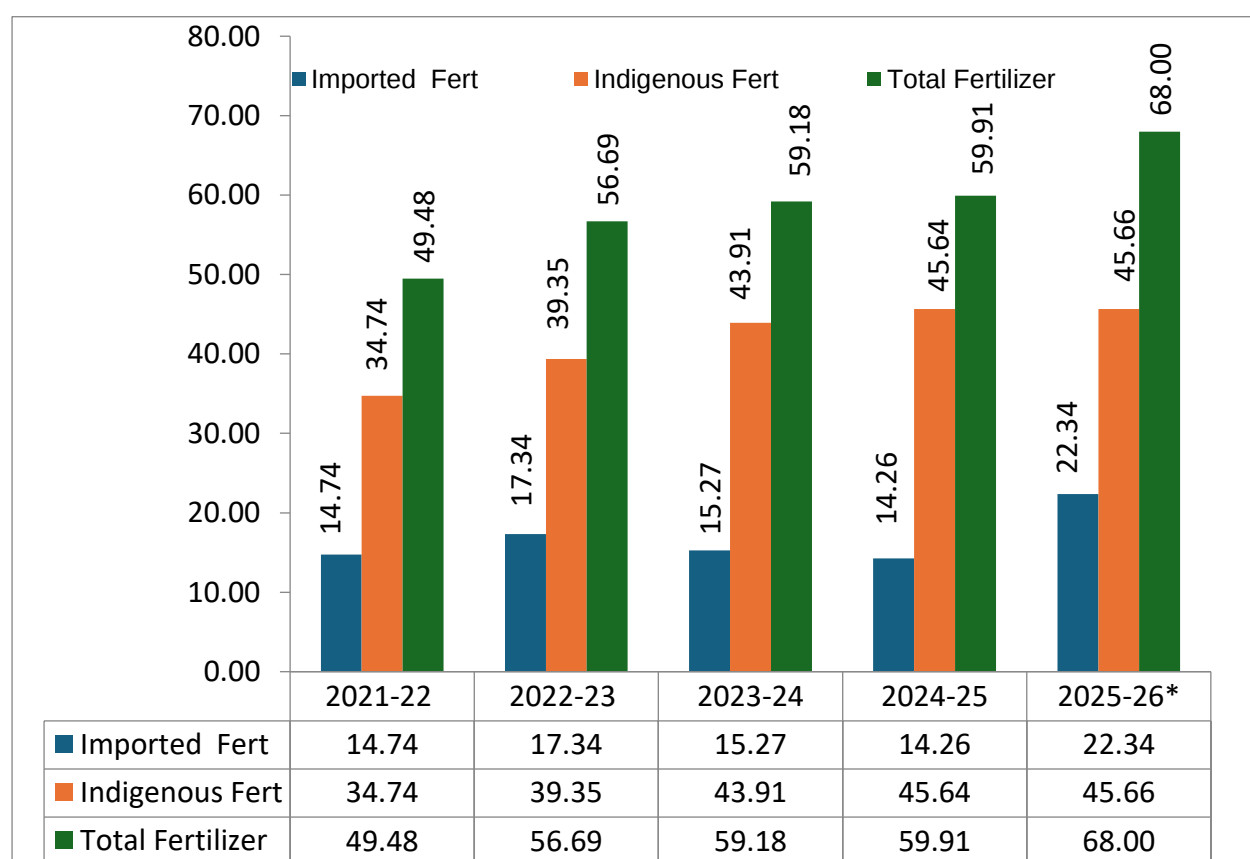


Figure 4: Fertilizer Loading at a Glance (In MT) till March 2026

2.25 In FY 2025-26, fertilizer registered the highest year-on-year growth of 13.48 percent among all commodities loaded on the Indian Railways, a significant marker of the priority accorded to fertilizer logistics.

(C) Improvement in Delivery Timelines

2.26 During conclusive evidence on 16th April 2026, the Department presented data on Urea delivery timelines, demonstrating improvement in logistics efficiency at higher volumes. Approximately 75 percent of total Urea volume moved within a delivery window of five days or less during FY 2025-26, compared to the same share in the preceding year but at significantly higher absolute volumes. The detailed delivery timeline comparison between FY 2024-25 and FY 2025-26 is as under:

[CEPPT, Slide 7 — 'Improvement in Delivery Timelines (UREA)']

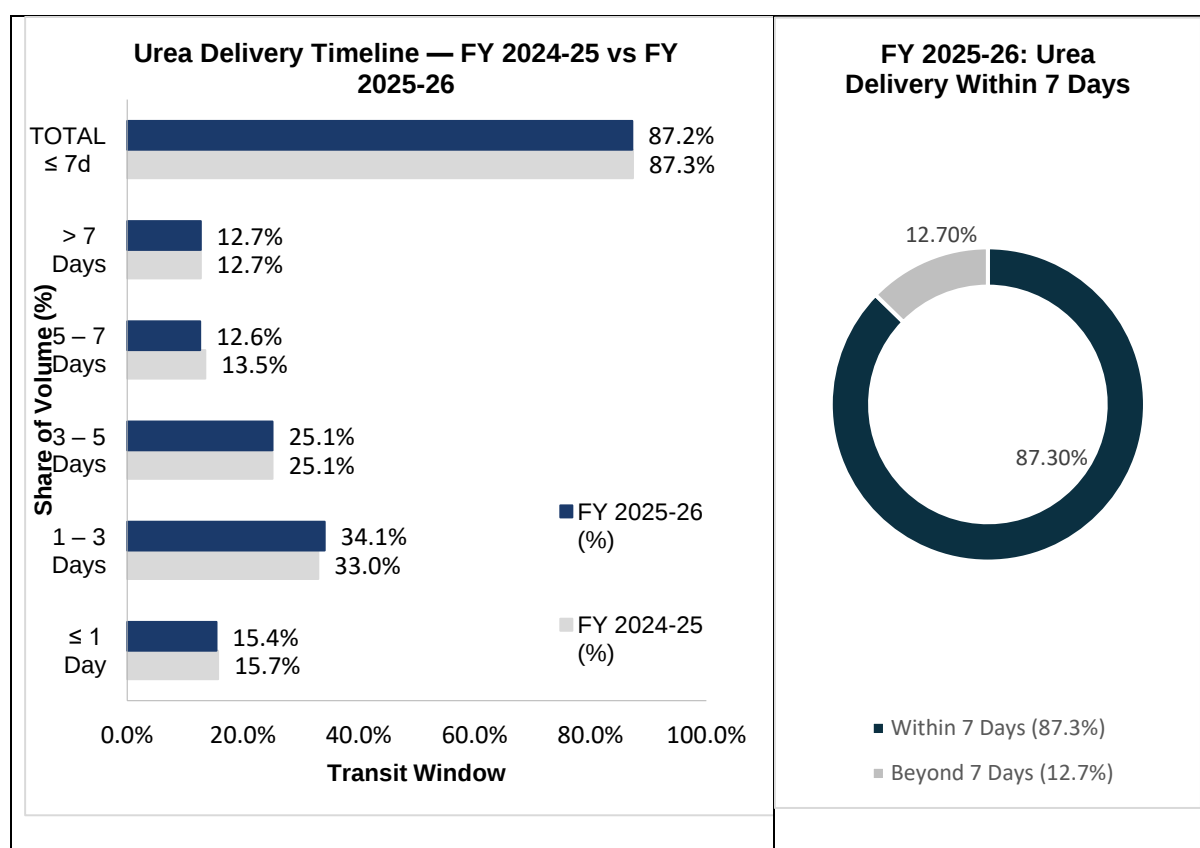


Figure 4: Urea Delivery Timeline Analysis — FY 2024-25 vs FY 2025-26

DELIVERY TIMELINE ANALYSIS						
Delivery Time	2024–25			2025-26		
	INSTANCES (COUNT)	QTY (IN LMT)	% SHARE (QTY)	INSTANCES (COUNT)	QTY (IN LMT)	% SHARE (QTY)
≤1 days	57,535	57.06	15.70%	61,437	60.8	15.40%
>1 - ≤3 days	15,740	120.17	33.00%	14,503	134.78	34.10%
>3 - ≤5 days	8,714	91.25	25.10%	7,813	99.23	25.10%

>5 - ≤7 days	4,454	49.29	13.50%	3,785	49.94	12.60%
>7 days	4,458	46.26	12.70%	3,853	50.09	12.70%
Total	90,901	364.03		91,391	394.84	

- Stable same-day (≤1 day) performance with higher volumes: Quantity increased from 57.06 to 60.80 LMT with stable share (15.7% → 15.4%), reflecting consistent performance
- Strong improvement in >1 – ≤3 day delivery window: Quantity increased (120.17 → 134.78 LMT) with higher share (33.0% → 34.1%), indicating increased movement within this time range
- Steady increase in >3 – ≤5 day segment: Quantity rose (91.25 → 99.23 LMT) with stable share (25.1%), reflecting higher handling without change in distribution
- Moderation in >7 day movement share: Share remains stable (~12.7%) despite increase in quantity (46.26 → 50.09 LMT), indicating that overall volume growth is relatively higher in the ≤5 day timeline
- Overall trend: Higher volumes handled with increased share in ≤5 day timelines (~75% of total) reflect enhanced capacity, improved movement efficiency, and stronger overall logistics performance.

2.27 During the evidence held on 16 April 2026, while explaining the improvements achieved in the fertilizer supply chain through better logistics management and enhanced rake movement, the representatives of the Department of Fertilizers stated as under:

“महोदय, आपके आदेशानुसार हम लोगों ने डिलिवरी टाइमलाइन्स का एनालिसिस किया है। हमारे आईएफएमएस में उसका डेटा है। Sir, what we have seen is around 87 per cent of the supplies are done within seven days of their dispatch. उनकी रसीद आईएफएमएस में एक्नॉलेज हो जाती है। वह लगभग 87 प्रतिशत है। This is up to zero to seven days. A total of 87 per cent material in terms of volume reaches the destination. Sir, in less than one day, around 15 per cent to 16 per cent material reached to the destination. हमारा 15 से 16 प्रतिशत मैटेरियल उसी दिन अपने गंतव्य स्थल तक पहुंच जाता है। वर्ष 2024-25 में एक से तीन दिनों के भीतर 33 प्रतिशत मैटेरियल पहुंचा है। That has improved to 34.1 per cent, despite higher volumes. We have improved on the bracket of more than one and less than or equal to three days. We have improved the supplies. Sir, in more than three and less than or equal to five days, around 25 per cent of the material reaches and that has remained consistent. In terms of volume, it is higher, that is, around 8 lakh metric tonnes extra. In terms of percentage, it is same as last year. From five to seven days, 13.5 per cent of the total volumes they used to reach from five to seven days in the year 2024-2025. Now, that percentage in this bracket has reduced to 12.6 per cent.

(D) New Rake Points and Railway Infrastructure Strengthening

2.28 During evidence on 16th April 2026, the Committee were informed that 24 new rake points were opened during FY 2025-26, compared to 16 in FY 2024-25; a net increase of 8 rake points. New rake points were opened across Maharashtra (6), Uttar Pradesh (3), Karnataka (3), Andhra Pradesh (3), and one each in Haryana, Rajasthan, Tamil Nadu, Telangana, Bihar, Assam, Manipur, Mizoram, and Jammu and Kashmir. The opening of new rake points is done on the request of State Governments.

2.29 In addition to new rake point creation, the DoF, in coordination with fertilizer companies and State Governments, identified critical rake points facing logistical constraints, and the Ministry of Railways suggested suitable alternative rake points to address operational challenges, which were conveyed to the States for further necessary action.

2.30 The Ministry of Railways has also undertaken a broad programme of infrastructure strengthening to support fertilizer logistics, including: doubling and multi-tracking to reduce congestion on busy sections; construction of bypasses and flyovers to address bottlenecks at busy junctions; new line connectivity to remote areas; electrification of all routes for seamless mobility; addition of rolling stock including wagons and locomotives; addition of new terminals through the PM Gati Shakti cargo terminal policy; and improvement of existing goods sheds.

(E) Port Infrastructure and Port-Wise Import Operations

2.31 On being asked about the specific measures undertaken to prevent delays, cost escalation and supply disruptions during periods of peak demand, the Department replied as under:

Agricultural grade Urea is imported on government account through State Trading Enterprises (STEs) designated by the Directorate General of Foreign Trade (DGFT). After import, the Urea is handled and distributed from the ports by fertilizer marketing entities. At present, Urea is imported through 17 ports across India. The discharge rate varies from port to port. The highest discharge rate is at Kakinada (ECI – East Coast of India), at approximately 12,000 MT per day, while the lowest is at Rozy Anchorage (WCI – West Coast of India), at

around 7,500 MT per day. The average vessel turnaround time at these ports ranges between 3 to 7 days, depending on the vessel size handled. Since Phosphatic and Potassic (P&K) fertilizers are under Open General Licence (OGL), companies are permitted to import these fertilizers to any port/s based on their commercial considerations and business dynamics.

However, DOF in coordination with Railways, State Governments and Fertilizer companies ensures adequate fertilizer availability to the States. DOF regularly requests Railways to provide sufficient rakes at Plant & Ports so that faster evacuation of fertilizers is ensured to the States. Moreover, within the States, it is the responsibility of the respective State Government to ensure adequate availability through better Inter district and Intra district distribution channels. In this regard, regular weekly VCs are held to monitor the situation in the States. Moreover, the fertilizer companies are also advised to coordinate with the States so as to ensure timely supplies to the priority location as requested by the States so as to meet the timely demand.

2.32 The PM Gati Shakti National Master Plan integration has been initiated: essential data layers including fertilizer plant locations, warehouse locations, and rake points have been mapped on the PM Gati Shakti portal, enabling multimodal logistics planning.

