

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

UNSTARRED QUESTION NO:645

ANSWERED ON:11.11.2010

PRODUCTION CAPACITY OF FERTILIZER UNITS

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

- (a) the number of fertilizer manufacturing units in the Public, Private and Co- operative Sectors in the country, sector-wise and State-wise;
- (b) the total production capacity of chemicals fertilizer units in the country ;
- (c) whether all the units are producing as per their capacity;
- (d) if so, the details of production of fertilizers during each of the last three years and the current year, Fertilizer-wise and Unit-wise ;
- (e) the percentage of domestic demand of chemicals fertilizers met with the indigenous production ;
- (f) whether the Government has framed any scheme to increase the production capacity of fertilizer units in order the make the country self- reliant in the field of fertilizers ; and
- (g) if so, the details thereof ?

Answer

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

(a) The details of number of fertilizer units producing Urea, DAP and Complex Fertilizers operating in the country in the public, private & Co-operative sector at present, state-wise are at Annexure- I.

(b) to (d) The production capacity of fertilizers units in respect of Urea is 200.30 LMT and other major fertilizers viz DAP & Complexes is 72.99 LMT 52.22 LMT respectively. Some of the fertilizer units in the country are not producing as per their capacity. Unit-wise details of installed capacity, production & percentage capacity utilization of major fertilizer manufacturing units are at Annexure-II.

(e) The details of percentage of domestic demand (Requirement) of major chemicals fertilizer met with the indigenous production for the last three years are given below:-

(in lakh MT)

Year Demand Production %age

Urea DAP NPK Urea DAP NPK Urea DAP NPK

2007-08	271.70	89.21	87.40	198.58	42.12	58.51	73.1	47.2	66.9
2008-09	281.33	94.82	92.31	199.22	29.93	68.48	70.8	31.6	74.2
2009-10	281.89	106.98	87.73	211.12	42.47	80.38	74.9	39.7	91.6

(f) & (g) Government has been 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 and revival of existing urea units and setting up of Greenfield projects. The policy aims to substantially bridge the gap between consumption and domestic production of urea in next five years subject to adequate availability of gas at reasonable prices. 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 procure this important input at reasonable price. Government is also encouraging private sector and public sector companies to explore possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizer inputs to P&K sector.

