

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

LOK SABHA

UNSTARRED QUESTION NO.†1719

TO BE ANSWER ON 16.12.2022

INCREASE IN DOMESTIC PRODUCTION OF CHEMICALS AND FERTILIZERS

†1719. SHRI GYANESHWAR PATIL:

SHRI NAYAB SINGH:

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

- (a) the details of the various schemes introduced by the Ministry to increase the domestic production of chemicals and fertilizers in the country;
- (b) the steps taken/proposed to be taken by the Government for the smooth distribution of fertilizers in rural and remote areas across the country;
- (c) whether any specific mechanism has been initiated by the Government to help the producers to become more competitive in global market by ensuring required standards and demands thereof; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS

(SHRI BHAGWANT KHUBA)

(a): In order to increase the domestic production of urea in the country, Government of India mandated revival of Ramagundam (Telanagana), Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) and Talcher (Odisha) units of Fertilizer Corporation of India (FCIL) and Barauni (Bihar) Unit of Hindustan Fertilizer Corporation Ltd (HFCL) through Joint Venture Company (JVC) of nominated PSUs for setting up new ammonia-urea plants of 12.7 LMTPA capacity each. After operationalization, these plants would add 63.5 LMT per annum of indigenous urea production in the country. Ramagundam and Gorakhpur units were commissioned on 22.03.2021 and 07.12.2021 respectively whereas Barauni and Sindri units also started urea production on 18.10.2022 and 05.11.2022, respectively.

The Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector. Total 6 new urea units have been set up under NIP – 2012 read with its amendment. These are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix); Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL); Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd.(RFCL); and

3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL). Each of these units have the installed urea production capacity of 12.7 Lakh Metric Tonne per annum. Therefore, these units have together added 76.2 LMT per annum in the existing indigenous urea production capacity of the country.

Further, an exclusive policy has been notified on 28th April 2021 for the revival of Talcher unit of FCIL by setting up a new greenfield urea plant of 12.7 LMT per annum at coal gasification route.

The Government has notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 with one of the objectives of maximizing indigenous urea production. The NUP-2015 has led to an additional production from existing urea units due to which the actual production of urea has increased by 20-25 LMTPA in comparison to the actual production during 2014-15.

Prices of P&K fertilizers are decontrolled. Under the Nutrient Based Subsidy (NBS) Scheme implemented with effect from 1.4.2010, 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.

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 to 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.

(b): Uniform freight policy (UFP) has been implemented with effect from 1st April, 2008 vide notification dated 17th July, 2008. The objective of the UFP is to ensure availability of fertilizers, especially during the peak demand period, in all parts of the country and to implement the freight reimbursement in line with NPS-III. Based on the recommendations of Tariff Commission, the slab-wise rates in respect of primary road movement upto 500 Kms are notified annually. The escalated/de-escalated Per Tonne Per kilometre (PTPK) rates for road transportation in the case of secondary movement of fertilizers are also notified by Department of Fertilizers.

The following steps are taken by the Government every season to meet the adequate and timely requirement of fertilizers across the country.

- i. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the state-wise and month-wise requirement of fertilizers.
- ii. On the basis of requirement projected, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to the state by issuing monthly supply plan and continuously monitors the availability.
- iii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS).
- iv. The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.
- v. Regular Weekly Video Conferences are conducted jointly by D/o Agriculture & Farmers Welfare and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch the fertilizers as indicated by the State Governments.

(c) & (d): To help producers to become more competitive in the global market and ensuring standards and demand, various bio-fertilizers have been marketed in the country, *viz-a-viz* Rhizobium, Azotobactor, Azospirillum, Phosphate Solubilising Bacteria, Mycorrhizal Biofertilisers, Potassium Mobilizing Biofertilizrs (KMB) Zinc Solubilizing Biofertilizers (ZSB) Acetobactor, Carrier Based Consortia, Liquid Consortia, and Phosphate Solubiling Fungus Bio-fertilizer.

Different organic fertilizers produced and marketed are city compost, vermicompost, compost Deoiled cake, Phosphorus Rich Organic Manure (PROM), City compost, organic manure, Bone mile raw, Bone mile steamed, Postash derived from Rhodophytes, Fermented Organic manure, liquid Fermented Organic manure and Bio-enriched Organic Manure under the Fertilizer Control Order (FCO),1985.