(F) Freight Cost Policy

2.33 On being asked about the cost implications of the extensive fertilizer movement, the Department informed that the average per metric tonne transportation cost for P&K fertilizers (both imported and indigenous), based on freight bills for FY 2024-25, was Rs. 1,630 per MT by rail and Rs. 311 per MT by road. No comprehensive study on the overall cost implications of fertilizer transportation has been undertaken by the Department.

2.34 On being asked to indicate the proportion of logistics costs borne by the Government, fertilizer companies, dealers, whether such costs were fully reimbursed under the subsidy mechanism or partly absorbed by the companies/dealers, and the details of cost-sharing formula currently in operation, the Department replied as under:

“With respect to Urea, Government announced Uniform Freight Subsidy, 2008 on all subsidized fertilizers including imported Urea covered under the New Pricing Scheme Stage-III (NPS-III) being administered by the Department. There are two components of freight which have been recognized for reimbursement under the Uniform Freight Policy:

i. *Primary Freight*: Primary freight consists of two components:

a. Rail freight for movement of fertilizers from plant/port loading rake point to unloading rake point.

b. Road freight towards transportation of fertilizers from plant/port directly by road to block/district headquarters (upto 500 kms) paid at the lower of the following.

- Freight amount calculated for the month based on the slab rates indicated above;

OR

- The actual expenditure incurred by the company during the month, duly certified by company’s statutory auditors.

ii. *Secondary Freight*: It consists of road freight towards transportation of fertilizers from nearest railway rake point to block/district headquarters. The reimbursement of secondary freight cost will be allowed on the monthly basis at the lower of:

- Normative per tonne per km (PTPK) rates as notified by Department of Fertilizers from time to time.

OR

- The Actual expenditure incurred by the company on secondary freight during the said month, duly certified by company’s statutory auditor.

The freight subsidy is paid to the urea units for the transportation of urea from Plant/Port to the Block/District all across the country and the said rates are escalated/de-escalated for each financial year.”

2.35 The freight reimbursement policy for P&K fertilizers is structured into two tiers. Primary Freight comprises: (i) Rail Freight, reimbursed on actual basis as per Railway

Receipts, excluding GST, strictly for movement from originating plant or port to designated rake points, subject to distance restrictions; and (ii) Road Freight, reimbursed on a slab-based mechanism with a maximum permissible lead distance of 500 km for direct road movement, with reimbursement linked to notified distance slabs and corresponding rates. Secondary Freight — movement from rake points to block or district headquarters — is generally not reimbursed, except for notified difficult and hilly areas: Andaman and Nicobar Islands, Himachal Pradesh, Jammu and Kashmir, Ladakh, Uttarakhand, and the eight North-Eastern States. Coastal freight for movement of indigenous P&K fertilizers through coastal shipping or inland waterways is reimbursed on actual expenditure, subject to the corresponding notified rail freight rate.

Integrated Fertilizer Management System (iFMS): Digital Architecture and Oversight

2.36 The Integrated Fertilizer Management System (iFMS) was the comprehensive digital backbone of the fertilizer supply chain in India. It was an end-to-end platform that covers the entire supply chain, capturing transactional data from raw material procurement, fertilizer production, imports at ports, movement from plants and ports by rail or road to district warehouses in accordance with the monthly supply plan, distribution from district warehouses to wholesalers and then to retailers, and e-PoS sale from retailers to buyers. The system provided for real-time tracking of data related to requirement, receipts, sales, and stock of fertilizers at State level.

2.37 The operational working of the iFMS as a real-time supply chain monitoring instrument and its evolving integration with the *AgriStack* digital infrastructure, were examined in detail during the evidence sitting on 16th April 2026. On the aspect of how iFMS data was being used to identify diversion and the Haryana model of land-record-linked fertilizer sales, the representatives of DoF deposed as under: -

“Sir, one important thing which we wanted to do for years — now during this crisis, we want to do it. That is what this hon. Committee has recommended in previous years — that the connection between land, crop and the identified farmer will remove that non-denial policing. That Only that much fertiliser will be provided which is required by the farmer, determined by the crop that is going to be sown and on how much of land.

AgriStack has to come as a one-point solution. Everything can be monitored through AgriStack. IFMS is getting integrated with AgriStack, and we have done pilots extensively in so many States. Now, it is going to be integrated for all the time. It will be a solution where only the genuine farmers will get the fertiliser they want.”

2.38 The digitalized supply chain through iFMS operates across four functional stages, as presented during evidence on 6th January 2026 as follows:

“Requirement Gathering and Supply Plan: States enter month-wise, district-wise requirements for a season into iFMS. DA&FW approves State-level requirements. DoF finalizes and issues the supply plan, assigning State-wise targets to each company for each month.

Import and Production Tracking: The iFMS module tracks procurement of raw materials and fertilizer production and import quantities, enabling real-time monitoring of domestic supply capability and input utilization efficiency.

Freight-Based Movement and Acknowledgment: iFMS facilitates generation and management of Release Orders for fertilizer movement from manufacturing plants or ports to State or district warehouses and other stock points. Companies raise indents with Railways, with destination as per the State Government's plan.

Distribution and Retail Sale: iFMS enables dispatch tracking to individual wholesalers and then retailers. At the retail stage, the system monitors fertilizer product availability at each registered retailer, and all sales are completed through biometric Aadhaar authentication via e-PoS devices.”

2.39 Under the Direct Benefit Transfer (DBT) framework, subsidized fertilizers were made available to buyers at discounted prices, with buyer identity captured through Aadhaar-based authentication or e-KYC. A monthly ceiling of 50 bags per buyer was enforced automatically by the system. All buyers purchasing more than 40 bags in a month were shortlisted by the system and automatically reported to the District Collector with complete transactional details. Weekly DBT payments were made to fertilizer companies using the Public Financial Management System (PFMS). Pan-India mandatory Aadhaar authentication for fertilizer purchases has been in effect since December 2023.

2.40 The Committee specifically enquired whether the PoS machine transaction data under the DBT framework captures whether ancillary products were purchased alongside subsidized fertilizers — and if not, whether the Department had considered mandating a flag in the PoS system for bundled purchases to enable data-driven identification of retailers engaging in forced bundling. The Department's written reply was as follows:

“The Integrated Fertilizers Management System (iFMS) has a product master of all subsidized fertilizers which can be sold through the PoS-based iFMS application. Non-subsidized fertilizers are not mapped with iFMS as no Government subsidy is paid on these fertilizers.”

2.41 The Centralized Urvarak Dashboard — accessible at <https://urvarak.nic.in> — provides a unified view of real-time data on stock availability, dealer registration, and daily sales, accessible to State Agriculture Departments, District Magistrates, and the DoF. Under the FCO, 1985, all retailers are required to display the opening stock for each type of fertilizer at the start of each day, along with prices, at the retail outlet.

2.42 Under direction of the DoF, fertilizer companies have implemented a Vehicular Location Tracking System (VLTS) for real-time tracking of the primary and secondary movement of fertilizer-carrying vehicles. The objectives are to detect unauthorized stoppages, reduce delays, minimize diversion, and improve logistics efficiency. Major fertilizer companies including RCF, CFCL, IFFCO, HURL, Yara, PPL, NFL, GSFC, GNFC, Matix, FACT, CIL, Indorama, Shriram Fertilizers, NBCL, IPL, SPIC, and BVFCL have developed and initiated their own tracking systems for primary freight movement from plant or port to district warehouses. However, this system was yet to be integrated with iFMS.

Demand Assessment, Allocation, Supply Planning and State-Level Innovations

2.43 Before the commencement of each cropping season, DA&FW conducts zonal conferences in consultation with State Governments and other stakeholders to finalize fertilizer demand. State Governments assess demand block-wise and district-wise based on: (i) gross cropped area — projected and actual for the last three years; (ii) irrigated area — projected and actual for the last three years; and (iii) soil health card-based nutrient recommendations, cropping patterns and the last three years' fertilizer sales data. On the basis of the month-wise and State-wise requirement projected by

DA&FW, the DoF issues the monthly supply plan and allocates adequate quantities of fertilizers to States. Fertilizer companies were assigned State-wise targets for each month as per the finalized requirements.

2.44 The gap between demand and production in the case of Urea was met through timely imports planned well in advance of each season. In the case of P&K fertilizers, imports were made by companies under Open General Licence (OGL) based on commercial judgment and business dynamics. The year-wise requirement and import of Urea over the last three years was as under:

Year	Requirement (LMT)	Import Quantity (LMT)	Import as % of Reqt.
2024-25	364.01	75.80	~20.8%
2023-24	356.08	70.42	~19.8%
2022-23	359.19	56.47	~15.7%

2.45 The Committee were apprised of certain State level innovations in fertilizer demand management and distribution. Three digitized models, which have the potential to be replicated in other States as best practices, are as follows::

“Telangana — Mobile Fertilizer Booking App: Telangana has introduced a mobile application for booking fertilizers (specifically Urea), eliminating long queues and panic buying during peak seasons. Farmers can check real-time stock availability, book required quantities from home, and visit the dealer only after receiving confirmation. Booking quantities are linked to the farmer's 'pattadar' (land passbook) data, cultivated area, crop sown, and agronomic recommendations from the State agricultural university.

Madhya Pradesh — E-Vikas (e-Suvidha) Portal: Madhya Pradesh has launched an e-Suvidha portal enabling Agristack-registered farmers to generate a QR-code-based fertilizer purchase request from a retailer, valid for 72 hours. The recommended quantity is based on land area and the General Fertilizer Recommendation (GFR) of DA&FW.

Haryana — Meri Fasal Mera Byora (MFMB) Integration: In Haryana, only farmers, family members, and authorised buyers registered on the MFMB portal are permitted to purchase subsidised fertilizers under DBT, linking fertilizer access to crop registration data.”

2.46 The Committee were informed that the Department of Fertilizers periodically identifies the top 100 Districts with high consumption of urea and DAP and advises the concerned States to take appropriate measures to curb excessive consumption. The Committee were further informed that integration of fertilizer distribution data with authenticated landholding and crop-sown data under the Agristack framework was envisaged. A Farmer Registry was being developed under Agristack and upon its nationwide completion, fertilizer sales through iFMS were proposed to be linked with the Agristack database. While approval at the first phase of integration of Agristack with iFMS in Uttar Pradesh, Madhya Pradesh and Maharashtra had been given, the modalities for such an integration were yet to be finalized.

CHAPTER III

PRICING, SUPPLY SECURITY, MALPRACTICES AND GEOPOLITICAL IMPACT

I. Pricing Policy and Fertilizer Subsidy Framework

(A) Urea Pricing and Subsidy

Urea is provided to all farmers across the Country at a statutorily notified Maximum Retail Price (MRP) of Rs. 242 per bag of 45 kg (exclusive of neem-coating charges and applicable taxes). The difference between the delivered cost of Urea at the farm-gate and the net market realization by urea units was paid as subsidy by the Government of India to the manufacturer or importer. The subsidy per bag of Urea was approximately Rs. 1,398 per bag as per the Q3 2024-25 concession rate, rising to approximately Rs. 1,478 per bag as per the latest figures. In FY 2025-26, the actual expenditure on the Urea subsidy was Rs. 1,42,175.74 crore.

3.2 In response to the Committee's specific query regarding the escalation of per-bag subsidy burden consequent upon the West Asia crisis-driven price spike, the Department furnished month-wise average import cost data for Urea, demonstrating a near-doubling of import prices between February and April 2026:

S. No.	Month	Average Import Cost of Urea (USD per MT)
1	October 2025	463.6
2	November 2025	398.5
3	December 2025	419.2
4	January 2026	425.8
5	February 2026	425.8
6	March 2026	508.0
7	April 2026	947.0
8	May 2026	947.0 (provisional)

The Department further confirmed that the statutorily notified MRP of Rs. 242 per 45 kg bag will be maintained for the duration of the Kharif season and that no pass-through of the crisis-driven price increase to farmers is envisaged. The entire incremental subsidy burden, consequent upon import costs nearly doubling from approximately USD 426 per MT (February 2026) to USD 947 per MT (April 2026), will be absorbed by the Government of India.

(B) Nutrient Based Subsidy (NBS) Policy for P&K Fertilizers

3.3 For Phosphatic and Potassic (P&K) fertilizers, the Nutrient Based Subsidy (NBS) Policy has been in effect from 1st April 2010. Under this policy, a fixed per-nutrient subsidy rate — calibrated annually or bi-annually, taking into account international prices of key fertilizers — is provided to manufacturers or importers on notified P&K fertilizers, based on their N, P, K, and S content. P&K fertilizers are covered under Open General Licence; companies are free to import or produce them as per their business dynamics and are permitted to determine MRPs at reasonable levels, subject to government monitoring.

