

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:59
ANSWERED ON:20.02.2001
HIGH FEEDSTOCK COSTS
CHANDRAKANT BHAURAO KHAIRE

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

- (a) whether the Government have received representation from Fertilizer Association of India regarding high feedstock costs which are putting Indian fertiliser plants to many disadvantages;
- (b) if so, the details thereof; and
- (c) the Government's reaction thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a): Yes, Sir.

(b)&(c): For the production of nitrogenous fertilizers, natural gas is the most preferred feedstock world-over vis-à-vis other feedstocks. However, keeping in view the constraints in the availability of natural gas, the fertilizer plants are using other feedstocks like Naphtha, Fuel Oil (FO) / Low Sulphur Heavy Stock (LSHS) which are more expensive for production of fertilizers. At present, the production of urea in the country is governed by the Retention Price-cum-Subsidy Scheme. This scheme enables the manufacturers to recover the actual cost of feedstock and ensures that fertilizer plants based on Naphtha and F.O./ LSHS are not put to any disadvantage.