

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

UNSTARRED QUESTION NO. 1056 TO BE ANSWERED ON: 22.07.2022

Home-grown Fertilizer Industry

1056: MS. DEBASREE CHAUDHURI:
SHRIMATI POONAM MAHAJAN:

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

- (a) whether there is any policy objective of building a vibrant home-grown fertilizer industry, if so, the details thereof;
- (b) whether any comprehensive structural reforms and market-linked pricing policy is being thought of, if so, the details thereof;
- (c) whether participation of private and foreign players has been found to be instrumental in improving access of the latest global advanced technology/practice etc. to Indian farmers, if so, the details thereof; and
- (d) whether any new fertilizer plants/ production units are being proposed to be set up at identified places across various states in the country and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

(SHRI BHAGWANTH KHUBA)

(a) & (d): With regard to urea fertilizer, 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 Tonne per annum (LMTPA) capacity each at Panagarh-West Bengal, Gadepan-Rajasthan (Gadepan-III), Ramagundam-Telangana and Gorakhpur-Uttar Pradesh respectively. At present, there are 34 urea manufacturing units located across the country.

Further, the Government of India has decided to revive two more urea units namely Sindri and Talcher Units of Fertilizer Corporation of India Ltd. (FCIL) and one urea unit namely Barauni Unit of Hindustan Fertilizer Corporation Ltd. (HFCL) through Joint Venture Company(JVC) of nominated PSUs to set up new Ammonia-Urea plants as per details given below: -

SI No.	Name of Fertilizer plant / Joint Venture Companies	Location & State where plant is located	Capacity (Lakh Metric Tonne per annum)
1	Talcher Fertilizers Ltd.	Talcher, Odisha	12.7
2	Hindustan Urvarak & Rasayan Ltd.	Sindri, Jharkhand	12.7
3	Hindustan Urvarak & Rasayan Ltd.	Barauni, Bihar	12.7

In addition to above, Cabinet in its meeting held on 21.05.2015 inter-alia approved setting up of new urea plant of 8.646 LMT capacity in the existing premises of Brahmaputra Valley Fertilizers Corporation Ltd (BVFCL) in Assam which has been notified by Department of Fertilizers on 12.06.2015.

Further, in case of Potassic & Phosphatic fertilizers, Government of India has taken following steps to reduce import:

(i) Department of Fertilizers granted permission to Madhya Bharat Agro product Limited Unit-II, Banda Sagar, M.P. for production of 1.20 LMT per annum.

(ii) Paradeep Phosphates Ltd. is expected to manufacture additional DAP/NPK complex to the tune of 8 LMT per annum utilizing the 2 trains of ZACL Goa Plant.

(iii) A new DAP/NPK plant by RCF with annual capacity of 5 LMT and investment of 950 crore in Thal, commission in 2024.

(iv) A new DAP/NPK Plant by FACT with annual capacity of 5.5 LMT at a cost of Rs 537 cr. Commissioning in June 2024.

(v) On exploration of minerals for raw materials for DAP & other fertilizers in India, discussion is in place with Ministry of Mines, GSI, MECL & PDIL.

(vi) PDM or Potash Derived from Molasses (0-0-14.5-0) which is 100% indigenously manufactured has been included under Nutrient Based Subsidy (NBS) scheme.

(b) : There is no such proposal. At present Urea is provided to farmers at a statutorily notified Maximum Retail Price (MRP) of Rs.242 per 45 kg 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. In case of Phosphatic and Potassic (P&K) Fertilizers, the Government has implemented Nutrient Based Subsidy Policy with effect from 1st April 2010. Under the policy, a fixed amount of subsidy, decided on 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.

(c): No such information is available.