3.4 In view of sustained global price volatility, the Government has progressively enhanced subsidy rates for all major P&K fertilizers. The season-wise subsidy rates for key fertilizers are as under:

Product	Kharif 2026 (Rs./Ton)	Rabi 2025-26 (Rs./Ton)	Kharif 2025 (Rs./Ton)	Rabi 2024-25 (Rs./Ton)
DAP	32,786	29,805	27,799	21,911
NPK 10-26-26	19,068	17,390	16,257	12,928
NPK 12-32-16	22,941	20,890	19,495	15,399
NPK 20-20-0-13	20,426	18,569	17,663	14,993
NPK 16-16-16	16,393	14,938	14,240	12,192
SSP	8,149	7,408	7,263	5,121

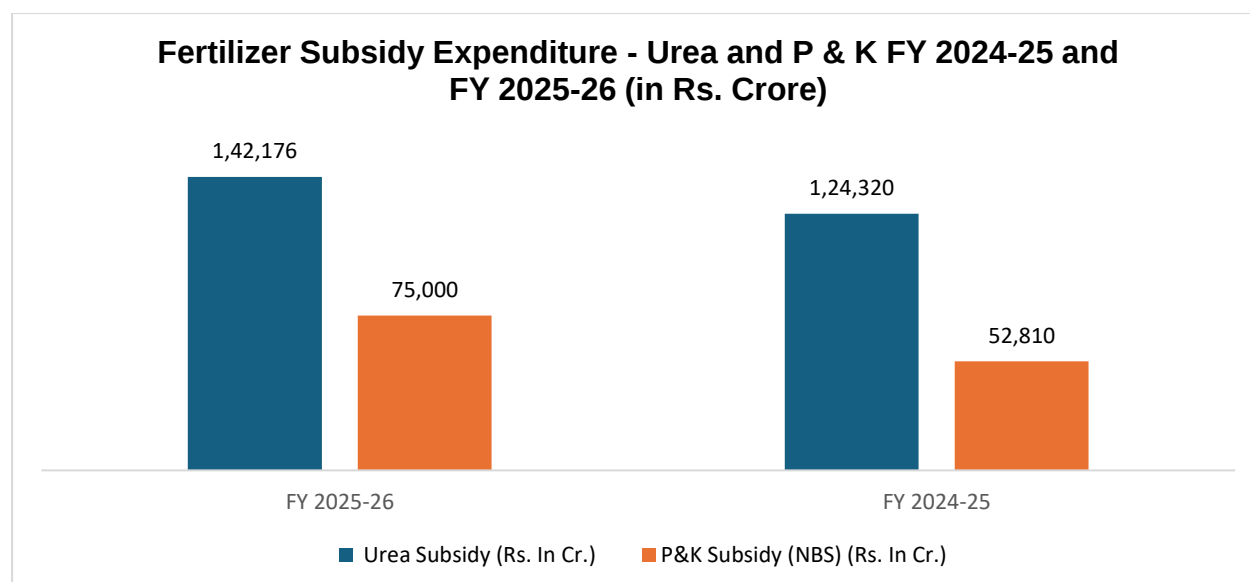
[CEBN, Para 9(a)]

3.5 In addition to the base NBS rate, the Government has approved special packages to ensure DAP availability at affordable prices: Rs. 4,500 per MT beyond

NBS for Rabi 2023-24; Rs. 3,500 per MT for 'Other Costs' on both imported and domestic DAP for FY 2024-25; and for 2025-26 and Kharif 2026, a comprehensive special package covering advantage/disadvantage, other costs, GST, and reasonable return, ensuring DAP availability at Rs. 1,350 per 50 kg bag and Imported Triple Super Phosphate (TSP) at Rs. 1,300 per 50 kg bag.

3.6 The total subsidy expenditure on P&K fertilizers in FY 2025-26 was Rs. 74,999.99 crore, compared to Rs. 52,810 crore in FY 2024-25, reflecting both higher import volumes and elevated international prices resulting from the global geopolitical situation.

[CEBN, Para 9(c)]



II. Long-Term Supply Security: Agreements, Joint Ventures and Capacity Expansion

3.7 On being enquired about the measures taken to mitigate import dependency in the face of recurring global supply disruptions, the Department informed the Committee that a comprehensive portfolio of Long-Term Agreements (LTAs) and Memoranda of Understanding (MoUs) concluded between Indian fertilizer companies and foreign suppliers from resource-rich countries, as under:

Raw Material / Fertilizer	Source Countries	Annual Secured Quantity
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DAP and NPK Fertilizers	Saudi Arabia, Russia, UAE, Morocco	89.10 LMT
Muriate of Potash (MOP)	Jordan, Russia, Turkmenistan, Canada, Israel, Belarus	21–22 LMT
Rock Phosphate	Jordan, Morocco, Togo, Mauritania	24.90–26.90 LMT
Phosphoric Acid	Morocco, Tunisia, Senegal	11.50–12.0 LMT
Ammonia	Saudi Arabia, Oman, Japan, Malaysia	10.15–11.00 LMT

3.8 The Department, in its written reply to the Committee's query regarding the status of long-term LNG contracts and alternative sourcing arrangements to ensure energy security for fertilizer production units, stated as follows:

“Urea units have secured their Gas Contracts with the supplier upto 2028. Further, instructions have been issued from the Department of Fertilizers to Urea units for further extending their long-term contracts beyond 2028.”

3.9 In response to the Committee's specific query regarding long-term supply agreements in force or under renegotiation and emergency procurement tendered since 1st March 2026, the Department furnished comprehensive details of all ongoing import agreements. The Department confirmed that two Global Tenders were floated — one to secure 13.07 LMT and another to secure 25 LMT of Urea; to adequately meet demand. The closing stock of Urea stands at 76.96 LMT. The country-wise agreements are as follows:

(A) Long-Term Supply Agreements for DAP and NPK — Saudi Arabia

Indian Company	Counterpart	Product	Annual Qty (MT)	Duration
IPL	MA'ADEN	DAP and NPS	10,00,000	3 years (2025-26 to 2027-28)
KRIBHCO	MA'ADEN	DAP, NPK, NPS	4,50,000	3 years (01.04.2025 to 31.03.2028)

CIL	MA'ADEN	DAP, NPK	6,00,000	5 years (01.01.2026 to 31.12.2030)
NFL	SABIC	DAP/NPKs	2,50,000	1 year (01.04.2025 to 31.03.2026)
RCF	SABIC	NPK, NPS, DAP, MAP	1,50,000	3 years (12.03.2025 to 11.03.2028)
CFCL	SABIC	DAP/NPKs	To be finalised	01.04.2026 to 31.03.2027
CFCL	Ma'aden	DAP	NA	01.05.2025 to 01.05.2026
Total			>24,50,000	

(B) Long-Term Supply Agreements for DAP and NPK — Russia

Indian Company	Counterpart	Product	Annual Qty (MT)	Duration
RCF	Purefert/Phosagro	DAP/NPKs	2,50,000	3 years (Nov 2024 to Nov 2027)
RCF	FERTISTREAM	NPK, NPS, DAP, MAP	1,00,000	3 years (Oct 2024 to Oct 2027)
CFCL	Purefert	DAP/NPKS	6,00,000	CY 2026
Indorama	Purefert	DAP/NPKS	3,00,000	2025-26 (renewal under negotiation)
CIL	Purefert	NPK/DAP/NPS	3,00,000	CY 2026
KRIBHCO	Purefert	DAP/NPK	6,00,000	3 years (2025-26 to 2027-28)
IPL	Acron	NPK	4,00,000	2025-26
Mahadhan/Deepak	Purefert	NPKs	2,50,000	3 years (CY 2025 to CY 2027)
Total			28,00,000	

(C) Long-Term Supply Agreements for MOP (Country-wise)

Country	Indian Company	Counterpart	Product	Qty (MT)	Duration
Jordan	IPL	Arab Potash Ltd	MOP	2,50,000	June-December 2025

Russia	RCF	Uralkali	MOP	1,00,000	3 years (Jun 2024-Jun 2027)
Russia	IPL	Food Security DMCC/Uralkali	MOP	5,50,000	June 2025-January 2026
Turkmenistan	PPL	Pacific Rim International HK	MOP (White & Pink)	2,75,000	3 years (2025-2027)
Canada	Indorama	Canotpex	MOP	As agreed	Ongoing from Nov 2018
Canada	CFCL	Canotpex	MOP	Not specified	From Dec 2017 till termination
Israel	IPL	DSW	MOP	4,00,000	June 2025-January 2026
Belarus	IPL	Twin Castle	MOP	6,00,000	June 2025-January 2026
Germany	RCF	K Plus S Middle East FZE	MOP	1,05,000	6 years (Oct 2022-Nov 2028)
Canada	CIL	Canpotex	MOP	2,42,000	Jan-Dec 2025 (under negotiation)

(D) Long-Term Supply Agreements for Urea

Country	Indian Company	Counterpart	Product	Qty (MT)	Duration
Saudi Arabia	CIL	SABIC	Urea	1,00,000	01.01.2026 to 31.12.2026
Qatar	CIL	Qatar Energy	Urea	3,00,000	01.07.2025 to 30.06.2026

3.10 In response to the Committee's query on steps taken to diversify sourcing for DAP (50–60% import dependent) and Potash (near-total import dependent), the Department's written reply *inter alia* stated as under:

“To mitigate global supply risks on import of DAP, the Government has approved Freight Subsidy on SSP since Kharif 2022 to promote SSP usage for providing Phosphatic nutrient to the soil. New DAP/NPK plants and expansion of existing units with a total annual capacity of 59.65 LMT are under implementation and are expected to be commissioned between 2028 and March 2030. Intermediate plants (Phosphoric Acid/Sulphuric Acid) with a combined annual capacity of

44.21 LMT are also being set up, with completion timelines aligned to the same period.

To address India's significant import dependence on Potash, the Department has undertaken a multi-pronged strategy focused on promoting indigenous and alternative fertilizers such as PDM (Potassium-rich Dust Muriate). A Joint Working Group (JWG) comprising representatives from the Department of Food and Public Distribution and the Department of Fertilizers has been constituted to streamline issues related to quality and pricing of PDM. As a result of these efforts, sales of PDM have shown a steady increase — from 3.03 LMT in 2023-24 to 3.91 LMT in 2024-25 and 5.35 LMT in 2025-26.”

III. Malpractices in Fertilizer Distribution: Black-Marketing, Hoarding, Diversion and Forced Bundling

(A) Regulatory and Legal Framework

3.11 On being asked about the recurring grievances received by the Committee regarding the alleged practice of compelling farmers to purchase non essential boosters or bio stimulants along with subsidized fertilizers, the Committee sought details of the complaints received and the enforcement action taken thereon. The Committee further sought clarification as to why a centralized monitoring mechanism had not yet been instituted despite the persistent nature of such complaints. In their written reply, the Department submitted as under:

“Fertilizers have been declared an essential commodity under the Essential Commodities Act (ECA), 1955, and are notified under the Fertilizer (Control) Order (FCO), 1985. State Governments are the principal enforcement authorities empowered to take action against persons involved in black-marketing, overpricing, diversion, hoarding, adulteration, and smuggling of fertilizers under the provisions of the ECA and FCO. Complaints received at the DoF level are forwarded to concerned State Governments for action. The DoF does not possess independent legislative power to amend the FCO, which falls within the domain of the ECA.”

(B) National Enforcement Drive: FY 2025-26

3.12 The Department informed the Committee that, since Kharif 2025, a comprehensive enforcement drive has been undertaken by the Department of Fertilizers in coordination with the Department of Agriculture and Farmers Welfare and the State Governments. As part of this intensified enforcement initiative, the State Governments carried out unprecedented inspections and initiated stringent action against defaulting entities by invoking the provisions of the Essential Commodities Act, 1955. During FY 2025–26, a total of 4,84,663 inspections and raids were conducted, 17,392 show cause notices were issued, 6,941 licenses were cancelled or suspended, and 847 FIRs were registered against violators.

3.13 In order to reinforce grassroots enforcement, a Joint D.O. letter dated 7th August 2025 was issued by Secretary (DA&FW) and Secretary (Fertilizers) to the Chief Secretaries of all States and UTs, directing the constitution of Vigilance Committees — referred to as '*Dharti Mata Bachao Samitis*' or '*Nigrani Samitis*' — at the village, sub-division (taluka/tehsil), and district levels. A subsequent D.O. letter dated 1st December 2025 from Additional Secretary, DoF, was addressed to Additional Chief Secretaries and Principal Secretaries requesting active cooperation at the State level. A total of 36,000 such Nigrani Samitis have been constituted at the Panchayat, Block, and District levels.

3.14 The Department informed the Committee that neem coated urea has been effective in curbing the diversion of urea for non-agricultural purposes, as the neem coating enables easy identification of diverted material. During the enforcement drive undertaken in 2025–26, 3,017 cases relating to the diversion of urea were reported. The Department further stated that the Government was promoting the use of nano fertilizers through awareness campaigns, field demonstrations, farmer outreach programmes, assessment of State wise requirements in consultation with State Governments, and various extension activities, including those undertaken during the Viksit Bharat Sankalp Yatra.

(C) Forced Bundling of Non-Essential Products: The Problem of Tagging

3.15 On the serious concern about the practice of forced bundling — that is, the compulsion placed on farmers by dealers and retailers to purchase unapproved 'booster' products, bio-stimulants, growth promoters, or other non-essential items as a precondition for obtaining their lawful subsidised fertilizer entitlement, the Committee

sought to know the reasons for specific instances cited on the malpractice reports of organized 'fertilizer syndicates' operating through dealer networks. The Committee were informed that many such 'booster' products were either not approved under the (FCO) or were sold at highly inflated margins exploiting the captive demand created by fertilizer scarcity.

3.16 During the briefing of the Department on 4 November 2025, the Committee raised concerns regarding the widespread practice of forced bundling, wherein farmers in Punjab and other States were reportedly compelled to purchase unapproved tonics, boosters, or growth promoters as a condition for obtaining subsidized fertilizers. The Committee sought details of the measures taken by the Department to curb such practices, the number of complaints received during 2024–25, and the enforcement action taken against erring dealers or companies, including penalties, suspension, or blacklisting. The Secretary, Department of Fertilizers, responded as follows:

“We get all the inputs from the States. Definitely, they have improved in the last Kharif season. The vigilance and inspections have improved. Every dealer in this country, who is selling fertilizers whether in the cooperative sector or in the non-cooperative sector, is licensed by the State Government concerned.”

