

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO. 1038 TO BE ANSWERED ON: 24.07.2026
Impact of Global Fertilizer Price Rise

1038. SHRI KARTI P CHIDAMBARAM:

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

- (a) whether the Government is aware that India struggled to secure adequate supplies of DAP and TSP following the closure of the Strait of Hormuz, necessitating a consortium-based import approach coordinated through IPL on behalf of the industry;
- (b) the reasons for the Nutrient-Based Subsidy outlay for Kharif season 2026 being raised by nearly twelve percent to 41,533.81 crore and the extent to which this increase is directly attributable to elevated global prices of DAP, MOP and sulphur since the disruption began;
- (c) whether Industrial bodies, including the Gujarat Chamber of Commerce and Industry, have sought export restrictions on elemental sulphur to secure domestic supply, if so, the details thereof along with the response of the Government thereto;
- (d) whether the retail price of DAP has been insulated from these cost pressures only through additional special subsidy support, if so, the details thereof, and
- (e) the total quantum of such special support disbursed since the disruption began?

ANSWER
THE MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI JAGAT PRAKASH NADDA)

(a): The Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K fertilizers including Diammonium Phosphate (DAP) and Triple Super Phosphate (TSP) are covered under Open General License (OGL) and companies are free to import/manufacture these fertilizers as per their business dynamics.

Due to the closure of the Strait of Hormuz, the Indian Fertiliser Industry was concerned about the availability of fertilisers. Considering the prevailing situation and the urgent need to ensure fertiliser and fertiliser raw material availability for Kharif season, companies came together to import fertilisers and fertiliser raw material through a “consortium-based import approach” instead of proceeding individually. In a joint meeting held among these companies, Indian Potash Limited (IPL) was nominated to coordinate on behalf of the fertilizer industry for the consortium-based import approach. Through this approach, the industry was able to secure the required quantities of DAP, TSP and Ammonium Sulphate for the country.

(b): Under NBS Scheme, the basic principle adopted in fixation of subsidy rates for different nutrients is identification of ‘Benchmark International Prices’ of major consumed fertilizers i.e. Urea, DAP, MOP & Sulphur. Based on these benchmark prices, the delivered prices of these fertilizers are determined after taking into account the prevailing exchange rate. The increase in the NBS outlay for Kharif 2026 to ₹41,533.81 crore which is approximately Rs. 3581 crore more than the previous Rabi 2025-26 season, is primarily attributable to a rise in benchmark international prices of key fertilizers and inputs used for subsidy determination under the NBS Scheme.

(c): No representation has been received from the Gujarat Chamber of Commerce and Industry. However, representations have been received in Director General of Foreign Trade (DGFT) from the Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL) and a Group of Domestic Sulphur-Dependent Manufacturers seeking export restrictions on Elemental Sulphur to secure domestic supply.

(d) & (e): To make DAP which is a key fertilizer, available at affordable price of Rs. 1350 per 50 kg bag, special provisions like Rs. 3500 per MT to cover 'Other Costs' which includes costs incurred from factory gate to farm gate, advantage / disadvantage due to increase / decrease in international prices, provision for GST component included in the MRP and provision for reasonable return @ 4% of net MRP (MRP-GST) have been extended to both imported and domestic DAP and imported TSP over and above NBS subsidy for Kharif & Rabi 2025-26 and Kharif 2026 seasons. Department of Fertilizers has disbursed Rs. 900.97 crores from 01.04.2026 to 30.06.2026 on account of special provisions like 'Other Costs' & GST component included in the MRP.
