

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

UNSTARRED QUESTION NO:3521
ANSWERED ON:10.12.2009
PRODUCTION COST OF FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the production cost of Naphtha based fertilizer manufacturing units is more than the gas based fertilizer manufacturing units;
- (b) if so, the details thereof and the average production cost of fertilizer manufacturing units of both naphtha based and gas based at national level in 2008-09;
- (c) whether the number of gas based manufacturing units have increased in the country during the last three years to minimize the production cost of fertilizers; and
- (d) if so, the details and the number of such units during the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZER (SHRI SRIKANT KUMAR JENA)

(a) Yes, Madam.

(b) So far as production cost of urea is concerned, the provisional weighted average concession rates for urea for 2008-09 for gas based and naphtha based is as under:-

Gas based units	Naphtha based units
Weighted Average provisional concession rate during 2008-09 (Rs. Per MT of Urea)	10891 (20 units) 23352 (4 units)

So far as complex fertilizers are concerned, three NPK complex producing units namely Madras Fertilizers limited(MFL), The Fertilizers and Chemicals Travancore Limited (FACT) and Gujarat Narmada Valley Fertilizers Company Limited(GNVFC) are compensated under the Concession Scheme on the basis of naphtha feedstock. The details of average production cost of some fertilizer units in naphtha and gas categories for the period 2008-09 (from 18-6-2008 to March 2009) are as under :-

Name of Units	NPK product	MRP	Subsidy	Average cost
18-6-2008	of production			

MFL	17:17:17	6295	24196	30491
FACT(Cochin)	20:20:0:13	6295	23196	29491
FACT (Udyogmandal)	20:20:0:13	6295	23296	29591
GNVFC	20:20:0:0	5343	19665	25008

Gas based prices	(Rs/MT)
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GSFC(Baroda)	20:20:0:13	6295	19041	25336
Deepak Fertilizers	23:23:00	6145	17691	23836
RCF	15:15:15	5121	18733	23854

(c) & (d) The following naphtha based units have converted to gas based in the last three years :-

(i) Gadepan-II unit of Chambal Fertilizers & Chemicals Limited

(ii) Phulpur-II unit of Indian Farmers Fertilizers Cooperative

(iii) Kota unit of Shriram Fertilizers.