[Verbatim Proceedings, page 33, Briefing Sitting (Afternoon), 4th November 2025]

3.17 When the Committee further sought to understand the regulatory and field level mechanisms in place to curb the practice of forced bundling, the Department responded as under:

“Tagging/linking of other products with fertilizers is not encouraged by Department of Fertilizers. Accordingly, suitable directions are issued to fertilizer companies directing them not to indulge in such practices. Further, State Governments are also advised to take strict action as per extant rules to prevent tagging. Letters have been issued to all Chief Secretaries to take action against tagging. Companies have issued appeals and helpline numbers in newspapers to discourage tagging. Rabi Conferences and joint meetings with States have been held with strict directions against tagging.”

3.18 The Department also clarified the regulatory coverage of products commonly bundled with fertilizers: bio-stimulants and micro-nutrient formulations are covered under the FCO, 1985; plant growth regulators are covered under the Insecticides Act, 1968. The FCO also specifies the role of State Governments in prescribing the mixture of micro-nutrient formulations based on State-specific soil requirements.

3.19 Regarding complaints specifically relating to tagging violations and the availability of company wise or State wise data on enforcement actions against forced bundling, the Department furnished the details of enforcement measures undertaken by the States during the period from April 2025 to March 2026, which are placed at Annexure X of the Report. However, no centralized data on company wise penal action in cases of tagging violations was furnished, the Department stating that enforcement under the Essential Commodities Act and the Fertilizer (Control) Order was primarily a State subject.

3.20 The Committee sought to know whether the Department proposes to introduce mandatory separate billing and digital capture of subsidized fertilizers and non-subsidized products to detect and deter forced bundling, along with the timeline and proposed modifications in the ePoS/iFMS systems. The Department replied as under:

“Non-subsidized fertilizers are out of the scope of DBT in Fertilizers. Non-subsidized fertilizers fall under the administrative purview of DA&FW. As on date, no such proposal for mandatory capturing sale of non-subsidized products in iFMS through PoS sale has been received from DA&FW.”

CHAPTER IV

IMPACT OF THE WEST ASIA GEOPOLITICAL CRISIS ON THE FERTILIZER SECTOR AND GOVERNMENT RESPONSE

A defining dimension of the Committee's examination, particularly during further evidence on 1st April 2026 and conclusive evidence on 16th April 2026, was the assessment of the impact of the escalating West Asia geopolitical crisis, centering on the Iran-Israel-United States conflict and the consequent threat to navigation through the Strait of Hormuz; on India's fertilizer import supply chains and domestic production. The Department placed before the Committee a comprehensive assessment of the crisis and the steps taken in response.

4.2 During the evidence held on 16 April 2026, the Committee sought an assessment of the potential impact of a blockade of the Strait of Hormuz on India's fertilizer imports and supply chain. The seriousness of the situation and its implications for fertilizer shipments were highlighted before the Committee. The following exchange from the verbatim proceedings captures the ground realities as explained by the Secretary, Department of Fertilizers:

"The situation at this moment, in terms of the West Asia crisis and specifically the fertilizer sector, continues to be challenging. Just one hour before, when I was coming, while closing my files to come here, there was a message which we received, that one of our fertilizer ships has been given the direction to move closer to the Hormuz choke point. That means there is a 90 per cent possibility that the ship will cross Hormuz. That will be the first fertilizer ship."

4.3 On being further queried by the Committee to focus on the prevailing ground situation rather than hypothetical scenarios, and noting concerns regarding the movement of shipments through the Strait of Hormuz amid the deployment of American warships in the region, the Secretary, Department of Fertilizers, responded as follows:

“Sir, after the war started, still, we have received 24 ships containing 10.05 lakh metric tonnes of urea from all across the globe. Our eight ships are stuck in the West of Hormuz. We are coordinating with them.”

“In peace time, they give us hundred per cent. Now, on 3rd or 4th March, they gave the force majeure notices to MOPNG. Therefore, MOPNG brought out a gazette notification on 9th March, that they will not be able to give hundred per cent, they will give maximum up to 70 per cent. They were giving only 63 per cent to us in terms of gas. So, the effect was that our normal per day production is 80,000 tons per day, full gas, whenever it is available. But we were producing because of 63 per cent, only 43,000 tons of urea per day. What we did, we immediately went to market with one special mechanism — the Empowered Pool Management Committee (EPMC). By that, we have attained at this moment almost 85 per cent of our six months average which is helping us in getting 66,000 tons of urea per day. So, we are closing. We are going towards 80000 tons per day which is the normal one.”

4.4 When the Committee further sought an assessment of the severity of the situation in the Strait of Hormuz and enquired whether inputs had been obtained from the Ministry of Ports, Shipping and Waterways regarding the potential impact of any disruption to maritime traffic, the representative of the Ministry of Ports, Shipping and Waterways responded as follows:

“The average number of vessels that cross the Strait of Hormuz is approximately 138 to 140 per day. That was before the war. Now, the number has come down to approximately 10. It depends on the type of flag. All these vessels have AIS system. These AIS systems are switched off and some movements happen. Insurance and freight costs have doubled straightaway and Iran is going to impose two million dollars as a toll tax”

4.5 During the presentation, the Committee were informed that the Gulf region is a major source of India's fertilizer imports, contributing nearly 30–40 per cent of DAP imports and 20–30 per cent of urea imports. The Department further apprised the Committee that the prevailing crisis in West Asia may have four major implications for the fertilizer sector, namely:

- i. **IMPACT ON UREA & DAP PRODUCTION** - The region supplies nearly 50% of India's LNG imports, which is a key feedstock for domestic urea production.
- ii. **IMPACT ON ARRIVALS OF RAW MATERIAL/FERTILIZER SHIPMENTS** - Escalation in the region has impacted shipping, freight costs, higher war-risk premiums and insurance costs and supply quantities/timelines for fertilizer imports - increasing the landed cost of fertilizers in India. Further, delays in arrivals of P&K Raw Material/Finished Fertilizer shipments under LTAs.
- iii. **IMPACT ON FERTILIZER SUBSIDY:** Rising international fertilizer/raw material prices will require higher subsidy support.
- iv. **GLOBAL PRICE VOLATILITY:** Global fertilizer prices are witnessing volatility with sharp upward trend.

4.6 Against this backdrop, the Committee were informed during the evidences held on 1st April & 16th April 2026 that the Department had taken a series of urgent measures to safeguard fertilizer supplies and mitigate the impact of the crisis on farmers. These measures are set out below:

- i. **“Active Imports Planning:** Just ahead of the conflict, the DoF secured 13.07 lakh tonnes of Urea at reasonable prices. A fresh tender for an indicative quantity of 25 LMT was floated and is under process. After the outbreak of the conflict, 24 ships carrying 10.05 LMT of Urea arrived at Indian ports.
- ii. **Safe Passage Coordination:** Active coordination with the Ministry of Ports, Shipping and Waterways (MoPSW), the Directorate General of Shipping (DGS), and other stakeholders for safe passage of fertilizer ships through the Strait of Hormuz.
- iii. **Task Group for Import Diversification:** A Task Group has been constituted to scout the best import opportunities from Brunei, Indonesia, Australia, Nigeria, Algeria, Saudi Arabia, Oman, and Egypt. Active coordination with 16 Embassies (as on 1st April 2026), expanded to 26 Embassies (as on 16th April 2026), in fertilizer-exporting countries. Recent meetings held with Russia, Saudi Arabia, Morocco (as on 1st April 2026), and Indonesia and Turkmenistan (as on 16th April 2026) to discuss import arrangements.

- iv. **Boost in Gas Supplies through EPMC Mechanism:** Augmentation of gas supplies through spot procurement for domestic Urea production. Gas availability to Urea units has been ensured at more than 95 percent of requirement through the Emergency Power Management Committee (EPMC) mechanism.
- v. **Maintenance Shutdowns Preponed:** During the crisis period, 7 plants preponed their planned maintenance shutdowns to coincide with the period of gas curtailment and to build up production stocks. Currently 4 plants are under shutdown.
- vi. **Ammonia for Cold Storage:** In a novel measure to protect farm produce, in consultation with the Ministry of Petroleum and Natural Gas (MoPNG), a decision was taken to provide Ammonia for cold storage for protecting farm produce — especially Potatoes — in the wake of the Natural Gas (Supply Regulation) Order, 2026 dated 9th March 2026. [FEPPT, Slide 15]
- vii. **Sulphur and Phosphoric Acid Supply:** Indian refineries were directed to ensure adequate availability of Sulphur for domestic P&K fertilizer production. The issue of Sulphur and Sulphuric Acid supply has been largely resolved. Phosphoric Acid supply is secured through a joint venture in Jordan.
- viii. **Coordination with States on Diversion and Hoarding:** Screening of 664 districts' Urea consumption data, with high-consumption districts communicated to State Governments for a crackdown on diversion and hoarding. D.O. letters were written to Chief Secretaries of high-Urea-consuming States on 16th March 2026. The Union Minister for Chemicals and Fertilizers communicated with 10 Chief Ministers and 12 Agriculture Ministers on 26th March 2026. A joint meeting co-chaired by Secretary (DoF) and Secretary (DA&FW) with States emphasised strict monitoring of diversion, black-marketing, and hoarding under the ECA and activation of Dharti Mata Bachao Samitis along with strict vigilance in border districts.
- ix. **Promotion of Alternate Fertilizers:** The Department is actively promoting the usage of alternate fertilizers including NPKS, SSP, TSP, and Ammonium Sulphate to reduce pressure on Urea and DAP imports.
- x. **National Fertilizer Framework:** Development and implementation of an application-based fertilizer purchase system for farmers is in process to further strengthen transparency and traceability in the distribution system.”

4.7 Specifically, on the downstream implications of the emerging Sulphur supply crisis; given that Iran, Kuwait, Qatar, Saudi Arabia and the UAE together account for a significant share of global Sulphur production and nearly half of the world's seaborne Sulphur trade, which was critical for the production of Sulphuric acid and phosphate fertilizers; the Committee sought the Department's assessment of the likely impact on the availability and pricing of phosphatic fertilizers in India. In response to there, the Department stated as follows:

“In view of ongoing global supply disruptions and geopolitical developments in West Asia, the Department of Fertilizers has taken up the matter with the Ministry of Petroleum and Natural Gas to prioritize Sulphur supply for P&K and SSP units. P&K fertilizers are covered under Open General Licence and companies are free to import or manufacture fertilizers and raw materials as per their business dynamics.”

4.8 With regard to the additional freight burden resulting from the rerouting of vessels through the Cape of Good Hope and the responsibility for bearing such costs, whether by the importer, the Government or the farmer, the Department replied as under:

“Indian companies source both finished fertilizers and raw material inputs at competitive India CFR (Cost and Freight) prices in the global market, where the supplier bears the entire freight cost up to Indian ports. For Indian buyers, efforts are made to keep procurement uniform regardless of origin — whether from Russia, Morocco, Saudi Arabia, or via routes such as the Cape of Good Hope or the Strait of Hormuz — as prices are determined on a consistent CFR basis. The Government of India provides subsidies in line with its prevailing fertilizer subsidy policy.”

4.9 On the Committee's specific queries on the legal and administrative framework put in place to sustain gas supply and domestic Urea production through the West Asia crisis the Department's written replies are reproduced as under:

A. Impact of Hormuz Strait disruption on India's fertilizer and LNG imports; contingency plan for Kharif 2026

The Government has assessed that the ongoing geopolitical situation in the Middle East has resulted in disruption of LNG shipments through the Strait of Hormuz, with suppliers invoking force majeure, thereby impacting global gas availability. In order to ensure continued availability of natural gas for critical sectors, the Government notified the Natural Gas (Supply Regulation) Order, 2026, to regulate production, allocation and distribution of natural gas, including LNG. The Order provides that the supply of natural gas to the fertilizer plants shall ensure seventy per cent of their past six-month average gas consumption, subject to operational availability. The Order further enables diversion of gas from non-priority sectors to priority sectors including fertilizers, and mandates all entities in the gas value chain to comply with revised allocation and supply schedules.

The Department is currently engaging with 28 countries in order to diversify import sources and reduce overdependence on any single region. Efforts include exploring new regions not affected by the Hormuz route as well as consolidating existing partnerships with suppliers in Indonesia, Australia, Nigeria, Algeria, Saudi Arabia, Egypt, Brunei, Russia, Morocco, and Oman. Just ahead of the escalation of the situation, the Department floated two Global Tenders to secure a combined total of 38.07 LMT of Urea. The closing stock of Urea in the Country stands at 76.96 LMT.

B. Sustaining gas availability and Urea production through Kharif season given EPMC's short-term and spot-market character

The Natural Gas (Supply Regulation) Order, 2026 designates the fertilizer sector as a priority sector with assured supply of natural gas up to seventy per cent of their past six-month average gas consumption, subject to operational availability. The Order further provides for reallocation of gas from non-priority sectors, including petrochemical units and power plants, to meet the requirements of priority sectors. Supply is being managed through a combination of domestic gas production and LNG imports, with continuous monitoring and dynamic adjustments in allocation to optimize utilization and minimize disruptions.

C. Quantification of domestic Urea production loss since 1st March 2026; adequacy of 70% gas guarantee in practice

In comparison to the average monthly production of Urea of approximately 25 LMT, production in March 2026 was 17.52 LMT. This increased to 20.98 LMT in April 2026. In May 2026, Urea production across all India increased to 25.19 LMT, indicating that the measures taken by the Government have been effective in maintaining production levels despite global LNG supply disruptions and elevated gas prices. The Natural Gas Order framework, along with the EPMC mechanism for spot procurement, has enabled continued functioning of fertilizer plants. All entities involved in production, import, marketing, transportation and supply of natural gas, including LNG terminal operators, are required to comply with Government directions regarding allocation and supply.

