

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1130 TO BE ANSWERED ON: 24.07.2018

Fertilizer Production

1130 SHRI RAHUL KASWAN:

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

- (a) whether the production of fertilizers has declined in the country;
- (b) if so, the reasons therefor ;
- (c) the action taken/being taken to increase the fertilizer production; and
- (d) whether the Government has any proposal to provide online facilities for purchase of fertilizers by the farmers at affordable prices and if so, the scheme formulated in this regard?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(RAO INDERJIT SINGH)

(a) & (b) : The production of all fertilizers during 2013-14 to 2017-18 are given below:-

(Figure in LMT)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Fertilizer Production	380.46	385.39	413.14	414.41	413.61

The above data shows marginal decrease in production of all fertilizers during 2017-18, which is insignificant. Otherwise the production has been increasing consistently.

(c): The Government is implementing Nutrient Based Subsidy (NBS) Scheme w.e.f. 1.4.2010. Under the said Scheme, a fixed amount of subsidy decided on annual basis, is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending upon its Nutrient Content. After the implementation of NBS policy, the Government does not interfere in commercial/production aspect of P&K fertilizer companies. However, in order to increase indigenous production of fertilizers, the Government has been encouraging Indian Companies to establish Joint Ventures/acquire raw material assets in Countries which are rich in fertilizer resources for entering into long term agreement for supply of fertilizers intermediaries/raw material to India.

The Government had announced New Investment Policy-2012 on 2nd January, 2013 and its amendment on 7th October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. Under the provision of NIP-2012 and its amendment, Matix Fertilizers & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia-Urea complex at Panagarh, West Bengal with the installed capacity of 1.3 MMT per annum. The commercial production of Matix has started on 1st October, 2017. Chambal Fertilizers & Chemicals Limited (CFCL) has also proposed to set up a brownfield project with capacity of 1.34 MMT at Gadepan, Rajasthan, which is likely to start commercial production in January, 2019.

To increase the production of fertilizers by Central Public Sector Enterprises(CPSEs), Government has decided to revive 5 closed units namely Gorakhpur, Sindri, Talcher and Ramagundam units of Fertilizer Corporation of India Limited (FCIL) and Barauni unit of Hindustan Fertilizer Corporation Limited (HFCL) through 'Nomination Route' through Joint Ventures of nominated Central Public Sector Enterprises (CPSEs). Each of these units are being revived by installing new Urea Plant having production capacity of 1.27 Million Metric Tonne Urea per annum.

In addition to above, Government has also decided to install a new Urea plant of 8.646 Lakh Metric Ton (LMT) per annum in the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), which will subsequently replace the existing urea plants Namrup II (capacity 2.20 LMT) and Namrup III (capacity 2.70 LMT per annum).

(d): At present, no such proposal is under consideration. However, the Government has introduced Direct Benefit Transfer (DBT) system for fertilizer subsidy across States/ UTs. Pan India roll-out of DBT has been completed by March 2018. Under the DBT system, 100% subsidy on various fertilizers grades is being released to the fertilizer companies, on the basis of actual sales made by the retailers to the beneficiaries through Point of Sale (PoS) devices installed at each retailer shop.
