GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:467
ANSWERED ON:24.11.2011
COST OF PRODUCTION OF FERTILIZERS
Naranbhai Shri Kachhadia

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

(a) whether the cost of production of chemical fertilizers is more than the gas with Naphtha being used as a fuel;

(b) if so, the details thereof;

(c) the estimate of the cost of production of fertilizers with both the above mentioned fuels being used during the years 2008-09 and 2009-10; and

(d) the percentage of fertilizers produced by using the gas and Naphtha as fuel during the said period separately?

Answer

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

(a) to (d): Various energy sources like Natural Gas, Naphtha, Fuel Oil and imported LNG are used as feedstock and fuel for the manufacture of urea.The cost of production of urea is cheapest using natural gas and by using Naphtha, it is most expensive. The exact cost of production varies unit wise, due to different vintage of plant, energy efficiency of the plant, technology used and different feedstock / fuel used.

The details about the estimates of the cost of production of urea and its production percentage using Gas and Naphtha during the year 2008-09 and the year 2009-10, is given in the table below;

Statement showing weighted average cost of production of Urea with the use of Naphtha and Gas as Fuel

	2008-2009 Cost of Production Rs./MT	2009-2010 Cost of Production Rs./MT
Gas based units and (Production %)	11524 (72%)	8463 (73%)
Naphtha based units and (Production %)	26726 (18%)	27224 (18%)

In case of Phosphatic & Potassic (P&K) fertilizers only three companies use naphtha for production of Ammonium Sulphate and complex fertilizers. Though this route approximately 8% of P&K fertilizers are produced.The cost of production increases by 13% to 27% in case naphtha is used.