CHAPTER V

GOVERNANCE, ACCOUNTABILITY AND POLICY REFORMS

I. Centre-State Coordination and Last-Mile Delivery

5.1 The Committee, throughout the course of examination of the subject, beginning with the briefing on 4th November 2025, evidence sittings up held on 6th January 2026, 01st April 2026 and 16th April 2026, pointed out to the Department repeatedly on the persistent gap between macro-level availability assurances at the national level and recurring ground-level reports of shortages, farmer protests, police action and black-marketing at the district and retail level. Members from Telangana, Uttar Pradesh, Punjab and Maharashtra cited specific instances of police being required to distribute fertilizers directly to farmers.

5.2 During the briefing held on 4 November 2025, while enquiring into reports of black marketing, the alleged operation of fertilizer syndicates, and the apparent disconnect between official availability figures and shortages reported by farmers at the ground level, the Committee highlighted instances where farmers were reportedly denied access to subsidized fertilizers unless they also purchased other products. In response there to concerns, the Secretary, Department of Fertilizers, deposed as follows:

“सर, मैंने पहले भी यही निवेदन किया है कि पूरे फर्टिलाइजर सप्लाई का जो तंत्र है, उसमें दो पार्ट्स हैं। एक एवेलिबिलिटी और दूसरा डिस्ट्रीब्यूशन। एवेलिबिलिटी एन्श्योर की गई है, to the maximum possible extent. If you see our figures of the import, the production, the total availability after my intervention, as you also mentioned that this availability and distribution has to be connected.”

5.3 On being further asked by the Committee about the measures and reforms required to make the fertilizer distribution system more transparent, efficient, and resilient against hoarding, black marketing, and artificial shortages, the Secretary, Department of Fertilizers, responded as follows:

“Sir, actually, a number of questions were raised by the hon. Members that what step the Department has taken to improve the distribution and sale. We are continuing with the age-old practice. Since this issue was raised in the Committee

a number of times earlier also, so, we have taken up two initiatives to actually filter the distribution process. Currently, as per the existing system, any person who has an Aadhaar can come and buy the fertilizer. In the sense, we do not verify that if that person is a farmer or not. But on the initiative of the Department, we have introduced a system in Haryana with the cooperation of the State Government. We have integrated their land records with the iFMS. Their land record data has the farmer ID, the land quantum, and the crop. So, in the first phase, we have identified and integrated the farmer ID with the iFMS meaning thereby that only a person who is registered as a farmer in the Haryana Government's land records can buy fertilizers from the system. In the entire State, this restrictive sale has been implemented from 8th October."

5.4 The Department's consistent position throughout the examination was encapsulated in the following formulation, repeated across numerous points in both the briefing and evidence written replies:

"The mandate of DOF is to ensure adequate availability of fertilizers in the Country at State level. However, distribution of fertilizers within the State at District level is done by the concerned State Government."

5.5 The roles of State Governments in the efficient fertilizer logistics supply chain were formally enumerated by the Department during conclusive evidence on 16th April 2026, as under:

- **"Timely Indent Placement:** States ensure timely indenting of rakes in coordination with fertilizer companies for smooth planning and uninterrupted supply flow.
- **Demand Assessment with DA&FW:** States, in coordination with DA&FW, assess the demand for fertilizers based on actual requirement and cropping patterns.
- **Timely Procurement through State Agencies:** States, through channels (like Markfed) and other State marketing federations, ensure timely procurement of fertilizers for seamless supplies at district and block level.
- **Efficient Rake Point Utilization:** States ensure rational distribution of fertilizer supplies across various rake points for timely distribution at the district level.

- **Identification of New Rake Points:** States identify new rake points to enhance evacuation capacity.
- **Strong Stakeholder Coordination:** States coordinate with fertilizer companies, transport agencies, truck operators, and labour unions to ensure smooth handling and movement.”

[CEPPT, Slide 22 — 'Role of States in Efficient Fertilizer Logistics Supply Chain']

5.6 When the Committee enquired whether a permanent Joint Command and Monitoring Cell — involving the DoF, DA&FW, Railways, and State Governments — should be institutionalized for daily monitoring during peak seasons rather than relying on weekly video conferences, the Department replied that the existing mechanism of weekly Joint VCs, iFMS monitoring and monthly supply planning provides adequate and continuous oversight; distribution within States remains the responsibility of State Governments.

5.7 On the question of whether the Department has identified chronically deficient Districts where fertilizer shortages recur annually and what differentiated interventions have been designed for them, the Department replied that its mandate was to ensure adequate availability at State level. The identification of top 100 high-consumption Urea and DAP districts has been undertaken and concerned States have been advised accordingly. However, no structured differentiated intervention plan for chronically deficient Districts was placed before the Committee.

5.8 When asked to provide details regarding the diversion of subsidised agricultural-grade urea for non-agricultural and industrial uses, including its alleged misuse in Diesel Exhaust Fluid (DEF), animal feed, cosmetics and other applications, the extent of such diversion across States, enforcement measures undertaken, and the steps taken to prevent such diversion, including the creation of separate supply channels for technical-grade urea, the Department replied as under:

“It is to inform that vide OM dated 13th November, 2025, Department of Fertilizers constituted Vigilance Groups at the Central, State and District Level to monitor any possible diversion of Agriculture Grade Urea. The details of these Vigilance Groups are as follows:

Central level Vigilance Group:

SL No.	Designation of Member	Role in Central Vigilance Group
1.	Additional Secretary, Department of Fertilizers, Government of India.	Chairperson of the Group.
2.	Joint Secretary, Department of Fertilizers, Government of India.	Member
3.	Nodal Officer from Ministry of Agriculture & Farmers' Welfare, Government of India.	Member
4.	Nodal Officer from Department for Promotion of Industry and Internal Trade (DPIIT), Government of India.	Member
5.	Nodal Officer from Department of Commerce, Government of India.	Member
6.	Nodal Officer from Department of Chemicals & Petrochemicals, Government of India.	Member
7.	Nodal Officer from Directorate General of Foreign Trade.	Member
8.	Nodal Officer from Directorate General of GST Intelligence.	Member

(Nodal Officer not below the rank of Director Level to be nominated)

State level Vigilance Group:

Agriculture Department of the State will be the Nodal Department. The State Vigilance Group will monitor the entire cluster spread over one/several districts. It will be constituted as follows:

SL No.	Designation of Member	Role in State Vigilance Group
1.	Secretary rank officer of the State Agriculture Department of the respective State.	Chairperson of the Group
2.	Senior Officer from State Industries Department of the respective State.	Member

3.	Senior officer from the State GST Department of the respective State.	Member
4.	Any other senior officer as required.	Member

District Level Vigilance Group:

The District level Vigilance Group shall be constituted for each district in the cluster. It will be constituted as follows:

SL No.	Designation of Member	Role in State Vigilance Group
1.	District Magistrate/ Collector.	Chairperson of the Group
2.	Superintendent of Police.	Member
3.	District level officer of the Industries Department.	Member
4.	District level officer of the Agriculture department.	He shall be the convener of the Vigilance Group.
5.	Any other district level officer as required.	

The District level vigilance Group will report to State level Vigilance Group.

- GSTN has developed and operationalised a **sector-specific analytical use case within the Business Intelligence and Fraud Analytics (BIFA) platform** targeting suspicious Urea–Formaldehyde (UF) resin manufacturers. (*Launched by GSTN – 2nd Week of February, 2026*)
- The module analyses **inward and outward GST supply chain data**, including purchase of urea and other inputs, production-linked outward supplies, tax credit utilization patterns, invoice mismatches, abnormal input-output ratios, circular trading indicators, and geographic transaction clustering.
- Defined risk parameters and red-flag indicators have been embedded to identify entities with disproportionate procurement of subsidized urea vis-à-vis declared manufacturing output.
- The system enables cross-linkage of GST returns, e-way bill data, and supply chain movement patterns to detect possible fertilizer diversion for industrial usage.

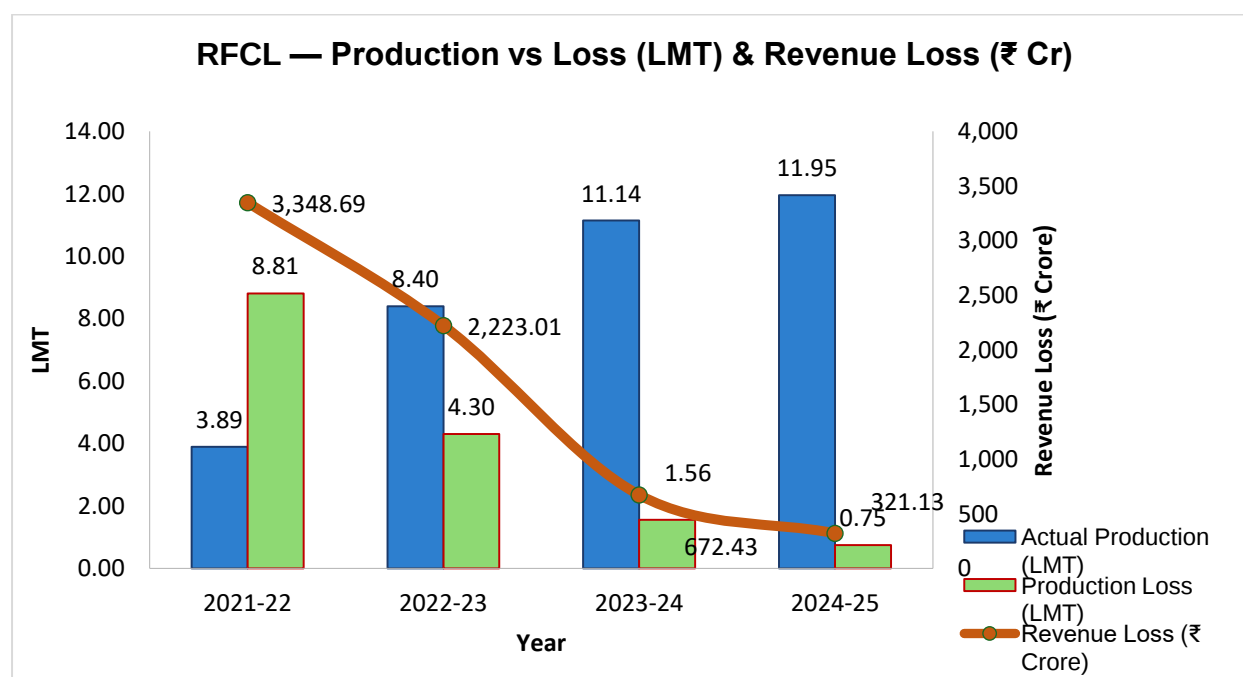
- Access has been enabled for **DGGI, Central GST and State GST authorities** for coordinated intelligence development and enforcement action.

Benefits:

- Facilitates **data-driven, predictive identification** of potential urea diversion cases.
- Strengthens inter-agency coordination between DoF and GST authorities.
- Enhances recovery of revenue and prevents misuse of subsidized fertilizers.
- Moves enforcement from reactive inspections to **risk-based targeted action**.
- Improves overall transparency and integrity of the fertilizer supply chain ecosystem.”

II. Accountability of Fertilizer PSUs: The Ramagundam Fertilizers and Chemicals Limited Case

5.9 The Committee took note of the chronic underperformance of Ramagundam Fertilizers and Chemicals Limited (RFCL) — a gas-based Urea plant of 12.7 LMT annual capacity revived under the New Investment Policy (NIP) 2012, which commenced production in March 2021. The plant has undergone multiple shutdowns attributed primarily to recurring failures of the Haldor Topsoe Heat Exchange Reformer (HTER) and other critical equipment. The year-wise production loss and revenue loss, as reported by RFCL, was as under:



Financial Year	Target (LMT)	Actual (LMT)	Loss in Production (LMT)	Revenue Loss (Rs. Cr.)
2021-22	12.70	3.89	8.81	3,348.69
2022-23	12.70	8.40	4.30	2,223.01
2023-24	12.70	11.14	1.56	672.43
2024-25	12.70	11.95	0.75	321.13
2025-26 (upto 30.11.25)	8.16	4.81	3.35	1,388.77
Total	58.96	40.19	18.77	7,954.03

5.10 During the briefing held on 4 November 2025, the Committee examined the recurring technological and operational issues at the Ramagundam Fertilizers and Chemicals Limited (RFCL) plant and their implications for fertilizer production and supply. While seeking details of the plant's operational performance and the corrective measures undertaken to address repeated disruptions, the Committee elicited the following response from the Secretary, Department of Fertilizers:

“Sir, 21 मार्च, 2021 को रामगुंडम कंपनी में कई सारे इन्वेस्टर्स हैं, एआईएल, एनएफएल, सभी ने मिल कर इसको बनाया है। It is a JV company. This company established the plant and the plant from the very beginning was having trouble. It is on record. इस कंपनी को टेक्निकल पैकेज हैल्डर टोपसो ने दिया था, उसमें पीडीआईएल नहीं था। It was EIL, Engineers India Limited. उन्होंने उसमें इन्वेस्ट भी किया। उसमें लगभग 26% प्रतिशत शेयर इंजीनियर्स इंडिया लिमिटेड का है। उसमें टेक्नोलॉजी डेनमार्क की कंपनी हैल्डर टोपसो ने लाया। उसमें एक पार्टिकुलर टेक्नोलॉजी पहली बार यूज किया गया है। That is called HTER, high thermal efficiency reactor. That itself is a reformer. वह इंडिया में पहली बार इंस्टॉल हुआ। जब यह घटना हुई और वह दोबार बंद हो गया तो हमने टोपसो के हाईलेवल इंजीनियर्स को बुलाया। Even Ambassador, Denmark came and we told him that आपने जो टेक्नोलॉजी दी है, यह काम नहीं कर रही है। इसमें बार-बार दिक्कत आ रही है। यह 45 दिन क्लोज रहा, फिर 62 डेज क्लोज रहा। यह ऐसे नहीं हो सकता है। उसमें एक ट्यूबिंग सिस्टम है, जो बार-बार खराब हो रही है। आपने ऐसी टेक्नोलॉजी कैसे दिया, यह आपके रेप्यूटेशन की बात है। पांच सीएमडीज की कमेटी बनाई गई। हमने उन्हीं के ऊपर जांच कि जिम्मेदारी दी है, अब वह काम कर रही है। Topsoe has assured that they will make it fault-free in the nearest future because

they have done lots of technologies and innovations but somehow it has really not worked. So, that created the supply issue. Karnataka, Telangana and Andhra Pradesh were affected."

