

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

UNSTARRED QUESTION NO:1263

ANSWERED ON:03.03.2015

IMPORT OF FERTILIZERS

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

- (a) whether there is an increase in import of fertilizers in the country and if so, the details thereof and the reasons therefor.
- (b) the policy formulated by the Government on import of fertilizers in the country and the quantum and value of fertilizers imported along with the names of importing companies and the countries from which these fertilizers were imported during each of the last three years and the current year, fertilizer-wise:
- (c) the mechanism to check the quality of fertilizers which are being imported and the steps taken/being taken by the Government to reduce the dependency on import of fertilizers and to check irregularities in import of fertilizers.
- (d) whether the domestic fertilizer producing companies are not in a position to produce sufficient fertilizers as per required quantity and quality;
- (e) if so. the reasons therefor and remedial measures taken in this regard; and
- (f) whether the Government has formulated the Fertilizer Control Order (FCO) 1995 and if so. the salient features thereof?

Answer

MINISTER OF STATES IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a) & (b): Urea is the only fertilizer under statutory price control and its import is restricted and permitted through State Trading Enterprises (STEs) namely MMTC Limited (MMTC), State Trading Corporation Limited (STC) and Indian Potash Limited (!PL), under the Foreign Trade Policy of the Government. Urea for direct agricultural use is imported on Government account to bridge the gap between assessed demand and indigenous production Government is also importing approximately 20 Lakh Metric Tonnes urea from Oman India Fertiliser Company (OMIFCO) under a Long Term Urea Off Take Agreement (UOTA) between GOI & OMIFCO. The import of urea from OMIFCO is made through M/s IFFCO & M/s KRIBHCO. The year-wise quantity and value of urea imported during the last three years and current year (up to January, 2015) are as under-

Year	Quantity of urea (Lakh MT)			Value (Million US \$)
	From OMIFCO	Through STE	Total	
2011-12	20.69	57.65	78.34	3,222.48
2012-13	18.33	62.11	80.44	3,009.49
2013-14	21.21	49.68	70.89	1,968.36
2014-15	10.80	62.22	73.02	2,098.61

upto January, 2015.

Fertilizers other than Urea (P&K fertilizers) are import free items for only known as Open General Licence (OGL) Various companies import the value of these imports The year-wise details of quantity of P&K fertilizers imported during the last three years and current year (up to January, 2015) are as under:-

fig in LMT>

Year	DAP	NPK	MOP
2011-12	69.05	36.73	39.86
2012-13	57.02	4.05	24.95
2013-14	32.61	3.62	31.80
2014-15	36.47	2.91	37.97

upto January, 2015 MOP includes both for use as direct application as well as NPK manufacture. Agrigold Organics Pvt. Ltd (AOPL), Chambai Fertilizers & Chemicals Ltd (CFCL), Coromandel International Ltd (CIL). Deepak Fertilizers & Petrochemicals Ltd (DFPL), Fertilisers and Chemicals Travancore Limited (FACT). Greenstar Fertilizer Ltd.(GFL), Gujarat State Fertilizers & Chemicals Ltd (GSFC). HINDALCO/Indo Gulf Fertilizers Ltd (IGFL). HPM Chemicals & Fertilizes. Indian Farmers Fertilisers Cooperative Ltd (IFFCO). Indian Potash Ltd (IPL), KPR Fertilizers Ltd. Krishak Bharati Cooperative (KRIBHCO). Mangalore Chemicals & Fertilizers

Ltd. (MCFL). Mosaic India Pvt. Ltd, Nagarjuna Fertilizers and Chemicals Ltd (NFCL), Paradeep Phosphates Ltd (PPL). Rashtriya Chemicals & Fertilizers Ltd (RCF). Shriram Ferts & Chemicals, Sunfert International Pvt.Ltd. Tata Chemicals Ltd (TCL), Zuari Agro Chemicals Ltd (ZACL) have imported P&K fertilizers during the last 3 years.

The countries from where the fertilizers have been imported during the last three years and current year are Australia. Bahrain, Belarus, China. Canada, Chile, CIS. Egypt, Estonia Germany, Greece, Indonesia, Iran, Israel, Jordan, Korea, Kuwait, Latvia. Lithuania. Malaysia, Mexico, Morocco, Oman, Philippines, Qatar, Romania Russia. S Arabia. S Africa. Singapore. Spain, Turkey, Tunisia, UAE, USA UK, Tallinn, Ukraine. Ventspils and Vietnam.

(c)to(e): Fertiliser (Control) Order (FCO), 1985 has been promulgated for regulation of quality of fertilisers No person shall manufacture/import for sale, sell, offer for sale, stock or exhibit for sale or distribute any fertiliser which is not notified in the said Order or not of standard prescribed in the said Order. The fertiliser inspectors of the Central Government check the quality of imported fertilisers by drawing samples from ships/ containers and testing them in their laboratories viz. Central Fertiliser Quality Control & training Institute Faridabad and regional laboratories at Mumbai, Chennai and Kalyani The fertilizers like Urea, Di Ammonium Phosphate, various grades of complex fertilizers, Single Super Phosphate \\\(SSP) etc. are being produced in the country. However, the gap between assessed demand and indigenous production is being met through imports. Muriate of Potash (MOP) is the only fertilizer, whose demand is fully met through imports as there are no viable sources of MOP in the country.

Government is always encouraging production of fertilizers in the country to achieve self-sufficiency.

The Government has notified the New Investment Policy (NIP) 2008 and 2012 on 4th September, 2008 and 2nd January 2013 respectively and Modified New Pricing Scheme (NPS)-III on 2nd April. 2014 to facilitate extra domestic production of urea and for fresh investment in urea sector to reduce India's import dependency.

The NIP 2012 was further amended on 07th 1 October. 2014 Government has also taken initiatives to encourage indigenous production in P&K sector by reducing the custom duty on phosphoric acid to enable indigenous manufacturers of P&K fertilizers to procure this important input at reasonable price.

The Nutrient Based Subsidy (NBS) scheme has been announced for P&K fertilizers wef 01/04/2010 to ensure subsidy on indigenous P & K fertilisers at par with imported P&K fertilisers. Government is also encouraging private sector and public sector companies to explore the possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizer inputs to P&K sector.

(f): Government of India has promulgated FCO in 1957 under Section 3 of Essential Commodities Act 1955 to regulate the sale, the price and the quality of fertilizers. The FCO has since been revised in 1985. FCO's salient features are as under-

(i) Provides specifications of fertilizers in Part A of Schedule 1,

(ii) Right to fixation of prices of fertilizers in the country.

(iii) Right to control distribution of fertilizers.

(iv) Authorization or registration of fertilizer dealers.

(v) Regulation of quality control of all fertilizers by appointment of enforcement authorities, defining procedure for drawl of samples & methods of sample analysis, and imposing penalties in case of violation of FCO provisions.