

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1970 TO BE ANSWERED ON 06.12.2024

Aatmanirbhar Bharat in Fertilizer

1970. SHRI BHUMARESANDIPANRAOASARAM:
SMT. DELKARKALABENMOHANBHAI:
SHRI GYANESHWARPATIL:

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

- (a) whether the Government is making efforts for achieving Atmannirbhar Bharat in fertilizer sector or there is any such proposal under consideration, If so, the details thereof, State-wise;
- (b) whether Government has prepared any outline for increasing the share of domestic fertilizer industry in total fertilizer consumption by increasing its production and quality;
- (c) if so, the details thereof; State-wise/district-wise including Maharashtra, Dadra and Nagar Haveli and Madhya Pradesh;
- (d) whether the contribution of fertilizer sector has helped in improving GDP of the country with the effort of the Government in the last five years; and
- (e) if so, the details thereof including Maharashtra, Dadra and Nagar Haveli and Madhya Pradesh, State-wise?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(**SMT. ANUPRIYA PATEL**)

(a) to (c): With regard to Urea, 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 which includes 4 urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 urea units set up by the private companies. The units set up through JVC are 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. The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology. Therefore, these units have together added urea production capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA at present.

In addition, the Government also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production beyond RAC. The NUP-2015 has led to additional production of urea by 20-25 LMT as compared to the production during 2014-15 annually.

Above steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24.

With regard to P &K Fertilizers, 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/bi-annual basis based on import prices of fertilizers and other relevant factors like requirement of nutrients in the country, balanced use of fertilizers, subsidy and MRP etc. is provided on P&K fertilizers depending on their nutrient content. 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.

In order to achieve Atmanirbhar Bharat in fertilizer sector, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized/taken on record under the NBS subsidy scheme, with a view to boost manufacturing and make country self-reliant in fertilizer production. Further, to promote Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer, it has been notified under Nutrient Based Subsidy (NBS) regime w.e.f 13.10.2021. Also, freight Subsidy on SSP, which is an indigenously manufactured fertilizer, has been made applicable since Kharif 2022 to help in promotion of SSP usage for providing Phosphatic or “P” nutrient to the soil. These steps have facilitated increase in production of P&K fertilizers from 159.54 LMT in 2014-15 to 182.85 LMT in 2023-24.

(d) & (e): Yes. The Economic Survey 2023-24 states that the Indian agriculture sector provides livelihood support to about 42.3 per cent of the population and has a share of 18.2 per cent in the country’s GDP at current prices. Fertilizers, water and seeds are vital inputs for achieving higher agricultural production in the country. Government has undertaken various efforts during the last decade due to which the total all fertilizer production has increased from 385.39 LMT in 2014-15 to 503.35 LMT in 2023-24.

Several measure were undertaken by the Government such as Urea Subsidy Scheme, New Urea Policy 2015, Nutrient based Subsidy scheme etc. to increase the total fertilizer production in the country.
