

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 2663**  
**TO BE ANSWERED ON : 10.05.2016**

**Problem of fertilizer industry**

**2663 SHRIMATI K. MARAGATHAM:**

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

- (a) whether the two consecutive years of deficient monsoon have burdened the fertilizer industry with excess inventory estimated at around 5 million tonne which is equivalent to 90-100 days of consumption and if so, the details thereof; and
- (b) Whether the fertilizer manufacturers will have limited ability to increase prices to compensate for the reduction in subsidy, if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

**(SHRI HANSRAJ GANGARAM AHIR)**

(a): The availability of fertilizers for the year 2014-15 and 2015-16 was planned as per the requirement projected by Department of Agriculture, Cooperation & Farmers' Welfare (DAC&FW) for these years. The requirement, availability and sales of Urea, DAP, MOP & NPK for the year 2014-15 and 2015-16 are given as below:

**< Figures in LMT >**

Name of Product	2014-15			2015-16		
	Requirement	Availability	Sales	Requirement	Availability	Sales
Urea	306.71	310.42	308.74	313.36	329.00	319.68
DAP	95.64	77.80	75.58	102.34	101.28	97.48
MOP	30.26	30.72	27.80	36.07	25.71	24.32
NPK	99.81	90.57	85.95	105.89	98.03	92.68

As can be seen from the above table that the availability of fertilizers has been commensurate with the requirement projected by Department of Agriculture, Cooperation & Farmers Welfare. The sales of fertilizers have also been commensurate with the requirement and there was no report of shortages of fertilizers from any part of the country last year.

Thus, the stock of fertilizers has been adequate as consumption (sales) has been good despite less than normal monsoon. Timely availability has been ensured because of comfortable stock position. Further, sufficient stock (inventory) is essential in order to ensure timely availability of fertilizers.

(b): Under the NBS Policy, MRP of P&K fertilizers is fixed by the fertilizer companies as per market dynamics at reasonable level. The Department of Fertilizers has put in place a mechanism to find the reasonableness of MRP of P & K fertilizers. Whereas for Urea, MRP is fixed by the Government and the difference between cost of production and farm gate price is paid as subsidy to the Urea manufacturers.

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