

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 747 TO BE ANSWERED ON: 07.02.2025**

**Subsidy to Domestic Fertilizer Manufacturers**

**747: SHRI C N ANNADURAI:  
SHRI SELVAM G:  
SHRI NAVASKANI K:**

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

- (a) the details of subsidies provided to domestic fertilizer manufacturers during the last three years and their impact on domestic production and supply;
- (b) whether the Government plans to revise the subsidy framework to encourage higher production;
- (c) whether the Government is promoting the production of alternative fertilizers like nano-fertilizers, bio-fertilizers and organic fertilizers, if so, the details of such initiatives and their success;
- (d) the percentage of total fertilizer demand currently being met through alternative fertilizers;
- (e) whether the Government is promoting the adoption of advanced technologies in the fertilizer manufacturing sector, if so, the initiatives taken therefor; and
- (f) the role of research and development in enhancing domestic fertilizer production?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

**(SMT. ANUPRIYA PATEL)**

**(a) & (b):** The entire subsidy scheme is focused towards timely availability of fertilizers at affordable prices to farmers. The details of subsidies provided to domestic fertilizer manufacturers/Importers during the last three years are as follows:

<b>Year</b>	<b>Amount (in Crores)</b>
<b>2021-22</b>	<b>157640.08</b>
<b>2022-23</b>	<b>254798.88</b>
<b>2023-24</b>	<b>195420.51</b>

The domestic production in the last 3 years from 2021-22 to 2023-24 and current year till date is 435.95 MT, 485.29 MT, 503.35 MT, and 391.60 MT respectively and the supply has remained comfortable.

**(c) & (d):** The Government of India has officially notified the specifications for Nano Nitrogen under the Fertilizer Control Order (FCO), 1985. Nano Urea products from IFFCO (4% and 16% Nitrogen), Zuari Farm Hub Limited (8% Nitrogen), Coromandel International Limited (12% Nitrogen), and Ray Nano & Research Centre (4.4% Nitrogen) have received approval from the Department of Agriculture & Farmers Welfare (DA&FW).

The Government has also notified Nano DAP under the Fertilizer Control Order (FCO), 1985, based on bio-efficacy trials and toxicology tests. M/s Coromandel International Limited (CIL), M/s Zuari Farm Hub Limited, M/s Rashtriya Chemicals and Fertilizers Limited and M/s Indian Farmers Fertiliser Cooperative Limited (IFFCO) have been granted permission to manufacture Nano DAP. Department of Fertilizers is encouraging Fertilizer Companies to set up Nano Urea and Nano DAP plants with a view to increase the production of Nano Urea in the country. Although the Department of Fertilizers is not directly involved in setting up of Nano Fertilizer Plants, it is encouraging fertilizer companies for setting up of Nano Fertilizer Plants across the nation.

The Government has approved the Market Development Assistance (MDA) @Rs. 1500/MT to promote organic fertilizers, i.e. manure produced at plants under GOBARdhan initiative covering different Biogas/CBG support schemes/programmes of stakeholder Ministries/Departments such as Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of Ministry of Petroleum and Natural Gas (MoPNG), 'Waste to Energy' programme of Ministry of New & Renewable Energy (MNRE), Swachh Bharat Mission (Rural) of Department of Drinking Water & Sanitation (DDWS), etc. with total outlay of Rs. 1451.84 crore (FY 2023-24 to 2025-26), which includes a corpus of Rs. 360 crore for research gap funding, etc.

The sale of Fermented Organic Manures (FOM) during the last and current year till date 56058.621 MT and 227991.462 MT respectively.

Government is promoting organic farming using bio-fertilizers and organic fertilizers through the schemes of Paramparagat Krishi Vikas Yojana (PKVY) in all the States/UTs and Mission Organic Value Chain Development for North Eastern Region (MOVCDNER). Both the schemes focus on end-to-end support to farmers engaged in organic farming i.e. from production to processing, certification and marketing and post-harvest management. Training and capacity building are integral part of the scheme. Under the PKVY and MOVCDNER schemes, farmers are provided financial assistance of Rs.15000/ha for 3 years through Direct Benefit Transfer(DBT) for on-farm and off-farm organic inputs including organic manure and biofertilizer.

**(e) & (f):** 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 of 76.2 LMTPA thereby total production urea production capacity 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. The NUP-2015 has led to additional production of urea by 20-25 LMTPA as compared to the production during 2014-15. These 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.

The P&K sector is a decontrolled and under the NBS scheme the companies are free to take initiatives to produce/import fertilizers as per market dynamics.

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