

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

STARRED QUESTION NO:50

ANSWERED ON:11.11.2010

SHORTAGE OF FERTILIZERS

Swamygowda Shri N Cheluvarya Swamy ;Verma Shri Sajjan Singh

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

(a) the production, demand and supply of various fertilizers in the country during each of the last three years and the current year, Fertilizer-wise and State-wise;

(b) whether there is shortage and huge gap between the demand and the supply of fertilizers in various States and the farmers are suffering on this count;

(c) if so, the details thereof and the reasons therefor, State-wise and;

(d) the steps taken by the Union Government to supply fertilizers as per the demands/requests of the State Governments and to increase the production and the supply of fertilizers in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

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

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No. 50 to be answered on 11.11.2010.

(a): The State-wise demand (Requirement), supply (Availability) of major fertilizers namely Urea, DAP and MOP during the last three years i.e. 2007-08, 2008-09, 2009-10 and also during the current year 2010-11 (upto 31.10.2010) is at Annexure – 'A' to 'D'. Department of Fertilisers (DOF) started monitoring of complex fertilizers with effect from Kharif, 2008 for which information is furnished. State-wise production of urea, DAP & Complexes for last three years i.e. 2007-08, 2008-09, 2009-10 and also during the current year 2010-11 (Kharif 10 season) is at Annexure – 'E', 'F' & 'G'.

(b) to (c): State-wise requirement, availability and sales of Urea, DAP, MOP and complex fertilizers during the year 2010-11 (April - October, 2010) is at Annexure – 'D'. As can be seen, the availability of urea has been adequate to support its sales. There is no shortage of DAP, MOP and Complex fertilizers (NPK) in the country.

(d): The steps taken for smooth distribution and increase the production of fertilizers are as under:

i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system ([www.urvarak.co.in](http://www.urvarak.co.in)) also called as Fertiliser Monitoring System (FMS);

ii) The state governments have been advised (i) to instruct the State Institutional agencies to coordinate with manufacturers and importers of fertilizers for streamlining the supplies (ii) to review the railway rake points in their states and take up the issues with the Railways for improvements, if any, required to ensure availability of fertilizers in every nook and corner of the State;

iii) The Government has introduced Nutrient Based Subsidy (NBS) Policy in respect of Phosphatic & Potassic fertilizers w.e.f. 1.4.2010. Under the NBS, State Governments have to play more proactive role to co-ordinate with the manufacturers/importers to tie up supplies of fertilizers as per the requirement of states;

iv) Department of Fertilizers and Department of Agriculture & Cooperation are jointly reviewing fertilizer availability with State Agriculture department through Video Conferences every week. The corrective actions, if required, are taken immediately to avoid any hardships to farmers;

(v) The Department of Fertilizers contacts on phone the officials of major fertilizer consuming states on daily basis to find out any shortages of fertilizers in any part of the state and the corrective actions are taken immediately;

vi) Under NBS, Fertilizer companies are required to print Maximum Retail Price (MRP) along with applicable subsidy on the fertilizer bags clearly. Any sale above the printed net retail price will be punishable under the EC Act;

vii) The gap between requirement and indigenous availability of Urea is met through imports;

viii) In so far as decontrolled Phosphatic and Potassic fertilizers are concerned, subsidy is released on sale of fertilizers;

ix) Department of Fertilisers is having constant interaction with Ministry of Petroleum & Natural Gas, GAIL and other prospective suppliers of NG/LNG so that gas requirement of the fertilizers industry is met;

x) Government is always encouraging production of urea in the country to achieve self-sufficiency. The Government has announced a new policy on 4th September, 2008 to attract new investments. The policy is based on import Parity Price (IPP) benchmark with suitable floor & ceiling prices aiming to revamp, expansion, revival of existing urea units and setting up of Greenfield projects. The country is almost fully dependent on imports to meet the requirements of phosphatic and potassic fertilizers. Government has taken initiatives to encourage indigenous production in P&K sector by allowing import parity price to the indigenous manufacturers of DAP. Government has also reduced the custom duty on phosphoric acid from 5% to 2% to enable indigenous manufacturers of P&K fertilizers to acquire this important input at reasonable price. Government is also encouraging private sector and public sector companies to explore the possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizers inputs to P&K sector; and

xi) All possible steps are taken by the Department of Fertilisers to match the availability of fertilizers with the assessed requirement.