

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 1574 TO BE ANSWERED ON 28.07.2023**

**Fertilizer Factories in India**

**1574. DR. TALARI RANGAIAH:**

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

- (a) the total production of fertilizers in the country for the last nine years, year-wise;
- (b) whether the total production is sufficient to meet the demands of the country's agricultural needs; and
- (c) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS  
(**SHRI BHAGWANTHKHUBA**)

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(a) to (c): The details of the year-wise total production of all fertilizers in the country during the last nine years from 2014-15 to 2022-23 are given below:

<b>Total Production of all Fertilizers in the country during the last nine years from 2014-15 to 2022-23 (Figures in LMT)</b>	
<b>Year</b>	<b>All Fertilizer Production</b>
<b>2014-15</b>	385.39
<b>2015-16</b>	413.14
<b>2016-17</b>	414.41
<b>2017-18</b>	413.61
<b>2018-19</b>	413.85
<b>2019-20</b>	425.95
<b>2020-21</b>	433.68
<b>2021-22</b>	435.95
<b>2022-23</b>	485.29

Fertilizer are made available to the farmers, majorly through indigenous production. However, the gap between demand and supply of fertilizers are met through the imports. India imports Urea, P&K fertilizers such as Di-ammonium Phosphate (DAP), Muriate of Potash (MOP) and NPK to bridge the gap between demand and supply of fertilizers in the country.

The Government has taken various steps to increase the total fertiliser production in the country to meet the demands of the country's agricultural needs are as under:

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. Accordingly, all farmers are being supplied urea at the subsidized rates.

With regard to urea fertilizer, the Government had announced New Investment Policy (NIP) – 2012 on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> 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. These are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan; Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd.(RFCL) in Telangana; and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak&Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar respectively. Each of these units has 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. At present, there are 36 urea manufacturing units located across the country.

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

The Government has also notified New Urea Policy (NUP) – 2015 on 25<sup>th</sup> May, 2015 with one of the objectives of maximizing indigenous urea production. NUP-2015 has led to additional production of urea by 20-25 LMTPA as compared to the production during 2014-15.

As far as P&K fertilizers are concerned, Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, 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. Accordingly, the latest subsidy rates for P&K fertilizers under the NBS Scheme are as under:

S. No	Nutrients	NBS rates for Kharif 2023 (Rs. Per kg of nutrient) (from 1.4.2023 to 30.9.2023)
1.	N	76.49
2.	P	41.03
3.	K	15.91
4.	S	2.80

Further, in respect of P&K fertilizers, permissions are granted from time to time to units for domestic production DAP/NPK fertilizers viz. Madhya Bharat Agro product Limited Unit-II, Banda Sagar and M/s. Krishna PhoschemLtd,MP for production of DAP/NPK with installed capacity 2.40 LMT per annum and 3.30 LMT per annum respectively; Indigenously produced PDM or Potash Derived from Molasses (0-0-14.5-0) has been included under NBS scheme; Freight Subsidy on SSP which is an indigenously manufactured fertilizers has been made applicable since Kharif 2022 ; Exploration for fertilizer minerals for phosphatic and potassic fertilizers, in consultation with Ministry of Mines, GSI, MECL, FAGMIL and concerned State Governments is a continuous process. Further, JVs and Long Term Agreements/MoUs for supply of fertilizers and raw materials are signed by Indian companies with the countries having their sufficient availability from time to time.

The availability of chemical fertilizers (Urea, DAP, MOP & NPK) in India has remained comfortable during the ongoing Kharif 2023 season. Following steps are taken by the Government every season to ensure adequate and timely availability of fertilizers to the farmers in the country are as under:

- 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 & month-wise requirement of fertilizers.
- ii. On the basis of requirement projected, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States 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 Conference is conducted jointly by DA&FW and DoF with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.
- vi. The gap between demand (requirement) and production for Urea & other fertilizer is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

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