

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

UNSTARRED QUESTION NO:5673

ANSWERED ON:10.05.2012

PRODUCTION OF FERTILIZERS

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

- (a) whether the production of chemical fertilizers in the country is estimated to be 8 per cent more in the year 2012-13 in comparison the year 2011-12;
- (b) if so, the facts thereof;
- (c) whether the said estimated production is less than the set target ;
- (d) if so, the details thereof and the reasons therefore ;
- (e) whether due to non-achievement of production target, country's dependence on import is likely to increase; and
- (f) if so, the steps being taken by the Government in this regard?

**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) to (d): The Estimated indigenous production of fertilizer for the year 2012-13 compared to the year 2011-12 is shown in the table below:

(Figures in Lakh Metric Tonnes)

Year	Indigenous Production
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2011-12 (Actual)	371.28
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2012-13 (Estt.)	405.01
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As can be seen, the estimated indigenous production during 2012-13 is almost 9% more than the last year.

(e) to (f): Government is always encouraging production of urea in the country to achieve self-sufficiency. The Government had announced a new policy of urea 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, revival of existing urea units and setting up of Greenfield projects. The revision in this policy is under consideration. The country is almost fully dependent on imports to meet the requirements of phosphatic and potassic fertilizers. Government has taken initiatives to encourage indigenous production in P&K sector by allowing import parity price to the indigenous manufacturers. Government has also reduced the custom duty on phosphoric acid from 5% to 2% to enable indigenous manufacturers of P&K fertilizers to acquire this important input at reasonable price. Government is also encouraging private sector and public sector companies to explore the possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizers inputs to P&K sector.