

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO. 1637 TO BE ANSWERED ON: 16.12.2022

Shortage of Di-ammonium Phosphate

**1637: SHRI PATEL HASMUKHBHAI SOMABHAI:
SHRI Y.S. AVINASH REDDY:
SHRI RATANSINH MAGANSINH RATHOD:**

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

- (a) whether there is shortage of Di-ammonium Phosphate (DAP) and Urea fertilizers across the country;
- (b) if so, the details thereof, State/UT-wise;
- (c) whether it is also a fact that the farmers have to buy DAP and Urea at exorbitant prices due to the shortage of supply and if so, the details thereof;
- (d) whether Government proposes to provide DAP and Urea to farmers at reasonable fixed prices and if so, the details thereof;
- (e) whether the Government has taken any steps to increase its production; and
- (f) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS
(SHRI BHAGWANTH KHUBA)

(a) & (b): No Sir. The availability of DAP & Urea fertilizers has remained comfortable in the country during the ongoing Rabi 2022-23 season.

(c): Government of India has declared fertilizer as an essential commodity under the Essential Commodities Act, 1955 and notified Fertilizer Control Order, 1985 and Fertilizer (Movement Control) Order, 1973. State Governments have been adequately empowered to ensure selling of fertilizers at MRP besides stopping black marketing/smuggling of fertilizers. State Governments are empowered to conduct search, make seizures and take punitive action against any person violating provisions of Essential Commodities Act, 1955 and Fertilizer Control Order 1985. In addition to above, necessary directions are also issued time to time to State Governments to curb the hoarding/black-marketing of fertilizers.

(d): Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of Urea is Rs 242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of Urea at farm gate and net market realization by the Urea units is given as subsidy to the Urea manufacturer/importer by the Government of India.

Prices of P&K fertilizers are decontrolled. Under the Nutrient Based Subsidy (NBS) Scheme, a fixed amount of subsidy, decided on annual/semi-annual basis, is provided on subsidised P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. Thus, the prices of P&K fertilizers are decontrolled and decided by fertilizer companies themselves.

However, in view of the ongoing international prices of finished P&K fertilizers as well as its raw materials, Government of India has increased the P&K fertilizers subsidy under the Nutrient Based Subsidy scheme on 20.5.2021 & 13.10.2021 (giving special compensation on DAP and 3 most commonly used NPK fertilizers) for the year 2021-22, then further increased substantially for Kharif-2022 (applicable from 01.4.2022 to 30.9.2022) and finally almost maintained the same level for Rabi-2022 (applicable from 1.10.2022 to 31.3.2023) so that these fertilizers are made available at affordable prices to the farmers. The per kg subsidy rates for nutrients viz. N, P, K and S under NBS scheme is as under:

S. No.	Nutrients	NBS (Rs. Per Kg of Nutrient) (from 01.04.2021 to 19.05.2021)	NBS (Rs. Per Kg of Nutrient (from 20.05.2021 31.03.2022) **	NBS (Rs. Per Kg of Nutrient) (from 01.04.2022 to 30.09.2022)	NBS (Rs. Per Kg of Nutrient) (from 01.10.2022 to 31.3.2023)
1.	N	18.789	18.789	91.96	98.02
2.	P	14.888	45.323	72.74	66.93
3.	K	10.116	10.116	25.31	23.65
4.	S	2.374	2.374	6.94	6.12

** A special one-time package with additional subsidy has been provided (effective from 01.10.2021 to 31.3.2022) for DAP at Rs.8769/MT and 3 most consumed NPK fertilizers (10:26:26, 20:20:0:13 and 12:32:16) at Rs. 2000/MT for each grade in order to make P&K fertilizers available at affordable prices to the farmers.

(e) & (f): Government of India has mandated the revival of Ramagundam (Telangana), Gorakhpur (UP), Sindri (Jharkhand), Talcher (Odisha) unit of Fertilizer Corporation of India (FCIL) and Barauni (Bihar) Unit of Hindustan Fertilizer Corporation Ltd (HFCL) with a total capacity of 63.5 LMT to increase the indigenous production capacity of Urea. Further, Department of Fertilizers granted permission for setting up of DAP/NPK plants by Madhya Bharat Agro product Limited Unit-II, RCF-Thal, FACT-Kochi and Paradeep Phosphates Ltd with installed capacity 1.2 LMT, 5 LMT, 5.5 LMT and 8 LMT per annum respectively to meet the demand of phosphatic fertilizers. Exploration of minerals for raw materials for DAP & other fertilizers in India have been given priority in consultation with Ministry of Mines, GSI, MECL & PDIL. Further, indigenous PDM (Potash Derived from Molasses) is included under NBS scheme.