

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 5662 TO BE ANSWERED ON: 04.04.2025**

**Decline in Production of DAP**

**5662. SHRI DAROGA PRASAD SAROJ:**

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

- (a) whether the Government proposes to take any steps to check the rising prices of Diammonium Phosphate (DAP) and Urea Fertilizers across the country including Uttar Pradesh, if so, the details thereof and if not, the reasons therefor;
- (b) whether there has been any decline in the production of the said fertilizers resulting in reduction of their bag weight from 50 Kg, if so, the details thereof;
- (c) the details of the steps taken by the Government to increase the production of fertilizers in UP; and
- (d) whether there is a facility of storage or production of sufficient fertilizers for the farmers in UP for sowing/production of the upcoming crops, if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

**(SMT. ANUPRIYA PATEL)**

**(a):** Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 01.04.2010. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided to manufacturer / importer on subsidized P&K fertilizers depending on their nutrient content i.e. Nitrogen (N), Phosphorus (P), Potassium (K) and Sulphur (S) to improve availability of fertilizers to farmers. Under NBS scheme. The P&K sector is decontrolled, the fertilizer companies are free to import / produce fertilizer raw materials, intermediaries and finished fertilizers as per market dynamics. Under NBS scheme, fertilizer companies are allowed to fix MRP at reasonable levels which is monitored by the Government. In view of price volatility in international prices of key fertilizers and raw materials, the Government has subsumed fluctuations, if any, while fixing NBS rates for P&K fertilizers annually/bi-annually, in recent years.

The Government approved Special Package on DAP @ 3,500 per MT initially or actual applicable expenses whichever is lower in addition to the NBS subsidy rates from the period from 01.04.2024 to 31.03.2025 with approximate financial implication of Rs. 3346 crore. This provision for "other costs" has now

been extended for Kharif, 2025 from 01.04.2025 to 30.09.2025 with approximate financial implication of Rs. 2095.45 crores. In the wake of continuing geopolitical situation, competing demands in the global market, the extension of the package has ensured availability of DAP through imports and production to ensure its sustainable supply targeted farmgate price of Rs. 1350 per 50 kg bag to the farmers. Also, increase in subsidy has been linked to the international market prices. Thus, if the procurement prices of P&K fertilizers including DAP increase in the global market, the procurement and production is ensured.

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. Accordingly, all farmers are being supplied urea at the subsidized rates.

**(b):** In 2022-23, the production of urea was 284.94 LMT and DAP was 43.47 LMT. In 2023-24, the production of urea was 314.09 LMT and DAP was 42.93 LMT. Except a few fortified fertilizers which are available in 40 Kg bags, all the complex fertilizers containing N, P, K & S nutrients are available in 50 Kg bags and Urea is available in 45 Kg bags.

**(c):** In order to increase indigenous urea production in Uttar Pradesh, Government inter-alia mandated revival of Gorakhpur unit of Fertilizer Corporation of India Ltd through Joint Venture Company of nominated PSUs for setting up new Ammonia-Urea plant of 12.7 LMTPA capacity. Gorakhpur unit has been commissioned on 07.12.2021.

Based on the requests, M/s Ayushman Fertilizer Pvt Ltd and two units of M/s Ram Potash Pvt Ltd have recently been recognized under Nutrient Based Subsidy (NBS) Scheme as manufacturer of Potash Derived from Molasses (PDM) in Uttar Pradesh.

**(d):** There is sufficient facility of storage & production of adequate chemical fertilizers in Uttar Pradesh for sowing/production of upcoming crop. Central Warehousing Corporation (CWC) has 12.07 LMT capacity with 59 godowns in Uttar Pradesh which may be utilized for storage of Agricultural produce including fertilizers.

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