

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO. 439 TO BE ANSWERED ON: 03.02.2023

High prices of fertilizer imports

439. SHRI DHANUSH M. KUMAR:
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Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state:

- (a) whether various fertilizers imported into the country during each of the last three years and the current year were imported at much high prices as compared to the prices prevalent in the international market;
- (b) if so, the details thereof and the reasons therefor alongwith the quantum of loss to the Government exchequer;
- (c) whether India's import of fertilizers touched an all-time high of \$12.77 billion in 2021-22;
- (d) if so, the details thereof and the reasons for high import and details of total amount of fertilizer manufactured in India during last three years and current year;
- (e) the challenges faced by the Government while boosting fertilizers manufacturing in the country;
- (f) whether India has sufficient availability of raw materials to manufacture every kind of fertilizers, if so, the details thereof and if not, the reasons therefor; and
- (g) the details of Countries from which India procure raw material and the steps taken/proposed to be taken by the Government to produce raw material indigenously?

ANSWER

MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS

(SHRI BHAGWANATH KHUBA)

(a) to (d): Urea is the only fertilizer which is under statutory price and partial movement control. The import of urea for direct agriculture use is permitted through State Trading Enterprises (STEs) namely M/s Rashtriya Chemicals & Fertilizers Ltd. (RCF), M/s National Fertilizers Limited (NFL) and M/s Indian Potash Limited (IPL)

(upto 31.03.2023) under the Foreign Trade Policy of Government. STEs floats GLOBAL Tenders for import of Urea on Government account.

The Quantity, Weighted Average Price and Value of Urea imported into the country during each of the last three years and the current year (upto Dec'22) is given in the table:

Import of Urea from the year 2019-20 to 2022-23 (upto Dec'22)			
Year	Qty in LMT	Wtg. Avg. Price (in US\$ PMT)	Value in Billion US\$
2019-20	91.23	252.43	2.30
2020-21	98.28	262.54	2.58
2021-22	91.36	661.31	6.04
2022-23 (upto Dec'22)	62.44	646.82	4.04

All P&K fertilizers are subsidised under Nutrient Based Subsidy (NBS) Scheme and are imported under Open General License (OGL) by the companies on commercially viable terms. The quantity of P&K (DAP, MOP and NPK) fertilizers imported into the country (as reported by the companies) during each of the last three years and the current year (upto Dec'22) is given in the table:

Import of P&K fertilizers (DAP, MOP and NPK) from 2019-20 to 2022-23 (upto Dec'22)			
Year	DAP	MOP	NPK
	As reported by the companies		
2019-20	48.70	36.70	7.46
2020-21	48.82	42.27	13.90
2021-22	54.62	24.60	11.70
2022-23 (upto Dec'22)	53.18	16.22	20.86

Further, the total amount of fertilizers manufactured in India during the last three years and the current year (upto Dec'22) is given in the table:

Year	Urea (Qty in LMT)	P&K (DAP, A/S, Complex & SSP) (Qty in LMT)
2019-20	244.58	181.37
2020-21	246.05	187.63
2021-22	250.72	185.23
2022-23 (Upto Dec'22)	210.98	151.75

(e) to (g): P&K fertilizers under the Nutrient Based Subsidy (NBS) Scheme are decontrolled and P&K fertilizers companies are free to manufacture or import these fertilizers as per market dynamics.

The country has achieved substantial self-sufficiency in production capacity of Urea. As a result, India could manage its substantial requirement of nitrogenous fertilizers through the indigenous industry besides imports. Similarly, great share of indigenous capacity has been developed in respect of phosphatic fertilizers to meet domestic requirements. However, the raw-materials and intermediates for the same are largely imported. For potash (K), since there are no viable sources/reserves in the country, its entire requirement is met through imports.

Various efforts by DoF to ensure regular and sufficient supply of DAP and its raw materials to India at reasonable prices from various countries which is a continuous process.