5.11 The DoF constituted a High-Level Committee of Experts under the Chairmanship of CMD, RCF, to undertake a detailed examination of the frequent shutdowns and to recommend corrective measures. Key outcomes include: (i) Haldor Topsoe (Topsoe) has been assigned end-to-end responsibility for repair of the HTER tube bundle as a single-point warranty arrangement, with a post-repair warranty of three years; (ii) operation at 100 percent ammonia plant capacity without the HTER is not possible without a major revamp — Topsoe has indicated a lead time of 18-24 weeks for the primary reformer revamp; and (iii) a detailed operator training plan has been provided by Topsoe for the ammonia plant and HTER. RFCL has informed that the plant is currently being operated in HTER bypass mode under Topsoe's operational guidelines. The Department also clarified that there is no contractual liability on Topsoe, and therefore no financial recovery has been or can be made on account of the HTER tube bundle failure.

III. Revamp of Old Fertilizer Units

5.12 When the Committee enquired about the steps being taken to augment domestic fertilizer production capacity and replace ageing urea plants, in view of the fact that 27 out of the 33 urea plants in the Country are over 25 years old and 7 are over 50 years old against an average plant life of 35 years and considering the need for modernization to reduce import dependence, the Department replied as under:

"As per Report of the Expert Group on Proposed New Energy Norms w.e.f 01.04.2025 dated 04.07.2025, following was inter-alia decided with regard to Ageing of Urea plants: -

"The Expert Group recommends to form a Multi-Disciplinary Committee of Technical Experts, having prior experience in Urea related sector. The mandate of the Committee would be to do study/review of all the old plants for one year so as to ascertain the remaining economic life of these plants. Based on its report, a decision of continuation or discontinuation of such plants may be taken." Accordingly, as per recommendation mentioned above, Committee is being constituted in Department of Fertilizers."

5.13 When the Committee further enquired about the present status of the proposed multidisciplinary committee of technical experts with prior experience in the urea sector and sought details regarding its composition, the Department replied as under:

“It is stated that vide OM dated 30th October 2025, Multi-Disciplinary Committee of Technical Experts is being constituted. Nominations have been sought from the concerned Departments. The details of the composition of the committee are as follows:

S. No.	Designation	Role in Committee
1	Member, NITI Aayog (to be nominated by CEO NITI Aayog)	Chairperson
2	Technical Expert from NITI Aayog (to be nominated by CEO NITI Aayog)	Member
3	CMD-RCF	Member
4	CMD-PDIL	Member
5	Representative from GAIL. (to be nominated by MoPNG)	Member
6	Director (Tech.)-NFL	Convener

IV. Promotion of Balanced Fertilizer Use, DBT Efficacy and Alternate Fertilizers

5.14 When asked about the measures being taken to address the longstanding imbalance in fertilizer subsidy policy, particularly the disproportionate subsidization and price control of urea relative to phosphatic and potassic (P&K) fertilizers, which has led to excessive urea consumption, nutrient imbalance, soil degradation, environmental pollution and mounting subsidy expenditure, thereby adversely affecting soil health, crop productivity and sustainable agriculture, the Department responded as under:

The Country's crop composition is dominated by high fertilizer demand crops such as foodgrains, sugarcane and oilseeds thereby causing rising nitrogen demand, strong yield gains which also impacts various other things such as soil health and fertilizer subsidies. To address resultant issues in ensuring sustainable agricultural productivity and environmental stability the Government has taken various initiatives to address nutrient imbalance ,soil degradation and ground water nitrate contamination in intensively cultivated agricultural regions of the country through various schemes on organic farming implemented by

DA&FW, ICAR conducts field demonstrations with 4 R approach(right quantity, right time ,right mode and right type of fertilizers for judicious and balanced use and reduce pollution. Besides awareness programmes are also conducted by ICAR.”

5.15 On being asked whether the Department has fixed any timeline for ensuring that the benefits under the Direct Benefit Transfer (DBT) framework are conclusively passed on to the actual end user, namely the tiller or farmer and to what extent the Department was satisfied that the existing DBT mechanism has achieved this objective in practice, particularly in light of its reliance on Aadhaar authentication and other system controls, the Department replied as under:

“The present DBT system in Fertilizers is an ‘inkind’ model of ‘Direct Benefit Transfer’ wherein the beneficiary avails the benefit of ‘subsidized fertilizers’ in form of a discounted purchase from a retail shop and the identity of the beneficiary is Authenticated and captured via Aadhaar based authentication. Therefore, the present model of ‘DBT in Fertilizers’ has achieved the goal as mandated under Aadhaar Act, 2016. Furthermore, under present DBT in Fertilizers, no intended beneficiary i.e. tillers or farmers being denied from availing the benefits of subsidized fertilizers.”

5.16 Regarding the impact of neem-coated Urea and Nano Urea on consumption reduction, the Department informed the Committee that a Phase-II study has been assigned to the National Productivity Council (NPC) on the subject 'Evaluating the Extent of Replacement of Conventional Urea by Nano Urea', with an MoU signed on 14th November 2025 for a period of six months. The study is ongoing and its report is awaited. The current production capacity along with the actual production and sales of Nano Urea (since its inception on Feb 2021 till January,2026) is as below:

Company name	Production Capacity (in Crore Bottles of 500 ml each)	Sales of Nano DAP (In lakh Bottles of 500ml each)
IFFCO Kalol, IFFCO Phulpur, IFFCO Aonla, IFFCO Bengaluru	23.00	1185.00
Meghmani Crop Nutrition Ltd, Ahmedabad, Gujarat	5.00	1.19

Ray Nano Science & Research Centre, Anand, Gujarat	4.50	7.64
Zuari Farm Hub Ltd, Bathinda, Punjab (PPL)	0.48	7.33
Coromandel International Ltd, Kakinada, Andhra Pradesh	0.60	3.48
Total	33.58	1204.64

The current production capacity along with the actual production and sales of Nano DAP (since its inception on March 2023 till January,2026) is as below:

Company Name	Production Capacity (in Crore Bottles of 500 ml each)	Sales of Nano Urea (In lakh Bottles of 500ml each)
IFFCO, Kalol Plant	6.00	196.37
Zuari Farm Hub Ltd Bhatinda (PPL)	0.24	28.61
Coromandel International Ltd, Kakinada, Andhra Pradesh	1.40	143.90
Meghmani Crop Nutrition Ltd, Ahmedabad, Gujarat	-	0.17 *
Total	7.64	369.06

Reasons for Slow Uptake of Nano Fertilizers

Based on the inputs received from all nano fertilizer manufacturers, the reasons for the slow uptake of nano fertilizers have been compiled and are placed below:

- Low awareness among farmers and hesitancy in adopting new and innovative products contribute to slow uptake.
- Expectation of immediate and visible results discourages adoption where benefits are not instantly apparent.
- In most cases, nano fertilizers are being used as an additional foliar spray over and above conventional fertilizer practices rather than as a substitute, limiting cost savings.
- Lack of clear package of practices, inadequate field-level guidance, and insufficient handholding support affect acceptability.

- Variable response of nano fertilizers across different crops and agro-climatic conditions influences farmer confidence and repeat usage.
- Increased market competition and perception-related challenges have created confusion among farmers despite satisfactory technical performance.
- Reported anomalies in testing procedures at certain laboratories and delays in resolution of industry concerns have led to confusion and reduced confidence among some field-level officials.
- Issues related to tagging of non-subsidized products with subsidized fertilizers and instances of diversion/black-marketing have also impacted the orderly promotion and adoption of nano fertilizers. In order to address the Tagging of Nano Fertilizers issue, DoF has taken following actions:-
 - (a) All State Governments/UT Administrations, vide communication dated 17th July, 2025, have been asked to issue necessary instructions and take measures under the Fertilizer Control Order (FCO), 1985 and the Essential Commodities Act (ECA) to prevent black-marketing, diversion and tagging of other non-subsidized products with subsidized fertilizers.
 - (b) All concerned fertilizer companies, vide communication dated 21st July, 2025, have been directed to ensure that no non-subsidized products are tagged with subsidized fertilizers, failing which strict action would be initiated under the relevant statutory provisions.
- Farmers incur additional spraying costs for application of Nano Urea or Nano DAP through drones or knapsack sprayers.

The limited price differential between conventional fertilizers and nano fertilizers reduces the perceived economic advantage, thereby affecting farmers' willingness to shift.

5.17 The Department also informed the Committee of ongoing efforts to promote balanced fertilizer use and alternative fertilizers. The Soil Health Card Scheme, in operation since 2014-15, provides crop-specific and soil-specific fertilizer recommendations to farmers across the country. Under the NBS Policy framework, the subsidy determination process through the Inter-Ministerial Committee (IMC) chaired by the Secretary (Fertilizers) takes into account the objective of promoting balanced use of fertilizers while fixing NBS rates for N, P, K, and S. In the current geopolitical context, the Department is actively promoting NPKS, SSP, TSP, and Ammonium Sulphate as alternatives to reduce pressure on DAP and Urea imports.

CHAPTER VI

OBSERVATIONS/RECOMMENDATIONS

1. Strengthening Regulatory Enforcement Against Forced Bundling of Fertilizers

The Committee note that the practice of forced bundling, whereby farmers are sold non-essential products such as boosters, bio-stimulants and growth promoters as a precondition for obtaining subsidized fertilizers. The Committee note that despite repeated instances of such malpractice, including reports of organized dealer networks in several States, the Department's response has apparently been limited to advisories, public appeals and helplines, without any enforceable regulatory framework. The Committee are constrained to note that the Department could furnish neither centralized Company-wise or State-wise data on complaints and penal action nor any proposal for mandatory digital capture of bundled sales, despite such measures being essential for effective monitoring and enforcement. The Committee, therefore, recommend that the Department of Fertilizers, in coordination with DA&FW, mandate separate digital billing of all non-subsidized products sold along with subsidized fertilizers and incorporate an appropriate flag in the e-PoS/iFMS system to identify bundled transactions through data analytics. The Committee further recommend that the Department maintain and periodically publish centralized company-wise and State-wise data on complaints and enforcement action relating to tagging violations, and amend the Fertilizer (Control) Order, 1985 to explicitly prohibit and prescribe penalties for forced bundling, instead of relying solely on administrative advisories. The Committee find that in few States where soil testing is prevalent, the option is given to farmers to choose additional products as per their soil needs. The Committee desire that such good practices be replicated in other States too.

2. Centre-State Coordination on Last-Mile Delivery: Need for a Permanent Joint Fertilizer Command and Monitoring Cell

The Committee are constrained to observe that, despite the Department's repeated assurance of adequate fertilizer availability at the National and State levels, recurring reports of shortages, farmer protests and distribution-related disruptions continue to emerge from some States during every cropping

season. The Committee find that the existing arrangement, under which the Centre limits its role to ensuring State-level availability while last-mile distribution is treated solely as a State responsibility, has not proved adequate to address recurring supply bottlenecks. The Committee are of the considered view that the absence of a robust permanent institutional mechanism for coordinated Centre-State monitoring and timely intervention has contributed to these persistent gaps in last-mile delivery. The Committee, therefore, recommend that the Department of Fertilizers institutionalize a Permanent Joint Fertilizer Command and Monitoring Cell, comprising the Department of Fertilizers, the Department of Agriculture and Farmers Welfare, the Ministry of Railways and the concerned State Governments, to provide continuous, real-time coordination during every cropping season. The Cell should undertake advance planning for vulnerable Districts, oversee pre-positioning of buffer stocks, optimize rake allocation, monitor fertilizer movement and availability on a real-time basis, and facilitate prompt corrective action wherever shortages are anticipated or reported. Such an institutional mechanism would strengthen Centre-State coordination and ensure that adequate national availability of fertilizers is effectively translated into timely last-mile availability for farmers. The Committee may be apprised of the action taken in the matter.

3. Optimizing Fertilizer Movement to Reduce Freight Subsidy Burden

The Committee note with concern the instance brought to its notice of Urea being supplied to West Bengal from Rajasthan despite the availability of geographically nearer sources, resulting in avoidable transportation costs and a higher freight subsidy burden. While the Department has attributed such movements to national-level pooling, rake availability and inventory balancing, the Committee are not convinced that requisite emphasis has been accorded to geographic proximity in the allocation process. The Committee also note that the Department has not furnished any assessment of the additional freight subsidy implications arising from such long-distance movements. The Committee, therefore, recommend that the Department of Fertilizers undertake periodic cost-distance analyses of inter-State fertilizer movements to identify avoidable long-haul transportation and incorporate proximity-based

optimization, alongside production planning and rake availability, into its monthly allocation methodology. The Committee further recommend that freight efficiency be adopted as a key performance parameter in fertilizer movement planning so as to reduce subsidy expenditure without compromising timely and equitable availability of fertilizers across the Country.

