

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

STARRED QUESTION NO. 322* TO BE ANSWERED ON: 11.08.2023

Subsidy on Urea Fertilizers

322* SHRI L.S. TEJASVI SURYA:

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

- (a) the total subsidy being provided to farmers for procuring urea fertilizers in the country during the last four years, year-wise;
- (b) whether there has been a year-on-year increase in the subsidy provided by the Government and if so, the details thereof;
- (c) whether due to the war in Ukraine, the Government has taken/proposes to take any measures to ensure continuous and smooth supply of urea and fertilizers for farmers in the country and if so, the details thereof; and
- (d) whether the Government has taken any other steps to ensure increase in domestic manufacturing of urea and other fertilizers and if so, the details thereof?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS AND HEALTH & FAMILY WELFARE

(DR. MANSUKH MANDAVIYA)

(a) to (d): A statement is laid on the table of the House.

STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO. 322* FOR 11.08.2023 REGARDING “SUBSIDY ON UREA FERTILIZERS” TABLED BY SHRI SHRI L.S. TEJASVI SURYA.

(a) & (b): Under the ‘DBT in Fertilizers’ system, 100% subsidy on various fertilizer grades is released to the fertilizer companies, based on actual sales to the beneficiaries by Aadhaar authentication through POS devices installed at each retail shop. The details of subsidy disbursed on urea fertilizers and year on year increase in urea subsidy for the last four years are as under:

(Rs. In Crores)

Sl. No.	Financial Year	Expenditure on Urea Subsidy	Year on Year Increase (%)
1	2019-20	57097.66	-
2	2020-21	93857.03	64.38
3	2021-22	104870.12	11.73
4	2022-23	168676.65	60.84

(c) & (d): The Russia Ukraine war resulted in increase in prices of fertilizers and its raw materials at global level. However, Government of India has ensured availability of fertilizers at reasonable prices by increasing the quantum of subsidies. The expenditure incurred on the fertilizers’ subsidy in 2021-22 was Rs. 1,57,640.09 Crores which has increased to Rs. 2,54,798.93 Crores in 2022-23. Government of India also facilitated long term agreements and Joint Ventures (JVs) to ensure adequate supply of fertilizers.

In order to increase the availability of urea through indigenous sources, Government of India announced New Investment Policy (NIP) – 2012 to facilitate fresh investment in the Urea sector and to make India self- sufficient in the Urea sector. A total of 6 Urea units viz.2 new at Panagarh, Gadepanand 4 revived at Gorakhpur, Sindri, Barauni, Ramagundam have been set up under NIP – 2012, which together have added 76.2 LMT per annum in the existing indigenous Urea production capacity of the country.

In addition, Government of India also introduced the New Urea Policy (NUP)–2015 on 25thMay, 2015 with one of the objectives of maximizing indigenous urea production. Total urea production capacity of the country has increased from 207.54 LMT in 2017-18 to 283.74 LMT in 2022-23.
