

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**STARRED QUESTION NO. 200\* TO BE ANSWERED ON: 29.07.2022**

**Shortage of Fertilizers**

**200\*: SHRI SHANMUGA SUNDARAM K.:**

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

- (a) the steps taken by the Government to address the shortage of fertilizers and reduce the increasing fertilizer prices across the country;
- (b) whether the Government has formulated any plans or schemes to promote the production of fertilizers in the country;
- (c) if so, the details thereof and if not, the reasons therefor; and
- (d) the amount of fertilizer subsidy given to the farmers of Coimbatore and Tiruppur districts from the year 2019 to 2022, year-wise?

**ANSWER**

MINISTER OF HEALTH & FAMILY WELFARE AND CHEMICALS & FERTILIZERS

**(DR. MANSUKH MANDAVIYA)**

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(a) to (d): A statement is laid on the table of the House.

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**STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO. 200\* FOR 29.07.2022 REGARDING "SHORTAGE OF FERTILIZERS" TABLED BY SHRI SHANMUGA SUNDARAM K.**

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(a) : The availability of fertilizer in the country has remained comfortable during the ongoing Kharif 2022 season. Further, following steps are taken by the Government every season to meet the adequate and timely requirement of fertilizers in all the States.

- 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 finalised well in advance to ensure timely availability.

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.

As far as P&K fertilizers is concerned, it is informed that the subsidy rates of P&K fertilizers are under the Nutrient Based Subsidy (NBS) scheme which were increased on 20.5.2021 & 13.10.2021 (giving special compensation on DAP and 3 most commonly used NPK fertilizers) for the year 2021-22 and then further increased substantially for Kharif-2022 (applicable from 01.4.2022 to 30.9.2022), so that these fertilizers are made available at affordable prices to the farmers. The increase in 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)
1.	N	18.789	18.789	91.96
2.	P	14.888	45.323	72.74
3.	K	10.116	10.116	25.31
4.	S	2.374	2.374	6.94

\*\* 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) & (c): 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. Under NIP – 2012 read with its amendment, Matix Fertilizers and Chemicals Ltd.(Matix), Chambal Fertilizers and Chemicals Ltd. (CFCL), Ramagundam Fertilizers and Chemicals Ltd.(RFCL) and Hindustan Urvarak & Rasayan Limited (HURL) have set up urea plants of 12.7 Lakh Metric Ton per annum (LMTPA) capacity each at Panagarh-West Bengal, Gadepan-Rajasthan (Gadepan-III), Ramagundam-Telangana and Gorakhpur-Uttar Pradesh respectively.

In addition to above, revival of 1 closed unit of Fertilizers and Chemicals India Ltd. FCIL namely Sindri and 1 closed unit of Hindustan Fertilizers and Chemicals Ltd. (HFCL) at Barauni by means of setting up of new greenfield urea units of 12.7 LMTPA at each of the locations is also included under the NIP-2012 read with its amendment. For the revival of Talcher unit of FCIL by setting up a new greenfield urea plant of 12.7 LMTPA an exclusive policy has been notified on 28th April 2021.

The Government of India has also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for existing 25 gas based urea units with the objective of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the Government. The implementation of NUP-2015 has led to additional production from the existing gas based 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.

Predicting the demand-supply gap and increased price of the imported urea, in 2021-22 one-time permission was granted to the urea units set up under the new investment policy and the units converted recently from naphtha to natural gas as feedstock to produce beyond their annual installed capacity. This helped additional production of 1.51 Lakh Metric Ton (LMT) of Urea. Further, urea unit of Matix Fertilizers and Chemicals Limited (Matix) in Panagarh had been lying shutdown since November 2017 was facilitated in restarting its production. Matix restarted production in September 2021 and produced 6.29 LMT urea during 2021-22. Further, Department of Fertilizers by means of various review meetings from time to time instructed all the urea units not to take any planned shutdown and optimize their urea production. These measures together led to the urea production of 250.72 LMT during 2021-22 which is the highest production, so far.

Further, Government has notified Potash Derived from Molasses (0-0-14.5-0) under the Nutrient Based Subsidy (NBS) scheme vide Notification dated 13.10.2021. Potash Derived from Molasses is a 100% indigenously manufactured fertilizer. This inclusion will help in increasing the domestic production of fertilizers

(d) : Under the DBT in Fertilizers system, 100% subsidy on various fertilizer grades is released to the fertilizer companies on actual sales to the beneficiaries (including the farmers of Coimbatore and Tiruppur) through PoS devices installed at each retail shop.

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