

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 905 TO BE ANSWERED ON: 07.02.2025

Capacity of Storage Houses

**905. SMT. KAMLESH JANGDE:
SHRI DILIP SAIKIA:
SMT. SHOBHANABEN MAHENDRASINH BARAIYA:
SHRI LUMBA RAM:**

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

- (a) whether the Government has devised any plan to deal with the sharp fluctuations in international prices and uncertainty in the availability of raw materials used for manufacturing fertilizers;
- (b) if so, the details thereof;
- (c) whether the storage capacity of the existing storage houses for raw materials is sufficient to ensure uninterrupted availability of raw materials to the fertilizers plants;
- (d) if not, whether the Government is working on any plan to increase the capacity of the said storage houses in future; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) & (b): In respect of Urea, natural gas is mainly used as a feedstock by all urea units for the production of urea. Presently, all units have gas pipeline connectivity and use natural gas for urea production. The cost of natural gas including taxes on it are pass through item for the calculation of the subsidy on Urea produced by the units. Accordingly, the impact of the fluctuation in the price of natural gas is not passed on the farmers as the price of Urea is fixed 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. Accordingly, all farmers of the country are being supplied Urea at the subsidized rates and thereby are beneficiaries of this scheme.

In respect of Phosphatic & Potassic (P&K) fertilizers, 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. P&K fertilizers are decontrolled and companies are free to import / produce fertilizer raw materials, intermediaries and finished fertilizers as per their business dynamics. In view of price volatility in international prices of key fertilizers and raw materials, the Government subsumes fluctuations, if any, while fixing NBS rates for P&K fertilizers bi-annually.

The Government of India has actively engaged with countries rich in fertilizer raw materials and facilitated the establishment of several Long-Term Agreements (LTAs) between Indian companies and foreign companies in fertilizer rich countries. Additionally, the Indian fertilizer companies have also formed Joint ventures (JVs) in fertilizer-rich nations, such as Oman India Fertilizers Company (OMIFCO) in Oman, Industries Chimiques Du Senegal (ICS) in Senegal, and Jordan India Fertilizers Company (JIFCO) in Jordan. The list of JVs is attached as **Annexure**. These Joint Ventures and Long Term Agreements aim to ensure a steady supply of fertilizers and strengthen cooperation in the global fertilizer sector.

(c) to (e): The capacity of storage of raw materials and intermediates, such as, rock phosphate, sulphur, phosphoric acid, sulphuric acid and ammonia for the production of fertilizers are designed at the planning stage before commissioning of plant. The optimum capacity of raw materials and intermediates are decided based on various factors including (but not limited to) daily capacity of the plant, availability of raw materials in the international & domestic markets, location of the plant, inventory cost, recovery cycle from the market, etc. The storage capacity is also adequately increased in case a plant revamps its capacity of finished product. The storage capacity of various raw materials is optimized to meet the production rate for 15 up to 60 days. In case of natural gas, there is no need for storage as it is supplied through gas pipelines by gas suppliers.

Annexure

Annexure referred to in reply to part (a) & (b) of Lok Sabha Unstarred Question No. 905 for answering on 07.02.2025

List of Joint ventures formed by Indian Fertilizer Companies abroad

Sl. No.	Joint Venture	Participating companies
1.	Jordan Phosphate Mining Company (JPMC) - Jordan	JPMC (48%), IFFCO (27% equity) & Kisan International Trading (25%) (IFFCO's wholly owned subsidiary)
2.	Indo Maroc Phosphore SA (IMACID), Morocco	OCP SA- Morocco, Chambal & Tata Chemicals Ltd. (TCL)- 33.33% each shareholding
3.	Oman India Fertilizers Co. (OMIFCO), Oman	Oman Oil Co. (OOC- 50%) IFFCO (25%) & KRIBHCO (25%)
4.	Baobab Mining and Chemical Corporation (BMCC), Senegal	Coromandel Chemicals Ltd. is having 45% shareholding in BMCC.
5.	ICS Senegal, Senegal	Indorama Corporation (78%), IFFCO (6.78%) and GoI (0.22%)
6.	Tunisia, India Fertilizer Company (TIFERT) Tunisia	GCT, CPG (Tunisia-70%), CIL (15% equity) & GSFC (15% equity)
7.	Foskor, South Africa	CIL holds 14% sweat equity in Foskor.
8.	Karnalyte Resources, Canada	GSFC holds a 47.73% ownership stake in Karnalyte,