4. Persistent Underperformance of New-Generation Urea Plants: Need for Technology Accountability and Time-Bound Corrective Action

The Committee express deep concern over the persistent underperformance of certain new-generation Urea plants, particularly RFCL, Ramagundam and HURL, Barauni, which continue to operate significantly below their potential despite being amongst the Country's latest manufacturing facilities. The Committee find it particularly alarming that RFCL has suffered a cumulative production loss of 18.77 LMT and an estimated revenue loss of ₹7,954.03 crore between 2021-22 and November 2025, primarily due to repeated failures of the Heat Exchange Reformer (HTER) supplied by Haldor Topsoe. Despite substantial losses to the public exchequer arising from recurring technology failure, the contract contains no enforceable provision to hold the technology supplier financially accountable. The Committee further observe that while other new-generation plants have performed at or near the mature plant average, RFCL and HURL Barauni continue to lag considerably, indicating plant-specific technical and managerial deficiencies rather than limitations inherent to new-generation technology. The Committee, therefore, recommend that the Department of Fertilizers undertake a dedicated, time-bound technical and managerial review of RFCL, Ramagundam and HURL, Barauni to identify and rectify the causes of their persistent underperformance, with clearly defined milestones for restoring performance to levels comparable with other new-generation plants. In the case of RFCL, the Committee desire that the Department should accord the highest priority to the permanent rectification of the HTER system and ensure completion of the revamp within a stipulated timeline. The Committee further recommend that all future technology transfer, engineering and equipment supply contracts for fertilizer PSUs and Joint Ventures incorporate robust performance guarantees, warranty obligations and liquidated damages provisions to ensure that the financial consequences of technology failure are borne by the supplier and not by the public exchequer.

The Committee also desire that the progress in respect of both plants, including capacity utilization, implementation of corrective measures and achievement of performance milestones, should be monitored on a quarterly basis until sustained full-capacity operations are achieved. The Committee may be apprised of the action taken in the matter.

5. Underutilization of DAP Manufacturing Capacity Amid High Import Dependence

The Committee note with concern the apparent underutilization of the Country's installed DAP manufacturing capacity during FY 2024–25, with several plants operating at alarmingly low levels and some remaining completely idle. The Committee further observe a sustained decline in DAP capacity utilization from 87.5 per cent in FY 2022–23 to 67.8 per cent during the first ten months of FY 2025–26, despite there being no significant change in installed capacity. The Committee consider this persistent decline to be a structural weakness that has directly contributed to India's continued dependence on imports for more than half of its DAP requirement. Further, 16.45 LMT of installed DAP capacity remained substantially unutilized at a time of global supply disruptions, including those arising from the West Asia crisis, exposing the Country's vulnerability to external supply shocks. The Committee, therefore, recommend that the Department of Fertilizers should undertake an urgent plant-wise diagnostic assessment of all underutilized and idle DAP units to identify the raw material, technical, commercial and operational constraints limiting production. Based on the findings, the Department should prepare and implement a time-bound revival strategy, including facilitation of long-term raw material linkages and other necessary policy interventions, to maximize utilization of existing domestic capacity and progressively reduce India's dependence on imported DAP. The Committee may be apprised of the action taken in the matter.

6. Preparedness for Strait of Hormuz Disruption: Need for an Institutionalized Contingency Framework Beyond Ad-Hoc Crisis Response

The Committee note that vulnerabilities exposed by the ongoing geopolitical situation in West Asia, particularly India's heavy dependence on the

Gulf region for DAP, Urea and LNG imports critical to domestic fertilizer production. The Committee observe that the disruption led to a sharp decline in domestic Urea production due to gas curtailment, delays in fertilizer shipments, and a substantial increase in freight and insurance costs, underscoring the sector's exposure to external supply shocks. While acknowledging the timely measures taken by the Government to mitigate the immediate impact, the Committee further observe that these interventions were largely reactive and not guided by a pre-existing institutionalized contingency framework for foreseeable disruptions at critical maritime chokepoints such as the Strait of Hormuz. The Committee, therefore, recommend that the Department of Fertilizers, in coordination with the Ministry of Petroleum and Natural Gas, the Ministry of Ports, Shipping and Waterways and other concerned stakeholders, institutionalize a permanent Strategic Fertilizer Supply Disruption Contingency Framework with clearly defined trigger points and response protocols. The framework should provide for priority gas allocation, pre-identified alternate sourcing and shipping routes, strategic buffer stock norms, coordinated logistics planning and periodic simulation exercises to ensure preparedness for future disruptions. The Committee further recommend that the gas allocation framework for the fertilizer sector be reviewed periodically to ensure that the assured supply levels remain adequate to sustain uninterrupted domestic production during periods of crisis.

7. Need for a Comprehensive Assessment of Fertilizer Transportation Costs

The Committee note that, despite fertilizer movement of 4.16 crore km by rail and 14.80 crore km by road during FY 2024–25, with further increases recorded in FY 2025–26, and the substantial expenditure incurred on freight subsidy, the Department has not undertaken any comprehensive assessment of the overall cost implications of fertilizer transportation. The Committee consider this a significant policy gap, as informed decisions on freight subsidy, the optimal rail-road modal mix, the efficiency of long-distance movements and the continued suitability of the existing 500-km road movement threshold cannot be taken in the absence of a rigorous, evidence-based cost analysis. The Committee, therefore, recommend that the Department of Fertilizers should

explore the feasibility of commissioning a comprehensive independent study on fertilizer transportation costs, covering primary and secondary freight, modal cost-efficiency, regional movement patterns, the cost implications of long-distance movements and the impact of the existing 80:20 rail-road transportation policy. The Committee further desire that the findings of the study be used to periodically review and rationalize freight subsidy norms and logistics policies so as to optimize transportation costs while ensuring timely and equitable availability of fertilizers across the Country. The Committee may be apprised of the matter.

8. Expediting AgriStack–iFMS Integration for Land- and Crop-Linked Fertilizer Distribution

The Committee note that, although the Department acknowledged the integration of AgriStack with the Integrated Fertilizer Management System (iFMS) as the most effective long-term solution for ensuring fertilizer distribution based on authenticated landholding and crop-sown data, requisite progress on the integration process remained slow and limited. The Committee find that while the Haryana pilot has demonstrated the feasibility of farmer-verified, land-linked fertilizer sales, the first phase of AgriStack–iFMS integration has been approved only for Uttar Pradesh, Madhya Pradesh and Maharashtra, with implementation modalities yet to be finalized. The Committee observe that this progressive reform as recommended by the Committee and accepted to in principle by the Department, needs further augmentation and more aggressive implementation timelines. The Committee, therefore, recommend that the Department of Fertilizers, in coordination with the Department of Agriculture and Farmers Welfare and the State Governments, finalize and implement a time-bound national roadmap for integrating the AgriStack Farmer Registry with iFMS across all States, with priority accorded to high-consumption and vulnerable Districts. The Committee also desire that the integration be designed to enable fertilizer sales to be linked to authenticated landholding and crop-sown data, so as to curb diversion, over-purchase and black marketing while ensuring that subsidized fertilizers reach genuine

cultivators based on actual agronomic requirements. The Committee may be apprised of the action taken in the matter.

9. Bridging the Digital Gap in iFMS to Prevent Forced Bundling

The Committee note that the Integrated Fertilizer Management System (iFMS) presently captures only transactions relating to subsidized fertilizers, while sales of non-subsidized products, including boosters, bio stimulants and other products commonly associated with forced bundling, remain outside its digital architecture. The Committee find that due to this structural deficiency, forced bundling transactions are not recorded within the system. The Committee are of the considered view that this apparent gap between the Department of Fertilizers and the Department of Agriculture and Farmers Welfare may have created a regulatory blind spot, leaving the enforcement machinery dependent almost entirely on field complaints instead of objective, system-generated evidence. The Committee further observe that a simple provision requiring retailers to record all non-subsidized products sold along with subsidized fertilizers at the point of sale may enable a more cost-effective and technology-driven solution for detecting such malpractices. The Committee, therefore, recommend that the Department of Fertilizers, in coordination with the Department of Agriculture and Farmers Welfare, may take requisite initiatives with a view to modify the e-PoS/iFMS architecture to mandatorily capture all non-subsidized products sold in the same transaction as subsidized fertilizers, irrespective of the administrative jurisdiction governing such products. Incorporating an appropriate digital flag within the point-of-sale system to identify bundled transactions and leveraging the resultant data for real time analytics, risk-based monitoring and targeted enforcement appears to be an effective mechanism towards the malpractices. The Committee are of the considered view that such a reform would transform the existing digital infrastructure from a subsidy disbursement platform into an effective regulatory tool for detecting and preventing forced bundling, thereby reducing reliance on complaints and strengthening evidence-based enforcement. To this extent, the committee desire that the Department of Fertilizer to come forth with a more effective regulatory mechanism.

10. Delay in Operationalizing the Multi-Disciplinary Committee on Ageing Urea Plants

The Committee note with concern that 27 of the Country's 33 Urea plants are more than 25 years old and 7 are over 50 years old, despite the average economic life of a Urea plant being about 35 years. The Committee further note that the Multi-Disciplinary Committee of Technical Experts, recommended by the Expert Group on Proposed New Energy Norms to assess the residual economic life and future viability of ageing plants, was constituted only in October 2025 and has yet to become fully operational due to pending nominations from the concerned Departments. The Committee are of the considered view that this avoidable delay indicates a casual approach of the Departments concerned given the implications of ageing plant infrastructure for energy efficiency, operational reliability, capacity utilization and the Country's long-term fertilizer security. The Committee, therefore, recommend that the Department of Fertilizers should accord the highest priority to the operationalization of the Multi-Disciplinary Committee of Technical Experts and the appropriate steps without further delay. The Committee further desire that a time-bound plant-wise assessment be completed within one year, as originally envisaged and that the findings be used to formulate a clear roadmap for the continuation, modernization, revamp or decommissioning of ageing Urea plants. The Committee may be apprised of the outcome of the exercise, along with the action taken thereon, at the earliest.

11. Escalating Subsidy Burden Arising from the West Asia Crisis: Need for a Medium-Term Fiscal Sustainability Framework

The Committee note that the average import price of Urea increased sharply from approximately USD 426 per MT in February 2026 to USD 947 per MT in April 2026 owing to the geopolitical situation in West Asia, while the entire additional cost has been absorbed by the Government, with the statutory farm gate MRP of ₹242 per 45 kg bag remaining unchanged. The Committee further note that the subsidy requirement under the Nutrient Based Subsidy (NBS) Scheme increased significantly from ₹52,810 crore in FY 2024–25 to ₹74,999.99 crore in FY 2025–26. While the Committee appreciate the Government's

commitment to protecting farmers from international price volatility, there is a felt need for a structured medium-term strategy for managing the fiscal implications of a prolonged period of elevated global fertilizer prices. The Committee, therefore, recommend that the Department of Fertilizers, in consultation with the Ministry of Finance and other concerned Ministries, prepare a medium-term fertilizer subsidy sustainability framework incorporating multiple global price and supply disruption scenarios, together with an assessment of their likely fiscal implications and financing requirements. The Committee further desire that the framework be reviewed periodically to ensure that the Government's commitment to affordable fertilizers for farmers remains fiscally sustainable even during prolonged external disruptions. The Committee may be apprised of the matter the outcome of such assessment.

12. Urea-Centric Subsidy Regime and the Need to Restore Balanced Nutrient Use

The Committee note that by the Department's own admission prevailing subsidies and pricing regime have encouraged excessive use of Urea relative to phosphatic and potassic (P&K) fertilizers, contributing to nutrient imbalance, deterioration of soil health and adverse environmental impacts, including groundwater nitrate contamination. The Committee observe that the existing disparity in price incentives, coupled with the Country's cropping pattern, continues to distort balanced fertilizer use. The Committee are, therefore, of the considered view that awareness and extension programmes promoting the application of the right source of fertilizer, at the right rate, at the right time and in the right place, along with other extension initiatives, though useful, cannot by themselves address a structural imbalance rooted in the subsidy framework. The Committee, therefore, recommend that the Department of Fertilizers, in coordination with the Department of Agriculture and Farmers Welfare and the Inter-Ministerial Committee on the Nutrient Based Subsidy (NBS) Scheme, undertake a comprehensive review of the existing fertilizer pricing and subsidy architecture with an overall objective to progressively restoring balanced nutrient use. The Committee further desire that the Department prepare a calibrated, time-bound roadmap for rationalizing the relative pricing of Urea and

P&K fertilizers, supported by appropriate safeguards to protect farmers' interests, so as to promote balanced use of fertilizers, improve soil health and reduce the long-term environmental and fiscal costs associated with excessive Urea consumption.

13. Addressing Underutilization of Fertilizer Capacity in High-Capacity States

The Committee note that an analysis of the national fertilizer production hub map, correlating installed capacity with plant utilization during FY 2024–25, reveals that several States with substantial manufacturing capacity continue to operate well below optimal levels for instances. States such as West Bengal, Goa, Bihar, Kerala and Assam, despite possessing significant installed capacity, recorded utilization below 85 per cent, thereby falling within the 'Critical' performance category. The Committee are therefore, of the considered view that the persistent underutilization of manufacturing capacity in these States not only undermines national production efficiency but also necessitates avoidable long-distance movement of fertilizers from other regions, resulting in higher logistics costs and an increased freight subsidy burden. The Committee, therefore, recommend that the Department of Fertilizers should institutionalize the use of State-wise capacity utilization mapping as a regular planning and monitoring tool to identify persistently underperforming production hubs. Keeping in view that such an approach would enable greater utilization of regional manufacturing capacity, reduce dependence on long-distance inter-State movement of fertilizers, improve supply-chain efficiency and optimize freight subsidy expenditure, the Committee further desire that the Department undertake plant-wise diagnostic assessments and implement time-bound revival plans for units falling in the critical utilization category, addressing plant-specific technical, operational and commercial constraints. The Committee may be apprised of the action taken in the matter.

