

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

UNSTARRED QUESTION NO:2216

ANSWERED ON:06.12.2012

DEMAND FOR FERTILIZERS

Patasani Dr. (Prof.) Prasanna Kumar; Ray Shri Rudramadhab

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

- (a) the number of public sector fertilizers plants in each State, State-wise ;
- (b) whether the Government has collected the information on demand for nitrogen and phosphate fertilizers for the Twelfth Five Year Plan period ;
- (c) if so, the steps being taken to increase their production during the said period;
- (d) whether the Government has worked out a transparent national policy for distribution of fertilizers to all the States as per their requirement ; and
- (e) if so, the details thereof ?

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): The number of Public Sector fertilizers plant in each State, State-wise at present are given below:-

Sl.No. Name of States Public Sector

1. Assam 2

2. Haryana 1

3. Kerala 2

4. Madhya Pradesh 2

5. Maharashtra 4

6. Punjab 2

7. Tamilnadu 1

Total 14

(b): The demand assessment of fertilizers is done by the Department of Agriculture(DAC) in consultation with the State Governments and the Department of Fertilizers.

(c) : In order to encourage investments in the urea sector, Government is considering a New Investment Policy which is likely to add

additional urea capacity of 7 to 8 million tonnes. In order to encourage indigenous production of P&K fertilizers, NBS policy has been implemented w.e.f. 01.04.2010 which has allowed the industry to grow in a liberalised policy regime and with the freedom to fix the MRPs of P&K fertilisers, competitively. The Government is also encouraging the private and public sector to explore the possibilities of joint ventures abroad for mining and production in the P&K sector. However, in the short term, the gap between the demand and indigenous production of all fertilizers will continue to be met through imports on regular basis.

(d) to (e): Department of Agriculture and Cooperation conducts conference in the beginning of the season (Kharif and Rabi) along with Department of Fertilizers, State Governments, Companies and Fertilizers Association of India (FAI) to assess the demand of fertilizers. The demand so assessed is conveyed to Department of Fertilizers. On the basis of the demand conveyed by the Department of Agriculture and Cooperation, month-wise supply plans are drawn by Department of Fertilizers on the basis of date of indigenous production and import plans filed by various fertilizer companies. Monthly supply plans are drawn in such a way in order to ensure that the supplies (from indigenous and imported sources) matches the requirement of the month for a particular state. In addition, the following criteria are also followed to ensure equitable distribution of fertilizers.

The norms for allocating fertilizers from indigenous manufacturing units are as follow:-

- (i) There are more than two or more sources of supply of fertilizers in the State to ensure the backup supplies in case of failure of one of the sources; and
- (ii) Department of Fertilizers also ensures that supplies from CPSU/Cooperative Sector/ Indigenous manufacturers/ Private Unit/Ports are made to the nearest State for minimizing the freight subsidy outgo and quickest possible delivery to the destinations.