

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

STARRED QUESTION NO:111

ANSWERED ON:15.07.2014

IMPORT OF FERTILIZERS

Chavan Shri Harishchandra Deoram; Ram Mohan Naidu Shri Kinjarapu

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

- (a) the quantity and value of fertilizers imported during the last year, fertilizer-wise;
- (b) whether the Government has formulated a new policy on fertilizers import and if so, the details thereof;
- (c) whether certain varieties of fertilizers have been imported as some companies have stopped production or closed down in the recent past and if so, the details thereof;
- (d) whether the Government proposes to initiate several measures to increase the production of such fertilizers in the country; and
- (e) if so, the details thereof and the remedial measures taken by the Government to make the country self-sufficient in the production of fertilizers?

Answer

MINISTER OF CHEMICALS AND FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO. 111 FOR REPLY ON 15.07.2014 REGARDING IMPORT OF FERTILIZERS

(a): Urea is the only fertilizer under statutory price control and it is imported for direct agriculture use on Government account through State Trading Enterprises (STEs) i.e. MMTC Limited (MMTC), State Trading Corporation Limited (STC) and Indian Potash Limited (IPL) to bridge the gap between assessed demand and indigenous production. Government is also importing approximately 20 LMT urea from Oman India Fertiliser Company (OMIFCO) under 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 quantity and value of urea imported during the last year is as below:-

| Year | Quantity of urea (Lakh MT) | Value (Million US \$) | | |
|---------|----------------------------|-----------------------|-------|----------|
| | From Oman | Through STE | Total | |
| 2013-14 | 21.21 | 49.67 | 70.88 | 1,968.36 |

Fertilizers other than Urea are imported under Open General Licence (OGL). Companies import these fertilizers as per their commercial judgment. Government do not maintain the value of these imports. However, Government is paying subsidy on P&K fertilizers under Nutrient Based Subsidy Scheme. The details of quantity of P&K fertilizers imported during the last year are as under:-

(Quantity in Lakh MT)

| Year | DAP | NPK | MOP | # | MAP |
|---------|-------|------|-------|------|-----|
| 2013-14 | 32.61 | 3.62 | 20.67 | 0.39 | |

for direct agriculture use

(b): No Madam, there is no change in the present policy of fertiliser imports. As per the present policy imports of urea is restricted and permitted through three State Trading enterprises i.e. MMTC Limited, State Trading Corporation Limited (STC) and Indian Potash Limited (IPL). Imports of all other fertilisers are free and permitted under Open General License (OGL).

(c): The Urea, DAP, SSP and various grades of Complex Fertilisers etc. are produced in the country. However production of these fertilisers in the country is not sufficient to meet the entire domestic requirements. Accordingly, Urea, DAP and various grades of Complex Fertilizers are being imported to bridge the gap between assessed demand and indigenous availability of these fertilisers. The entire requirement of MOP is met through imports as there are no viable reserves of potash in the country.

(d) & (e) : Yes Madam, the Government has notified the New Investment Policy (NIP) 2012 on 2nd January 2013 to facilitate fresh investment in urea sector and to reduce India's import dependency by boosting the domestic production of Urea. Nutrient Based Subsidy (NBS) policy has been implemented for P&K fertilizers w.e.f.01.04.2010 to ensure subsidy on indigenous P&K fertilizers at par with imported P&K fertilizers. 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.