

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

STARRED QUESTION NO:318
ANSWERED ON:15.12.2011
PRODUCTION COST OF UREA
Jaiswal Shri Gorakh Prasad

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

- (a) whether the production cost varies substantially among industrial units producing urea in the country;
- (b) if so, the details thereof including the production cost of the fertilizer units in the public, cooperative and the private sectors and the reasons therefor; and
- (c) the steps taken to reduce production cost of urea?

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) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHS STARRED QUESTION NO. 318 TO BE ANSWERED ON 15-12-2011.

(a) Yes, Madam.

(b) The reason for cost variation is on account of usage of different feedstock (Gas/Naphtha/FO/LSHS), vintage of the urea plant and technology. The details of normative cost of production of 29 operative urea producing units in Public, Cooperative and Private sector during the year 2010-11 is at Annexure.

(c) The Government has allocated domestic natural gas from KG-D6 Basin to fertilizer units on priority basis which has replaced the costlier feedstock i.e. Naphtha. The FO/LSHS feedstock based units are being converted to gas based units. Gas pipeline connectivity to Naphtha based urea units has been approved by the Ministry of Petroleum & Natural Gas for conversion to gas based units.