

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

UNSTARRED QUESTION NO:353

ANSWERED ON:19.07.2016

Demand and Supply of Fertilizers

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

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

(a) whether the gap between demand and supply of fertilizers has widened during each of the last three years and the current year despite various measures taken by the Government to ensure adequate supply of fertilizers across the country, if so, the details thereof and the reasons therefor, State/UT-wise;

(d) whether the import of fertilizers has also increased to bridge this gap in the country during the said period and if so, the details thereof, country-wise;

(e) whether the Government has chalked out any plan to enhance the capacity of fertilizer manufacturing in the country to meet the increasing demand, if so, the details thereof along with the capacity of fertilizer manufacturing enhanced during the said period, State/UT-wise and if not, the reasons therefor;

(f) the other steps taken by the Government to bridge the gap between demand and supply of fertilizers and ensure supply of adequate fertilizers to farmers as well as reduce their imports in the country;

(g) the steps taken to safeguard the interest of domestic fertilizer industry from the impact of Di-ammonium Phosphate (DAP) Manufacturers' Association; and

(h) whether the Government proposes to provide any package to DAP dealers in order to safeguard them from the impact of excess cost of DAP and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS, SHIPPING, ROAD TRANSPORT & HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

(a): No Madam, the gap between demand and supply of fertilizers has not widened during last three years.

(b): To meet the gap between domestic demand and domestic production fertilizers are imported. The details of import country-wise during the last three years and current year are given below:

<Figures in LMT>

Urea

Country Name

2013-14

2014-15

2015-16

2016-17(April to June, 2016)

Bahrain 0 0 0 0.39

China 29.47 66.34 42.39 1.97

Indonesia 1.11 0 0 0

Iran 16.49 6.52 16.53 4.16

Kuwait 0 0 0.86 1.47

Lithuania 0 0 0.63 0

Oman 23.31 14.63 23.15 6.87

Russia 0.5 0 0 0

UAE 0 0 0 0.52

Ukraine 0 0 1.18 0.63

Grand Total: 70.88 87.49 84.74 16.01

<Figures in LMT>

DAP

Country Name

2013-14

2014-15
 2015-16
 2016-17(April to June, 2016)
 Australia 0 0 0 0.39
 China 17.17 19.06 34.84 7.72
 Jordan 1.3 3.02 0.81 0.8
 Morocco 0 0 0 1.1
 Russia 0 0 3.04 0.5
 Saudi-Arabia 7.06 11.86 14.48 4.18
 USA 7.08 4.59 6.91 0.89
 Grand Total: 32.61 38.53 60.08 15.58

<Figures in LMT>

MOP

Country Name 2013-14 2014-15 2015-16 2016-17(April to June, 2016)

Canada 7.35 7.91 4.99 0.88
 CIS 0.33 0 2.51 0
 CIS+Belarus 2.35 2.87 1.76 1.04
 Germany 2.11 1.2 1.06 0.18
 Israel 6.35 6.17 4 1.81
 Jordan 3.3 5.53 3.78 0.86
 Latvia 1.08 0 0
 Lithuania 0.31 4.69 4.91 0.4
 Russia 7.72 13.6 9.12 0.33
 Saudi-Arabia 0.66 0 0
 Spain 0.24 0 0
 Uzbekistan 0 0 0.3 0
 Grand Total: 31.8 41.97 32.43 5.5

<Figures in LMT>

NPKs

Country Name 2013-14 2014-15 2015-16 2016-17(April to June, 2016)

China 0.94 1.12 0.58 0
 Estonia 1.1 0.72 2.04 0.21
 Indonesia 1.58 0.33 0 0
 Russia 0 0.74 3.67 2.15
 Grand Total: 3.62 2.91 6.29 2.36

(c) &(d): In order to reduce the import dependence gradually, Department has initiated various steps to enhance the domestic production & facilitate fresh investment in urea sector to make India self-sufficient.

Department of Fertilizers had announced New Investment Policy(NIP) -2012 on 02nd January, 2013 and its amendment thereof on 07th October,2014 to facilitate fresh investment in Urea sector. At present, there are six proposals in the Department of Fertilizers for setting up of Greenfield/Brownfield project.

The Government has announced New Urea Policy -2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in the urea units; and to reduce the subsidy burden on the Government. Similarly, steps have been taken for revival of closed plants of FCIL and HFCL namely Gorakhpur, Barauni, Sindri, Talcher and Ramagundam. Due to the above mentioned measures in year 2015-16, highest ever urea production of 244.75 LMT was achieved, about 18.90 LMT more than the production of urea in year 2014-15.

(e) & (f): The Government is implementing Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010. Under the said, scheme, a fixed amount of subsidy is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending upon its Nutrient content. The P&K fertilizers are decontrolled and the Maximum Retail Price (MRP) is fixed by the fertilizers companies as per market dynamics. The Government does not interfere in manufacturing decision of the fertilizer companies.
