

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

UNSTARRED QUESTION NO:2413

ANSWERED ON:04.08.2015

Import of Fertilizers

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

(a) whether a large quantum of urea and other fertilizers is imported to meet the demand of farmers in the country and if so, the details thereof and the reaction of the Government thereto;

(b) the policy formulated by the Government for import of fertilizers in the country and the quantum and value of fertilizers imported along with the names of importing companies including State Trading Enterprises (STEs) and the countries from which these fertilizers were imported during each of the last three years and the current year, fertilizer-wise;

(c) whether delay in importing urea and other fertilizers is the main reason for shortage of fertilizers during the rabi and kharif season, if so, the reaction of the Government thereto and the steps taken by the Government for timely import of fertilizers;

(d) whether appropriate testing facilities are available for testing these fertilizers as per international standard, if so, the details thereof and monitoring mechanism put in place to check quality of fertilizers being imported by the said companies; and

(e) the measures taken by the Government to make the country self-sufficient in production of fertilizers and to reduce the dependency on import of fertilizers?

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 (IPL), 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 June, 2015) are as under:-

Year From OMIFCO Through STE Total Urea Imported Value

(LMT) (LMT) (LMT) (Million US\$)

2012-13 18.33 62.11 80.44 3,009.49

2013-14 21.21 49.68 70.89 1,968.36

2014-15 14.63 72.86 87.49 2,477.27

2015-16* 5.15 9.57 14.72 355.05

* upto June, 2015

Import of fertilizers (other than Urea) is free, commonly known as Open General Licence (OGL). Various companies import these fertilizers as per their commercial judgement. Government do not maintain 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 June, 2015) are as under:-

<Figures in Lakh MT>

Year DAP NPK MOP#

2012-13 57.02 4.05 24.95

2013-14 32.61 3.62 31.80

2014-15 38.53 2.91 41.97

2015-16*25.50 3.20 6.69

* upto June, 2015

MOP includes both for use as direct application as well as NPK manufacture.

Agrigold Organics Pvt. Ltd (AOPL), Chambal 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), Madras Fertilizer Ltd (MFL), 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 and the current year.

The countries from where the fertilizers have been imported during the last three years and current year are Australia, Belarus, China, Canada, CIS, Estonia, Germany, Indonesia, Iran, Israel, Jordan, Korea, Latvia, Lithuania, Morocco, Oman, Russia, S. Arabia, Spain, Ukraine, USA and Vietnam.

(c): No, Madam. Adequate urea and other fertilizers were available during the rabi, 2014-15 and Kharif, 2015 season. The details are as below:

<Figures in LMT>

Rabi 2014-15

Fertilizer Requirement Availability Sales

Urea 160.11 170.09 168.79

P&K 113.49 108.46 99.27

<Figures in LMT>

Kharif 2015

Fertilizer Requirement

(April-June,15) Pre-positioning Feb-Mar,15 Opening Stock as on 01.04.15 Fresh Receipt Availability

(prepositioning in Feb/Mar, 15) Sales

(Apr-Jun, 2015)

Urea 73.29 24.80 1.30 71.58 97.69 70.20

P&K 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

(d): Yes, Madam. The Fertiliser (Control) Order (FCO), 1985 has been promulgated under section 3 of the Essential Commodities Act (ECA), 1955 to regulate quality of fertilisers. At present, there are 78 notified Fertilizer Quality control Laboratories (FQCLs) in the country. The fertiliser inspectors of the Central government draw the samples of imported fertilisers from the ships/containers at ports and send the samples to CFQC&TI and its three regional centres for testing. The fertiliser inspectors of State Governments draw the samples from the dealers/wholesalers and send the samples to their State Government laboratories for testing. The laboratories analyze the samples as per the test procedures prescribed in the FCO and these procedures are as per international recognized standards/methods.

(e): 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 7th October, 2014.

The Government has also 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 subsidy burden on the Government. It is expected to prepare the domestic urea sector to become globally competitive in terms of energy efficiency over a period of three years."

The Nutrient Based Subsidy (NBS) scheme has been announced for P&K fertilizers w.e.f. 01.04.2010 to ensure sufficient availability. 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.
