

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO 552 TO BE ANSWERED ON 25.06.2019

UREA IMPORT

552: SHRI GAJANAN KIRTIKAR:
SHRI BIDYUT BARAN MAHATO:
SHRI SUDHEER GUPTA:

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

- (a) the policies/norms of the Government for the agencies importing urea from foreign countries along with the time limits, if any, fixed for the said import;
- (b) the estimated total quantum and value of urea likely to be imported during the current Financial year in the country;
- (c) whether the Government has made any analysis to indicate the quantity of urea required per acre of land and if so, the details of the analysis; and
- (d) whether the Government has taken initiatives to reduce the import of urea and if so, the details thereof?

ANSWER

MINISTER OF CHEMICALS AND FERTILIZERS
(D.V. SADANAND GOWDA)

(a): Urea for direct agriculture use is imported on Government account through State Trading Enterprises (STEs) namely MMTC Limited (MMTC) and State Trading Corporation Limited (STC) under the Foreign Trade Policy of the Government. Government is also importing approximately 20 Lakh Metric Tonnes urea from Oman India Fertiliser Company (OMIFCO) under a Long Term Urea Off Take Agreement (UOTA) between GOI & OMIFCO.

The Government has laid down broad guidelines for import of urea in 1997 and the statutory conditions therein have to be followed by the STEs. The conditions mainly cover aspects of tendering relating to category of foreign suppliers, contracting with the foreign suppliers, mode of payment, timings and inspection of cargo, quality, etc.

The Steering Committee of Secretaries (SCOS) with Secretary (Fertilizers) as Chairman, Secretary, Ministry of Commerce, Secretary, Department of Expenditure, Secretary, Department of Agriculture & Cooperation, Secretary, Department of Shipping, Member (Traffic) Railway Board, as members, is empowered to decide the quantity to be imported, based on the assessed demand and indigenous production and the timing of import.

(b): The import of urea for direct agriculture use is made on Government account to bridge the gap between assessed demand and indigenous production. The estimated total quantum and value of urea likely to be imported during the current financial year in the country is as under:

	OMAN	STE	Total *
Quantity (in Lakh MT)	19.09	46.00	65.09
Value (in Million US\$)	340.50	1272.23	1612.73

* Based on three-year average of requirement and indigenous production.

(c): Government of India is promoting Soil Health Card Scheme, under which the farmers are provided with the information related to soil fertility status and recommends appropriate doses/ quantity of fertilizers required per hectare for a particular crop based on a set of soil tests. The quantity of fertilizers to be applied varies from crop to crop and soil to soil.

(d): 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 NIP- 2012 read with its amendment, Matix Fertilizers & Chemicals Limited (Matix) has set up a Coal Bed Methane(CBM) based Greenfield Ammonia-Urea complex at Panagarh, West Bengal. The commercial production of Matix started on 1st October, 2017. Chambal Fertilizers & Chemicals Limited has also set up a Brownfield project at Gadepan, Rajasthan. The commercial production of CFCL-III started on 1st January, 2019. These plants are likely to add the capacity of around 12.7 LMT each to the indigenous urea production of the country.

Government of India is also reviving 5 closed fertilizer plants of Fertilizer Corporation of India Ltd. (FCIL) and Hindustan Fertilizer Corporation Ltd. (HFCL) namely Talcher, Ramagundam, Gorakhpur and Sindri plants of FCIL and Barauni plant of HFCL by setting up new Ammonia Urea plants of 12.7 Lakh metric tonne per annum capacity. These projects upon implementation/ operationalization will bridge the gap between demand and supply of urea in the country. Subsequent to commissioning/ start of the above plants, the indigenous urea production will be enhanced by 63.5 Lakh Metric Tonne per year leading to corresponding reduction in import of urea.

The Cabinet in its meeting held on 21.05.2015 has also decided to install a new urea plant of 8.646 Lakh Metric Tonne Per Annum (LMTPA) in the existing premises of Brahmaputra Valley Fertilizers Corporation Limited (BVFCL), which will subsequently replace the existing urea plants Namrup-II (capacity 2.20 LMTPA) and Namrup-III (capacity 2.70 LMTPA)