14. Strengthening Grassroots Enforcement Against Hoarding and Black Marketing of Fertilizers

The Committee note that, pursuant to its earlier recommendations, the Department has initiated a three-tier system of Nigrani Samitis at the Panchayat,

Block and District levels and has also begun constituting composite enforcement teams comprising officials of the Police, Agriculture Department, Krishi Vigyan Kendras and the District Administration. While appreciating these initiatives, the Committee are of the considered view that mere constitution of these Nigrani Samitis will not effectively curb hoarding, diversion and black marketing unless they are adequately empowered, decentralized and held accountable for measurable outcomes. The Committee further observe that enforcement confined primarily to the District level is unlikely to be effective, given the vast geographical spread of Districts and the localized nature of malpractices, which often occur at the block, panchayat and retail outlet levels. The Committee, therefore, recommend that the Department of Fertilizers, in coordination with the State Governments, establish a robust, multi-tier grassroots enforcement framework by empowering the Nigrani Samitis and constituting composite enforcement teams down to the block level across all fertilizer-consuming States and Union Territories. To this extent, the Department should clearly define the powers, responsibilities and reporting obligations of these bodies, mandate regular inspections and meetings and ensure that complaints are acted upon promptly. In addition, their performance should be periodically evaluated on measurable outcomes, including inspections conducted, violations detected, enforcement action initiated and complaints redressed, through a structured monitoring mechanism at the State and Central levels, so that these institutions function as active and accountable enforcement mechanisms delivering tangible results on the ground as envisaged. The Committee may be apprised of the action taken in the matter.

15. Augmenting Delivery Efficiency in Urea Movement

The Committee appreciate the sustained efforts of the Department in strengthening the fertilizer logistics network, as reflected in the increase in the absolute quantity of Urea delivered within seven days during FY 2025–26 despite higher overall movement volumes. The Committee also note that nearly 87 per cent of the total Urea dispatched now reaches its destination within seven days. However, the Committee observe that the share of Urea reaching its destination within five days has remained broadly unchanged at around 75 per

cent, while the proportion of consignments taking more than seven days has remained at 12.7 per cent for the second consecutive year. In absolute terms, this represents 50.09 LMT of Urea taking over a week to reach its destination in FY 2025–26, compared to 46.26 LMT in the preceding year. The Committee appreciate that the logistics system successfully handled increased volumes without any compromise in overall performance. The Committee are, of the considered view that the next phase of reforms should focus on improving delivery efficiency to obviate scope for delayed consignments. The Committee, therefore, recommend that the Department of Fertilizers further augment the gains already achieved by adopting time-bound performance benchmarks to progressively increase the share of Urea delivered within five (05) days and correspondingly reduce the proportion of consignments taking more than seven (07) days. To the extent, the Department should identify the specific routes, rake loading points, ports and States contributing to recurring delays and implement targeted corrective measures to address these bottlenecks. The Committee further desire that the impact of consignment consolidation and rake planning on delivery timelines be periodically reviewed at a sufficiently high level to ensure that improvements in logistics efficiency translate into faster delivery to farmers. The Committee may be apprised of the tangible outcomes in the matter.

16. Comprehensive Review of DBT in Fertilizers Framework

The Committee note that the existing Direct Benefit Transfer (DBT) in Fertilizers framework continues to operate primarily as a subsidy reimbursement mechanism for fertilizer companies rather than a true farmer-centric benefit transfer system. The Committee further note that the present framework provides subsidy on a uniform per-bag basis, with a flat transaction limit of 50 bags irrespective of the cultivator's landholding, cropping pattern or nutrient requirement and is neither integrated with soil health recommendations nor with authenticated farmer data. The Committee are of the considered view that the present framework warrants a comprehensive review towards a more balanced fertilizer use, curb diversion of fertilizers and bring about efficiency in management. The Committee, therefore, recommend that the Department of Fertilizers undertake a comprehensive review of the DBT in Fertilizers

framework with a view to making it more targeted, farmer-centric and technology-driven. To this extent, the DoF should examine the feasibility of progressively transitioning to direct benefit transfer to eligible farmers, integrating the framework with AgriStack and Soil Health Card data to align fertilizer subsidy with actual agronomic requirements, and rationalizing the existing transaction limits based on authenticated landholding and cropping patterns. The Committee further desire that the review be completed within a defined timeframe and the Committee be apprised of the outcome in the form of a complete roadmap for implementation.

NEW DELHI;
03 August, 2026
12 Sravana, 1948 (*Saka*)

AZAD KIRTI JHA,
Chairperson,
Standing Committee on Chemicals and
Fertilizers.

STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS

(2025-26)

Minutes of the Tenth Sitting of the Committee

The Committee sat on Tuesday, the 06th January, 2026 from 1130 hrs. to 1545 hrs. in Committee Room 'B', Parliament House Annexe (PHA), New Delhi during the sitting the Committee had lunch break from 1320hrs. to 1420hrs.

PRESENT

Shri Azad Kirti Jha– Chairperson

LOK SABHA MEMBERS

2. Shri Brijmohan Agrawal
3. Shri Ajay Bhatt
4. Shri Robert Bruce C.
5. Shri Bharatsinhji Shankarji Dabhi
6. Dr. Kalyan Vaijinathrao Kale
7. Shri Malvinder Singh Kang
8. Shri Praveen Patel
9. Dr. Sambit Patra
10. Shri Balram Naik Porika
11. Shri Sachithannatham R.
12. Shri Eatala Rajender
13. Shri Rajesh Ranjan
14. Shri Daggumalla Prasada Rao
15. Shri Shivmangal Singh Tomar

RAJYA SABHA MEMBERS

16. Shri Subhash Barala
17. Shri Rwngrwa Narzary
18. Shri Subhash Chandra Bose Pilli
19. Shri Akhilesh Prasad Singh
20. Shri Tejveer Singh
21. Shri G.K. Vasan

SECRETARIAT

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|-------------------------|---|------------------|
| 4. Smt. Maya Lingi | - | Joint Secretary |
| 5. Ms. Miranda Ingudam | - | Director |
| 6. Shri Kulvinder Singh | - | Deputy Secretary |
| 7. Shri Abhishek Kumar | - | Deputy Director |

WITNESSES

Representatives of the Ministry of Chemicals and Fertilizers, Department of Fertilizers:

1. Shri Rajat Kumar Mishra, Secretary, DoF
2. Ms. Aparna Sharma, AS, DoF
3. Shri Anurag Rohatgi, JS, DoF
4. Shri Anil Phulwari, Director, DoF
5. Ms Laboni Das Datta, Director, DoF
6. Shri Abhay Sharma, Director, DoF

At the outset, the Chairperson welcomed the representatives of the Department of Fertilizers (DoF), Ministry of Chemicals and Fertilizers to the sitting of the Committee convened to further examine issues relating to fertilizer availability, logistics preparedness during peak agricultural season, diversion and misuse of subsidised fertilizers, effectiveness of monitoring mechanisms and follow-up action on matters earlier raised by the Committee. Their attention was then drawn to the Direction 55(1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Committee.

2. The Chairperson, while setting the context for the discussion, expressed serious concern over the persistent disconnect between the Department's repeated assertions of adequate availability at the State level and the recurring ground reports of shortages, farmer distress, long queues, police intervention during distribution and widespread media reports from several States. It was observed that such a situation, which had persisted year after year, pointed towards systemic deficiencies in logistics planning, last-mile delivery, monitoring and accountability, which could not be explained away merely by attributing responsibility to State Governments. Thereafter, the Chairperson asked the Secretary, Department of Fertilizers to apprise the Committee about the subject.
3. The Secretary, Department of Fertilizers briefed the Committee on the status of fertilizer production, imports, movement and availability during Rabi 2025–26. It was informed that advance procurement and pre-positioning of stocks had been

undertaken and that urea procurement during the period July 2025 to January 2026 had exceeded one crore tonnes. It was further stated that fertilizer movement continued to be predominantly rail-based, accounting for nearly ninety per cent of long-distance transportation, with ports at one stage holding over 19 lakh tonnes of urea. The Secretary further informed that availability of phosphatic fertilizers, particularly DAP, had improved owing to long-term supply arrangements, and that production of complex fertilizers, including NPK, had increased during the season. The Department also apprised the Committee that digital platforms were being used for real-time monitoring of stocks and movement, and outlined measures taken to address abnormal demand, diversion of subsidised urea and enforcement action undertaken by State authorities.

4. The Committee thereafter sought clarifications on a range of persistent issues. The Committee expressed serious concern that notwithstanding assurances of adequate national-level availability, farmers in several States continued to face shortages at the retail level, long queues, police intervention during distribution and denial of sales during critical sowing windows. Members raised, *inter-alia*, a number of specific issues and questions. The Committee thereafter sought clarification on several issues which include (i) whether the Department maintains any State-wise or district-wise buffer stock norms for fertilizers and, if not, how adequacy of stocks is objectively assessed and shortages anticipated during peak seasons etc.; (ii) methodology adopted by the Department for allocation of fertilizers to States, including whether dynamic assessment based on cropping pattern, acreage and weather conditions is undertaken in real time; (iii) forced bundling of subsidized fertilizers with unapproved bio-stimulants, micronutrients and growth promoters, and asked for details of enforcement action taken, penalties imposed and deterrence achieved; (iv) diversion of subsidized urea for non-agricultural and industrial purposes, including manufacture of Diesel Exhaust Fluid (DEF); (v) the effectiveness of monitoring and penal provisions under the Fertilizer Control Order, 1985, adequacy of the existing regulatory framework, particularly the continued reliance on the Fertilizer Control Order, 1985, to address contemporary challenges such as digital manipulation, organised diversion and cartelisation; (vi) coordination with the Ministry of Agriculture and Farmers Welfare in assessment of fertilizer requirement, over-application concerns and

dissemination of crop-wise nutrient advisories; (vii) the status of fertilizer plants facing repeated technical shutdowns and underutilization of capacity, and the consequent impact on regional availability, was raised as a matter of concern; (viii) whether any assessment had been undertaken to quantify economic loss to farmers due to delayed or non-availability of fertilizers and whether accountability mechanisms exist for logistics failures, responsiveness of the Department to representations and shortage-related communications received from Members of Parliament and State Governments.

5. The Committee also expressed dissatisfaction over the repetitive nature of replies furnished by the Department and observed that several issues raised during earlier sittings remained unaddressed in a substantive manner. The Chairperson noted that advisories alone had failed to curb malpractices on the ground and emphasized the need for measurable outcomes and time-bound corrective action.
6. In reply, the Secretary, Department of Fertilizers acknowledged the concerns expressed by the Members and stated that while overall availability at the national level had improved compared to the previous year, challenges persisted in last-mile delivery and sudden demand surges. He assured the Committee that stricter enforcement action was being taken against diversion and forced bundling, including license suspension, inspections and prosecutions by State authorities. It was also submitted that discussions were underway to strengthen coordination with the Ministry of Agriculture and other stakeholders, and to further refine monitoring mechanisms.
7. The Chairperson on conclusion thanked the Secretary, DoF, and accompanying officers and asked them to furnish written replies to the points raised by the Members that remained unanswered for consideration of the Committee.

(The witnesses then withdrew)

The Committee then adjourned.

[A verbatim record of the proceedings was kept on record]

STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2025-26)

Minutes of the Twenty-sixth Sitting of the Committee

The Committee sat on Monday, the 03rd August, 2026 from 1500 hrs to 1530 hrs in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Azad Kirti Jha – Chairperson

MEMBERS

LOK SABHA

2. Shri Brijmohan Agrawal
3. Shri Ajay Bhatt
4. Shri Robert Bruce C.
5. Shri Bharatsinhji Shankarji Dabhi
6. Smt. Kriti Devi Debbarmar
7. Shri Malvinder Singh Kang
8. Shri Babu Singh Kushwaha
9. Shri Praveen Patel
10. Shri Sachithanantham R.
11. Shri Eatala Rajender
12. Shri Daggumalla Prasada Rao
13. Shri Shivmangal Singh Tomar

RAJYA SABHA

14. Shri Naresh Bansal
15. Shri Subhash Barala
16. Shri Rungwra Narzary
17. Shri Arun Singh
18. Shri Tejveer Singh
19. Shri L. K. Sudhish

SECRETARIAT

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| 8. | Smt. Maya Lingi | - | Joint Secretary |
| 9. | Ms. Miranda Ingudam | - | Director |
| 10. | Shri Kulvinder Singh | - | Deputy Secretary |
| 11. | Shri Abhishek Kumar | - | Joint Director |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the following seven draft Reports:

- i. Twenty-eighth Report on the subject 'Alignment of logistics for efficient fertilizer movement and availability at affordable prices during peak season and steps taken to curb forced Bundling of unnecessary boosters with essential fertilizers' pertaining to the Ministry of Chemicals and Fertilizers, Department of Fertilizers;
- ii. XXXX XXXX XXXX XXXX XXXX;
- iii. XXXX XXXX XXXX XXXX XXXX;
- iv. XXXX XXXX XXXX XXXX XXXX;
- v. XXXX XXXX XXXX XXXX XXXX;
- vi. XXXX XXXX XXXX XXXX XXXX; and
- vii. XXXX XXXX XXXX XXXX XXXX;

3. After some deliberations, the draft Reports were adopted by the Committee with slight amendments.

4. The Committee then authorized the Chairperson to finalize the Reports and present/lay them in both the Houses of Parliament in the ongoing Monsoon Session.

The Committee then adjourned.

XXXX Not related to the Report.