

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 206 TO BE ANSWERED ON : 02.02.2024

Rise in Prices of Fertilizers

206. SHRIMATI PRATIMA MONDAL:

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

- (a) whether the Government is aware that the prices of fertilizers are rising drastically in the country;
- (b) if so, the details thereof;
- (c) the steps taken/proposed to be taken by the Government to check the prices of fertilizers in the country;
- (d) whether this sharp hike in prices of fertilizers is likely to affect the availability of fertilizers at affordable price in the country;
- (e) if so, the details thereof; and
- (f) the action taken/proposed to be taken by the Government to ensure sufficient availability of fertilizers in domestic market in the country?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

(SHRI BHAGWANTH KHUBA)

(a) to (c): 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).

For Phosphatic and Potassic (P&K) Fertilizers, Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010. Under the policy, a fixed amount of subsidy, decided on annual/semi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content and MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. While fixing the subsidy rates under NBS, Government takes into consideration various factors including affordability of farmers to purchase the notified P&K fertilizers. To check prices and ensure affordability of P&K fertilizers to the farmers, international prices of fertilizers and their raw materials are monitored and subsidy rates are reviewed on need basis and notified from time to time. For P&K fertilizers notified under the Nutrient Based Subsidy (NBS), the average MRPs have remained more or less same. The grade-wise average MRP of 50 Kg bag of most consumed P&K fertilizers notified under NBS for 2021-22, 2022-23 and 2023-24 (30.01.2024) is as under:

S. No.	NPK Fertilizer Grade	Average MRP of 50 Kg bag (in Rs.)		
		2021-22	2022-23	2023-24 (upto 30.01.2024)
1	DAP (18-46-0-0)	1250.20	1347.00	1350.00
2	MOP (0-0-60-0)	1166.90	1707.40	1710.40
3	SSP (0-16-0-11)	354.75	501.80	526.80
4	NPK 10-26-26	1487.55	1488.05	1469.70
5	NPK 12-32-16	1436.65	1578.10	1497.90
6	NPK 20-20-0-13	1232.65	1402.30	1256.80

(d) & (e) : Does not arise.

(f): The availability of fertilizers viz. Urea, DAP, MOP and P&K has remained comfortable during the ongoing Rabi 2023-24 season as per the table given below:

ALL INDIA POSITION FOR RABI 2023-24 (UPTO 29.01.2024)						
Fig. in LMT						
S. No	Product	Seasonal Requirement for RABI 2023-24	Pro rata Requirement From 01/10/2023 to 29/01/2024	Availability From 01/10/2023 to 29/01/2024	Cumulative DBT Sales From 01/10/2023 to 29/01/2024	Closing Stock as on 29/01/2024
1	UREA	185.41	146.28	195.25	131.30	63.95
2	DAP	54.99	47.61	53.10	38.78	14.31
3	MOP	12.60	9.41	13.21	6.13	7.08
4	NPKS	63.60	48.16	73.87	40.41	33.46

(f): Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW) assesses the state-wise & month-wise requirement of fertilizers. To fulfil this requirement of fertilizers in the states (including rural tribal and remote areas) across the country, as per assessment done by DA&FW, Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plans. The movement of all major subsidized fertilizers is monitored through web-based monitoring system called integrated Fertilizer Monitoring System (iFMS). However, the inter/intra-district distribution of fertilizers is being done by the respective state to meet the field requirement within the state.

Also, 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. 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 which is currently 283.74 LMT. 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.

Further, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/produce these fertilizers as per their business dynamics. Based on examination of requests received, permission is granted to the fertilizer companies for increasing their manufacturing capacity and for induction of new P&K companies & their fertilizer products under NBS, with a view to boost manufacturing and make country self-reliant in fertilizer production. The other measures taken are:

- (i) To promote Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer has been notified under Nutrient Based Subsidy (NBS) regime w.e.f. 13.10.2021.
- (ii) Freight subsidy on SSP, which is an indigenously manufactured fertilizer, has been made applicable for Kharif and Rabi 2023-24 to help in promotion of SSP usage for providing Phosphatic or 'P' nutrient to the soil.
