

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

UNSTARRED QUESTION NO:178

ANSWERED ON:21.07.2015

Demand and Supply of Fertilizers

Ashok Kumar Shri K.;Bohara Shri Ramcharan;Chaudhary Shri P.P.;Dwivedi Shri Harish;Galla Shri Jayadev;Joshi Shri Chandra Prakash;Kaswan Shri Rahul;Khuba Shri Bhagwanth;P. Shri Nagarajan;Pal Shri Jagdambika;Paswan Shri Chirag;Patel Smt. Jayshreeben ;Raghavan Shri M. K.;Ramachandran Shri Krishnan Narayanasamy;Sawant Shri Arvind Ganpat;Singh Shri Ganesh;Singh Shri Rama Kishore;Tumane Shri Krupal Balaji;Yadav Shri Jay Prakash Narayan

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

the efforts made by the Government in recent past to increase production/ availability of urea and other fertilizers to the farmers along with the fertilizer factories/units selected for the purpose, units/factory and State/UT-wise;

(b) the mechanism put in place to assess the demand and supply of fertilizers for Kharif and Rabi seasons and the names of the States who have requested for supply of additional quantity of fertilizers to farmers during each of the last three years and the current year, State/UT and fertilizer-wise;

(c) the details of fertilizer production units of public, private, co-operative sector operating along with the quantum of fertilizer produced there under during the said period, fertilizer/unit and State/ UT-wise;

(d) whether meagre/non-supply of fertilizer have been reported before sowing seasons in various parts of the country and if so, the details thereof and the steps taken to provide adequate quantity of fertilizer at subsidized rate along with the measures taken to stop black marketing/smuggling of fertilizer in the country; and

(e) the details of consumption supply, demand, availability/production, import along with the expenditure incurred on import of fertilizer during the said period, fertilizer and State/UT-wise?

Answer

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

(a): The Government has notified the New Urea Policy (NUP) – 2015 for existing gas based urea manufacturing units on 25th May, 2015 with the twin objectives of maximizing indigenous urea production and promoting energy efficiency in urea production while rationalizing the subsidy burden on the Government.

The department had notified the New Investment Policy 2012 on 2nd January 2013 to facilitate fresh investment in urea sector and to make India self sufficient in the urea sector. Further, the amendment to NIP – 2012 was notified by this Department on 07th October, 2014. This Department has received few proposals for setting up of Revamp, Expansion, Revival and Greenfield plants based on the amendment to NIP – 2012. Interest shown by the project proponents has been noted by the Department of Fertilizers. The project proponents has been directed to furnish the required Bank Guarantee to the Department of Fertilizers after securing financial closure for the project but well before finalization of the LSTK/EPCA contractor.

(b) : The season-wise (Kharif and Rabi) demand is assessed and projected by the Department of Agriculture & Cooperation (DAC) in consultation with the State Governments, before commencement of each cropping season. DoF allocates fertilizers state-wise/UT-wise as per requirement projected by Department of Agriculture and Cooperation (DAC) and monitors the availability through following mechanism:

i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as Fertilizer Monitoring System (FMS);

ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.

iii) Regular weekly Video conference is conducted jointly by Department of Agriculture & Cooperation (DAC), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.

iv) The gap in the demand and domestic production of fertilizer is met through imports.

A statement showing the requirement, availability and sales of fertilizers during the last three years and current year upto June, 2015 is placed at Annexure-I

(c): Statement showing plant-wise production and state-wise production of Urea for the years from 2012-13 to Apr-June 2015 is

placed at Annexure – II and Annexure III respectively.

Statement showing plant-wise production and state-wise production of DAP for the years from 2012-13 to Apr-June 2015 is placed at Annexure – IV and Annexure – V respectively.

Statement showing plant-wise production and state-wise production of Complex Fertilizers for the years from 2012-13 to Apr-June 2015 is placed at Annexure – VI and Annexure VII respectively.

(d): The availability of all the fertilizers has been satisfactory throughout the season. During the lean months of last Rabi season i.e. February, and March, 2015, DoF has provided 24.80 LMT of Urea more than the requirement of those months. Similarly, for P&K fertilizers, in the lean months of February and March, 2015, additional 21.00 LMT was provided. The States adequately pre-positioned the fertilizers in these two months. The availability of all the fertilizers taking the pre-positioned quantities of fertilizers into consideration is as per the following table:

<Figures in LMT>

Require-
ment

(April to June, '15) Excess supply in Feb & March, 2015. Opening Stock

as on 01.04.15 Fresh Receipts Availability

(with excess supplies in Feb/ March, 2015). Sales

(April

To June 2015)

Urea

73.29 24.80 1.30 71.58 97.69 70.20

P&K fertilizers 58.36 11.98 9.20 49.91 80.11 44.13

Total 131.65 36.78 10.50 121.49 177.80 114.33

As can be seen from the above table, availability of fertilizers is very comfortable.

Regarding black-marketing and smuggling, it is informed that Government of India has declared fertilizers as an essential commodity under the Essential Commodities Act, 1955 and notified Fertilizer Control Order (FCO), 1985 under this Act. State Governments are adequately empowered to take appropriate actions to curb black-marketing and smuggling of fertilizers and conduct search, make seizures and take punitive action against any person violating the provisions of FCO, 1985 and Essential Commodities Act, 1955.

Department of Fertilizers has, from time to time, written to the Chief Secretaries of various States and Ministry of Home Affairs to activate the enforcement agencies under their jurisdiction to take appropriate action to curb black-marketing and smuggling. Here it may be clarified that as per FCO, unauthorized inter-state movement of fertilizers is also called smuggling. Thus, various State Governments have reported 18 cases of smuggling and 348 cases of black-marketing during the year 2014-15 and taken appropriate action under the provision of FCO & ECA. Further, Department of Fertilizers and Department of Agriculture & Cooperation (DAC) through weekly Video Conference with representatives of State Governments have been sensitizing and advising the State Governments to check black-marketing, diversion, smuggling and breach of MRP etc.

(e): Information with respect of requirement, availability and sales of fertilizers during the last 3 years is enclosed as Annexure-1. The details of the fertilizers imported during the last three years and the current year is as below:

Figures in <LMT>

Fertilizers 2012-13 2013-14 2014-15 2015-16 (Upto June, 2015)

Urea 80.44 70.88 87.49 14.72

DAP 57.02 32.61 38.53 25.50

MAP 1.52 0.39 1.36 0.22

NPK 4.06 3.62 2.91 3.20

MOP* 24.95 31.80 41.97 6.69

* MOP includes both Agriculture use and Industrial Use.

The expenditure incurred on fertilizers during the last three years and current year is as under:

<In Rupee (Crores)>

Financial Year Imported Urea Imported P&K Indigenous P&K Indigenous Urea

2012-13 20016.00 14576.10 16000.00 20000.00

2013-14 15353.30 13926.86 15500.00 26500.00

2014-15 16200.00 8667.30 12000.00 38200.01

2015-16 (upto June 15) 3730.18 1651.53 4158.27 19150.96
