

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

UNSTARRED QUESTION NO:4355
ANSWERED ON:06.09.2012
DEMAND AND SUPPLY OF FERTILIZERS
Lal Shri Kirodi

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

- (a) whether there is huge gap between demand and supply of fertilizers in the country;
- (b) if so, the details thereof and the reasons therefor ;
- (c) the average demand and supply of fertilizers in various States including Uttar Pradesh during the rabi season;
- (d) the State-wise details of the Nitrogen, Phosphorous, Potash(NPK) and other fertilizers allocated to States for the rabi season;
- (e) the steps taken by the Government to stop black-marketing of fertilizers in view of shortage of their supply; and
- (f) the steps being taken by the Government to reduce the gap between demand and supply of fertilizers?

Answer

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

(a) to (c): Yes, Madam. There is a gap between the indigenous production of fertilizers and the demand assessment. The State-wise demand (requirement) and estimated supply (availability) of major fertilizers namely Urea, MOP & Phosphatic fertilizers (DAP+NPK) in the country including Uttar Pradesh during the current Kharif 2012 (April'12 to August'12) is at Annexure. The availability of Urea during the current year 2012-13 (April'12 to August'12) was adequate. There were some instances of local shortage of urea in Andhra Pradesh, Karnataka, Maharashtra, Bihar, Orissa etc. because of lower off-take in the beginning of the season due to less rainfall. However, the supplies of urea and other fertilizers have been speeded up now with the arrival of better rainfall with effect from 2nd week of August, 2012. The availability of Phosphatic fertilizers (DAP & NPK) together with pre-positioning stock was also comfortable.

(d): The Central Government assesses the State-wise and month-wise demand of fertilizers before each cropping season in Zonal conferences on Agricultural Inputs in which representatives of State Governments and fertilizer industry participate. The Rabi'12-13 seasons is start from 1st October, 2012 and their assessment is under process.

(e): Under clause 21 of the Fertilizer Control Order (FCO), 1985, it is mandatory to print the maximum retail price on the container of all kinds of fertilizers, whether under statutory price control or out of the purview of the statutory price control. No person shall charge higher than the price printed on the bag. Any person violating this mandatory provision of FCO is held liable to be proceeded against for administrative/punitive measures under the provisions of FCO and Essential Commodities Act. The State Governments as enforcement agencies are adequately empowered to take appropriate action against the offender who indulges in any kind of malpractices including hoarding/black marketing etc. Department of Fertilizers has from, time to time, been sensitizing all the State Governments to gear the enforcement agencies under their jurisdiction for appropriate action against the offenders, if any.

(f): The country being dependent on imports to meet the requirement of Phosphatic and Potassic fertilizers including its raw material, the Government is encouraging acquisition of fertilizer assets / resources by Indian PSUs/Companies and setting up of Joint Venture Fertilizer Projects abroad in the resource rich countries. The Government also encourages long-term off-take agreements for supply of fertilizers/fertilizer inputs at some preferential prices from such countries.

In Urea sector, since much of the raw materials are available with the country, the Government endeavour is to achieve self-sufficiency in this sector. The Government has 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.