

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 1852 TO BE ANSWERED ON: 02.08.2024**

PRODUCTION OF DAP FERTILIZER

1852. SHRI RADHAKRISHNA:

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

- (a) whether the Government has taken note that the high international prices of phosphoric acid have affected the production and supply of DAP Fertilizer in the country;
- (b) if so, the details thereof;
- (c) the steps taken/proposed to be taken by the Government to address the decreased manufacturing of DAP fertilizer during the year 2024-25 due to increased costs;
- (d) whether the Government is planning to increase the subsidy amount for manufacturing of DAP to ensure easy availability of fertilizers for farmers; and
- (e) if so, the details thereof including the proposed timeline and steps taken for implementing such an increase in subsidy?

**ANSWER**

THE MINISTER OF STATE IN MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) & (b): The trend of India CFR (Cost & Freight Rates) for Phosphoric Acid for last 3 years (in USD/MT) is as under:

<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>	<b>Nov-21</b>	<b>Dec-21</b>	<b>Jan-22</b>	<b>Feb-22</b>	<b>Mar-22</b>
1128	1160	1160	1160	1330	1330	1330	1330	1530
<b>Apr-22</b>	<b>May-22</b>	<b>Jun-22</b>	<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>
1530	1530	1530	1715	1715	1715	1310	1175	1175
<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>	<b>Aug-23</b>	<b>Sep-23</b>
1175	1050	1050	1050	990	970	970	874	951.3
<b>Oct-23</b>	<b>Nov-23</b>	<b>Dec-23</b>	<b>Jan-24</b>	<b>Feb-24</b>	<b>Mar-24</b>	<b>Apr-24</b>	<b>May-24</b>	<b>Jun-24</b>
985	985	985	985	971.4	968	963	948	948

It may be seen that international prices of phosphoric acid have been volatile. The production of P&K fertilizers (including DAP, TSP, Complexes & Ammonium Sulphate) is 143.91 LMT (2022-23), 144.82 LMT (2023-24) and 36.5 LMT (2024-25 – till 30.06.2024).

(c) to (e): P&K fertilizers are covered under Open General License (OGL), hence companies manufacture or import P&K fertilizers based on the market dynamics.

Further, Government has taken the following steps for making country self reliant in P&K fertilizers and address availability of any fertilizer including DAP:

(i) Government has implemented Nutrient Based Subsidy (NBS) scheme for Phosphatic & Potassic (P&K) fertilizers w.e.f. 1.4.2010. Under NBS scheme, a fixed amount of subsidy, decided on annual/semi-annual basis, is provided on subsidised P&K fertilizers depending on their nutrient content including DAP. Under this scheme, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. Thus, the P&K fertilizer sector is a decontrolled fertilizer sector under the NBS scheme and the companies are free to take initiatives to produce fertilizers as per market dynamics.

(ii) Whenever, there is a gap between demand and production of fertilizer, the same is met through import of fertilizers.

(iii) Based on examination of requests received, permission are granted to the fertilizer companies for increasing their manufacturing capacity which are under NBS and for induction of new P&K companies & their fertilizer products including DAP under NBS, with a view to boost manufacturing and make country self-reliant in fertilizer production.

(iv) In order to ensure smooth availability of DAP at affordable prices to farmers, Government has provided special packages on DAP over and above the NBS subsidy rates on need basis. Recently, in 2024-25, due to geo-political situation, adversely affecting the viability of procurement of DAP by the fertilizer companies, the Government has approved One-time special package on DAP beyond the NBS rates on actual PoS (Point of Sale) sale of DAP for the period from 01.04.2024 till 31.12.2024 @ ₹ 3500 per MT to the P&K fertilizer companies to ensure sustainable availability of DAP at affordable prices to the farmers.

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