GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION **NO.3401**TO BE ANSWERED **ON05.08.2022**

Dependency on Imported Fertilizers

3401. SHRI BRIJENDRA SINGH:

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

(a) whether Indian agriculture is heavily dependent on imports of fertilizers, especially DAP and MOP;
(b) if so, the details in terms of the volume and value of fertilizer imports between 2017-2022;
(c) whether the Government has taken any steps to promote the domestically produced varieties of fertilizers and reduce its import dependency; and
(d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS
(SHRI BHAGWANTH KHUBA)

(a): Year-wise details of requirement and production of fertilizers (Urea, DAP, MOP & NPK) from 2017-18 to 2021-22 are given in the tablesbelow:

<Figures in LMT>

YEAR	Urea		DAP		MOP		NPK	
	Requirement	Production	Requirement	Production	Requirement	Production	Requirement	Production
2017-18	298.00	240.23	98.77	46.50	33.90	0.00	98.19	88.13
2018-19	300.04	238.99	98.40	38.99	36.81	0.00	97.68	95.15
2019-20	335.26	244.58	103.30	45.50	38.12	0.00	104.82	93.34
2020-21	350.64	246.05	107.76	37.74	35.51	0.00	108.00	100.54
2021-22	356.53	250.72	123.90	42.22	37.10	0.00	122.74	89.67

<Figures in LMT>

YEAR	Total Fertilizers (Urea, DAP, MOP & NPK)	
	Requirement	Production
2017-18	528.86	374.86
2018-19	532.92	373.13
2019-20	581.50	383.42
2020-21	601.91	384.33
2021-22	640.27	382.61

Itis learnt from table on previous page and table above that the production of fertilizers is less than the requirement of fertilizers. Therefore, Indian agriculture is dependent on imports of fertilizers.

(b): The quantity and value of Urea imported during last five years, year-wise is given in the table:

Import of Ureafrom the year 2017-18 to 2021-22		
Year	Qty in LMT	Value in Million US$
2017-18	59.75	1295.87
2018-19	74.81	2040.14
2019-20	91.23	2302.95
2020-21	98.28	2580.27
2021-22	91.36	6041.06

Further, it is informed that all P&K fertilizers are covered under Open General License (OGL) under the Nutrient Based Subsidy (NBS) Scheme. They are imported by the companies on commercially viable terms. The quantity of P&K (DAP, MOP and NPK) fertilizers imported (as reported by the companies)during last five years, year-wise is given in the table below:

Import of P&K fertilizers (DAP, MOP and NPK) from 2017-18 to 2021-22 Qty in LMT			
Year	DAP	MOP	NPK
	As reported by the companies		
2017-18	42.17	47.36	4.99
2018-19	66.02	42.14	5.46
2019-20	48.70	36.70	7.46
2020-21	48.82	42.27	13.90
2021-22	54.62	24.60	11.70

(c) & (d): In order to reduce the dependency on import of fertilizers, Government of India has mandated revival of Ramagundam (Telanagana), Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) and Talcher (Odisha) units of Fertilizer Corporation of India (FCIL) and Barauni (Bihar) unit of Hindustan Fertilizer Corporation Ltd (HFCL) through Joint Venture Company (JVC) of nominated PSUs by setting up new ammonia-urea plants of 12.7 LMTPA capacity each. After operationalization, these plants would add 63.5 LMT of urea production annually in the country. Ramagundam and Gorakhpur plant have already been commissioned. Barauni and Sindri plants are expected to be commissioned in August, 2022 whereas Talcher plant is expected to be commissioned by September, 2024. Further, Cabinet in its meeting held on 21.05.2015 inter-alia approved setting up of New urea plant of 8.646 LMTPA capacity in the existing premises of BVFCL, which has been notified by Department of Fertilizers vide OM dated 12.06.2015.

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.

Potash Derived from Molasses (0-0-14.5-0), which has been 100% indigenously manufactured fertilizer, has been included under the Nutrient Based Subsidy (NBS) scheme. The inclusion of Potash Derived from Molasses under the NBS scheme is expected to promote the domestic production of fertilizers and reduce import dependency of Potassic fertilizer.

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