

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UN-STARRED Question No. **3269** TO BE ANSWERED ON **07.08.2026**

Impact of Neem-Coated Urea

3269. Shri Mahendra Singh Solanky:

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

- (a) whether the Government has made neem-coating of urea mandatory across the country, if so, the details and the objectives thereof;
- (b) the benefits achieved through neem-coated urea in improving nitrogen-use efficiency, reducing fertilizer misuse and enhancing crop productivity, particularly for farmers of the Dewas–Shajapur Parliamentary Constituency of Madhya Pradesh;
- (c) whether the Government has made any assessment regarding the impact of neem-coated urea in preventing diversion of subsidized urea for industrial and other non-agricultural purposes, if so, the details thereof; and
- (d) the quantity of neem-coated urea produced, supplied and marketed during the last three years, along with the details of allocation and distribution made to the State including the said Constituency, year-wise?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (c): It is mandatory for all the domestic producers and importers of Urea to supply 100% Neem Coated Urea (NCU) since 2015 onwards. One of the primary benefits of Neem Coating is that due to slow release, the consumption of NCU reduces as compared to normal Urea, improving crop uptake, and reducing environmental losses. Research findings indicated that the average yield enhancement due to use of NCU is 8.25%. Further, application of NCU, significantly reduced the nitrogen losses by about 10%-15%.

Neem-Coated Urea (NCU) acts as an effective nitrification inhibitors, leading to higher soil $\text{NH}_4^+\text{-N}$ and lower $\text{NO}_2\text{-N}$ compared to prilled Urea, though their performance varies with soil type, crop, and region. Several studies have shown that NCU increases nitrogen

availability, reduces NO₃ leaching, and minimizes NH₃ volatilization losses. Research across different soils consistently reports higher nitrogen recovery, improved yield at lower N application rates, and reduced nitrogen losses.

The Government of India in consultation with the State Government is regularly monitoring the enforcement action taken by State Government against the cases of Black marketing, Hoarding, Sub-standard and Diversion on weekly basis. In the country, Since April 2026, 1,69,031 raids have been conducted with 9,127 show cause notices issued, 2,868 licenses suspended/cancelled and 270 FIRs registered against defaulters. Additionally, in case of diversion 414 show cause notices issued, 113 licenses suspended/cancelled and 46 FIRs registered. This Ministry regularly pursue with the State Government to strictly implement the enforcement action against the defaulters.

(d): The Quantum of Neem Coated Urea produced in the country during the last three years is as under:

Year	Production of Neem-Coated Urea (Fig. in LMT)
2023-24	314.06
2024-25	306.41
2025-26	293.15

Source: dbfert.nic.in

In addition, following steps are taken by the Government every season for ensuring timely and adequate supply of fertilizers across the States/UTs, including the State of Madhya Pradesh:

- 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, Department of Fertilizers (DoF) 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 for 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 Urea has remained adequate in the State of Madhya Pradesh during the last three years (i.e. in FYs 2023-24 to 2025-26). The information regarding requirement, availability and sales of Urea in the State during the said period is placed at **Annexure**.

ANNEXURE

Annexure referred to in reply to part (d) of Lok Sabha Unstarred Question No. 3269 for answering on 07.08.2026

MADHYA PRADESH				
REQUIREMENT, AVAILABILITY & SALES OF UREA FROM 2023-24 TO 2025-26				
Fig. in LMT				
S. No	YEAR	UREA		
		Requirement	Availability	Sales
1	2023-24	33.46	41.73	34.37
2	2024-25	35.38	42.43	38.09
3	2025-26	40.42	47.16	42.43