

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

UNSTARRED QUESTION NO:2967  
ANSWERED ON:18.08.2011  
DEALERSHIP NETWORK OF FERTILIZER UNITS  
Singh Shri Ravneet

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

- (a) whether the Government proposes to increase the dealership network of fertilizer units, in view of severe shortage of fertilizers in several parts of the country including Punjab;
- (b) if so, the details thereof;
- (c) the number of fertilizer dealership/distributorship of National Fertilizers Ltd. and Indian Potash Ltd. in the country including Punjab during the last three years, State-wise; and
- (d) the other steps proposed to be taken by the Government for the effective distribution of fertilizers and prevent its shortage in the market?

**Answer**

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

(a) & (b): There are no guidelines issued by the Government for appointment of dealers which is done by the respective fertilizer manufacturing/trading company looking to its commercial requirement and marketing needs in different States of the country. The licence for distributorship is given by the respective State Government.

Urea is the only fertilizer under partial movement, distribution and statutory price control of Government of India. All other fertilizers viz. DAP, MOP, SSP and NPK etc. are decontrolled/ de-canalized since 1992 and are imported under Open General Licence (OGL). The availability of these P&K fertilizers is decided by the market forces of demand and supply. Union Government monitors availability of fertilizers at State level and State Governments are responsible for further distribution within the State. The availability of urea, phosphatic fertilizers (DAP/NPK) and MOP in Punjab during current Kharif 2011 (April '11 to July '11) are as under:

(Figures in `000 MTs)

Kharif 2011 (April '11 to July '11)

| Fertilizer Grade | Requirement positioned | Stock pre- | Supplies | Availability | Sales |
|------------------|------------------------|------------|----------|--------------|-------|
|------------------|------------------------|------------|----------|--------------|-------|

|      |         |     |         |         |         |
|------|---------|-----|---------|---------|---------|
| Urea | 1050.00 | â€” | 1069.24 | 1069.24 | 1049.05 |
|------|---------|-----|---------|---------|---------|

|                     |        |       |        |        |        |
|---------------------|--------|-------|--------|--------|--------|
| Phosphate (DAP+NPK) | 360.00 | 51.95 | 246.98 | 298.93 | 293.50 |
|---------------------|--------|-------|--------|--------|--------|

|     |       |     |       |       |       |
|-----|-------|-----|-------|-------|-------|
| MOP | 36.00 | â€” | 19.40 | 19.40 | 19.37 |
|-----|-------|-----|-------|-------|-------|

The State-wise demand (Requirement), supply (Availability) and sales of major fertilizers namely Urea, MOP and phosphatic fertilizers (DAP+NPK) during the current Kharif, 2011 (April`11 to July`11) is annexed at `A`. As can be seen, the availability of urea is adequate. Similarly, the availability of phosphatic fertilizers i.e. DAP/NPK during current Kharif, 2011 (April to July`11) has been comfortable throughout the country. There is tightness in availability of MOP during current year. There is no viable source of Potash in the country as such the entire demand of MOP is met through imports. During the current year, contracting for import of MOP could not be materialized due to substantial increase of prices in the International market. However, the breakthrough in contracting of MOP has just been achieved. It is expected that MOP imports would start arriving with effect from first week of September, 2011 As a result, MOP availability for direct application as well as for indigenous production of NPK fertilizers would improve.

(c): The State-wise number of fertilizer dealership/distributorship of M/s National Fertilizer Limited and M/s Indian Potash Limited in the country during the last three years is annexed at `B`.

(d): The steps taken for smooth distribution 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) 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.; and

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