

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

UNSTARRED QUESTION NO:837

ANSWERED ON:04.08.2011

IMPORT OF FERTILIZERS

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

- (a) whether the production of fertilizers is highly dependent on fossil fuels and most of the fertilizers are imported;
- (b) if so, the import of various fertilizers during each of the last three years;
- (c) the estimated import of urea during 2011-12 and the names of the countries from which it is likely to be imported;
- (d) the present cost of the imported urea per tonne compared with the import price during the past three years and the current year; and
- (e) the steps taken to make urea available to the farmers at the reasonable prices and to reduce its import?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) Production of urea in the country is highly dependent on availability of Gas, Naphtha etc. However in case of P&K fertilizers the country is almost dependent on imports by way of imports of raw material/intermediates and/or imports of finished fertilizers like DAP, MOP and complexes.

(b) The imports of various fertilizers during the last three years are as under: -

(Quantity in Lakh MT)
Product 2008-09 2009-10 2010-11

Urea	56.67	52.10	66.10
DAP	61.92	58.89	74.11
MAP	2.67	1.93	1.88
TSP	1.73	0.87	0.98
NPK	9.81		
MOP	43.46	41.62	45.00
(Agri			
-culture			
Use)			

Urea is the only fertilizer under statutory price control and it is imported for direct agriculture use on Government account to bridge the gap between assessed demand and indigenous production. Department of Fertilizers reviews demand supply position during each crop season i.e. Kharif & Rabi and decides the quantity of urea imports based on the gap. The source for supply of urea depends on the availability of surplus quantity, however, based on the past trend the majority of the urea is imported from China, Iran, CIS countries and Arabian Gulf. Besides this, Government is also importing approximately 2 million MT of granular urea per annum from Oman India Fertiliser Company (OMIFCO), Sur, Oman under Long Term Urea Off Take Agreement (UOTA) between GOI & OMIFCO. Fertilizers other than Urea are imported under Open General Licence (OGL). Companies import these fertilizers as per their commercial judgment. However, Government is closely monitoring the availability of all major fertilizers to ensure adequate & timely availability of these fertilizers.

(d) As per the latest contracts finalized by STC the current price of urea is US\$506.23 to US\$507.27 per MT C&F in comparison of weighted average per MT C&F price of US\$524.41 in 2008-09, US\$277.14 in 2009-10, US\$327.38 in 2010-11 and US\$354.33 arrived during the current year from April 2011 to June 2011.

(e) The Maximum Retail Price (MRP) of Urea is under Statutory Control and urea is available to the farmers at reasonable uniform price throughout the country. The Government has announced a new policy on 4th September 2008 to attract new investments in urea sector. 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 policy aims to substantially bridge the gap between consumption and domestic production of urea subject to adequate availability of gas at reasonable prices.

