

GOVERNMENT OF INDIA
 MINISTRY OF CHEMICALS AND FERTILIZERS
 DEPARTMENT OF FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO. 1832 TO BE ANSWERED ON : 16.12.2022

Impact of Global Price Hike of Fertilizers

1832. SHRI VINOD L. CHAVDA:
SHRI VIJAY BAGHEL:
SHRI SUDHAKAR TUKARAM SHRANGARE:
SHRI ARUN SAO:
SHRI RANJEETSINGH HINDURAO NAIK NIMBALKAR:
SHRI SUNIL KUMAR SONI:
SHRI SUNIL KUMAR SINGH:
SHRI MOHAN MANDAVI:

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

- (a) the details of the impact of global hike in prices of urea, DAP, MOP, phosphoric acid, ammonia and LNG along with mineral fertilizers; and
- (b) whether the Government has any plan to reduce dependence on import with regard to mineral fertilizers and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

(SHRI BHAGWANTKHUBA)

(a): "Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). Vide Gazette notification dated 1st March 2018, the MRP of 45 kg bag of urea has been fixed at Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference delivered price of urea to the farm gate and net market realization is paid as subsidy to the urea manufacturing companies/importers. Accordingly, all farmers are being provided subsidized/cheaper urea.

Gol has analyzed the situation and notified the subsidy rates under the Nutrient Based Subsidy (NBS) scheme in such a way that the international price rise does not affect farming community of India and these fertilizers could be available at the affordable rates to Indian farmers. The subsidy rates under NBS scheme during FY 2021-22 and FY 2022-23 are as under:

S. No.	Nutrient	NBS (Rs. Per Kg of Nutrient)	NBS (Rs. Per Kg of Nutrient)	NBS (Rs. Per Kg of Nutrient)	NBS (Rs. Per Kg of Nutrient)
		(from 01.04.2021 to 19.05.2021)	(from 20.05.2021 to 31.03.2022)	(from 1.04.2022 to 30.9.2022)	(from 1.10.2022 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

(b): 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 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.

Gol has also taken following steps to reduce dependence on import with regard to mineral fertilizers:

- i. DoF granted permission to Madhya Bharat Agro product Limited Unit-II, Banda Sagar, MP for production of DAP/NPK with installed capacity 1,20,000 MT per annum.
- ii. DoF granted permission to Pararadeep Phosphates Ltd to manufacture additional DAP/NPK complex to the tune of 8 LMT per annum utilizing the 2 trains of ZACL Goa Plant.
- iii. RCF, Thal has been granted permission for a new DAP/NPK plant with annual capacity of 5 LMT and FACT, Kochi also planned a DAP/NPK plant with annual capacity of 5.5 LMT.
- iv. Additional Cost on production/ imports of DAP from 25.10.2021 to 31.3.2022 within a ceiling of Rs. 8000 at no profit/ no loss has been provided.
- v. PDM or Potash Derived from Molasses (0-0-14.5-0) has been included under NBS scheme.
- vi. Freight Subsidy on SSP which is an indigenously manufactured fertilizers has been made applicable for Kharif and Rabi 2022.
- vii. Exploration of minerals for raw materials for DAP & other fertilizers in India, in consultation with Ministry of Mines, GSI, MECL, FAGMIL and concerned State Governments is a continuous process.
