GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. **2250** TO BE ANSWERED ON **31.07.2026**

Fertilizer Security

2250: Smt. Roopkumari Choudhary:

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

(a) whether the Government has undertaken a comprehensive assessment of long-term Fertilizer Security of the country, if so, the major findings thereof;
(b) whether the Government has made any assessment regarding the impact of global supply chain disruptions, geopolitical conflicts, volatility in international fertilizer prices, dependence on imported fertilizers and critical raw materials on the agricultural productivity and food security of the country, if so, the details thereof;
(c) whether the Government proposes to launch a National Fertilizer Security Mission with the objective of achieving self-reliance in the fertilizer sector, ensuring long-term fertilizer security, and promoting sustainable agricultural growth; and
(d) if so, the details thereof, including the objectives, scope, implementation framework, estimated financial outlay, timeline, institutional mechanism and the role envisaged for the State Governments?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a to d): 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 capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 269.42 LMTPA during 2026-27. Further, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield Urea plant of 12.7 LMTPA at coal gasification route has also been approved. Further, setting up of a new Brownfield Ammonia-Urea Complex named as Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL) with an annual capacity of 12.7 Lakh Metric Tonne of Urea through Joint Venture within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Assam has been approved. These two projects are under execution phase.

Also, 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 beyond RAC. The NUP-2015 has led to additional production of urea by 20-25 LMT as compared to the production during 2014-15 annually.

Above 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. During 2025-26, 293.30 LMT of Urea was produced in the country.

In addition to this, on 15.07.2026, CCEA approved National Investment Policy for Urea-2026 for Aatmanirbhar Bharat (NIPU-2026) for making fresh investments in Urea Sector**.**

In view of recent global disruptions, Department has undertaken measures to diversify import sources by exploring procurement opportunities from various countries through engagement with Indian Missions abroad. These measures are aimed at strengthening the fertilizer supply chain, reducing vulnerabilities arising from global market disruptions and ensuring the uninterrupted availability of fertilizers in the country.

Due to disruption of liquefied natural gas (LNG) shipments through the Strait of Hormuz because of conflict in the Middle East, the Government notified the Natural Gas (Supply Regulation) Order, 2026 on 09.03.2026 under the Essential Commodities Act, 1955 to regulate the production, allocation and distribution of natural gas and to ensure its equitable availability. The Order accorded priority in the allocation of natural gas to critical sectors, including PNG (Domestic) (100% of the average consumption during the preceding six months), CNG (Transport), LPG production and fertilizer, thereby ensuring continuity of essential services, energy security and public welfare. The said measures were temporary in nature and, in view of the improvement in the supply situation, were withdrawn vide notification dated 04.07.2026.

Further, 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 are covered under Open General License (OGL) and companies are free to import/ manufacture these fertilizers as per their business dynamics.

To reduce dependence on imported Phosphatic fertilizers and make country self-reliant measures have been taken to encourage domestic production through guidelines 18.01.2024 on reasonableness of MRP, wherein importers/manufacturers and integrated manufacturers are given reasonable profit of 8%/10% and 12% respectively; based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized /taken on record under the NBS Scheme; the number of P&K fertilizers covered under NBS Scheme has increased from 22 grades in 2021 to 28 grades; Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is being provided since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil. Further the rates of nutrients under NBS scheme are decided on biannual basis to ensure availability of fertilizers under the Scheme.

Under NBS policy, MRP of P&K fertilizers are decontrolled and companies are free to fix MRP as per their business dynamics at a reasonable level. The NBS subsidy is provided to manufacturer / importer on notified P&K fertilizers on its PoS sale during the season, depending on their nutrient content to ensure availability of fertilizers to farmers. The volatility in international prices of key fertilizers and raw materials is considered while fixing NBS rates for P&K fertilizers so that fertilizers remain affordable to the farmers

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 2026 season to keep the prices of fertilizers stable.

Also, following steps are taken by the Government every season for ensuring timely, adequate supply of fertilizers in the country:

i. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise & month-wise requirement of fertilizers. On the basis of requirement projected by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

ii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web-based monitoring system called integrated Fertilizer Management System (iFMS).

iii. The gap between demand (requirement) and production of Urea & other fertilizer is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

iv. The State Governments are regularly advised to coordinate with manufacturers and importers for streamlining the supplies through timely placement of indents.

v. Regularly coordinate with the Ministry of Railways for giving sufficient rakes, priority to fertilizers and for timely evacuation of rakes for States.

vi. The distribution of fertilizers within the State at district level is done by the concerned State Government.

Accordingly, the availability of fertilizers has remained adequate in the country during the ongoing Kharif 2026 season (from 01.04.2026 to 26.07.2026).

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