

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

UNSTARRED QUESTION NO:667
ANSWERED ON:15.07.2014
DEMAND AND PRODUCTION OF FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the estimated annual demand and indigenous production of fertilizers in the country;
- (b) the steps taken by the Government to meet the domestic requirement of fertilizers;
- (c) whether the Government proposes to increase/expand public /private investment in fertilizer sector and ;
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI NIHAL CHAND)

(a): The details of annual demand (requirement) and indigenous production of fertilizers throughout the country is as under:

Year	Urea Annual Demand	DAP Production Demand	NPK Annual Production Demand	36.08	107.36	69.09
2013-14	316.90	227.09	109.86	36.08	107.36	69.09
2014-15	66.04	55.93	21.96	7.92	22.46	14.17

Figures for 2014-15 are upto June, 2014 only .

(b): Department of Fertilizers has been taking following steps to meet the domestic requirement of various subsidized chemical fertilizers to each State/UTs:-

(i) The month-wise demand is assessed and projected by the Department of Agriculture & Cooperation (DAC) in consultation with the State Governments before commencement of each cropping season.

(ii) On the basis of month-wise & state-wise projection given by Department of Agriculture and Cooperation, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through following system:

(iii) 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);

(iv) 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.

(v) 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.

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

(c) & (d): Yes, Madam. The Department of Fertilizers had notified the New Investment Policy(NIP)-2012 on 2nd January, 2013 to facilitate fresh investment in Urea sector in future and to reduce import dependency in the country. The policy provides for revamp, revival, brownfield projects and Greenfield projects in Urea sector.

Apart from above, the Cabinet Committee on Economic Affairs (CCEA) in August, 2011 had approved the Draft Rehabilitation Scheme (DRS) for revival of five Units of Fertilizer Corporation of India Limited (FCIL) namely Sindri, Talcher, Ramagundum, Gorakpur and Korba and three units of Hindustan Fertilizers Corporation Limited(HFCL) namely Haldia, Baruni and Durgapur. Three closed units of FCIL namely Sindri, Ramagundam and Talcher being revived by the Public Sector Undertakings through nomination route. Remaining two closed units namely Gorakhpur and Korba of FCIL and three units of HFCL namely Barauni, Durgapur and

Haldia of HFCL are to be revived through bidding route.

There is also a proposal for setting up a new ammonia urea complex of minimum 8.646 Lakh Metric Tonne Per Annum (LMTPA) at an estimated cost of Rs. 4400 crores at Namrup within the existing premises of BVFCL on Public Private Partner (PPP) basis which subsequently replace the existing two uneconomical operating ammonia- urea plants, Namrup II and III. The project will be developed by a Joint Venture (JV) consisting of BVFCL, Government of Assam (GoA), Oil India Limited (OIL) and private/public entity. BVFCL (11%), GoA(11%) and OIL(26%) will be awarded equity in the project on nomination basis while private/public parties(52%) will be inducted through competitive bidding. BVFCL's share on equity shall be by way of transferring the useful & equivalent tangible assets to the proposed JV.

The remaining Assets of BVFCL shall remain with BVFCL It is also informed that in order to meet domestic requirement of Potassic and Phosphatic (P&K) fertilizers, the Department of Fertilizers has been encouraging the fertilizers companies to increase the fertilizer production. In this regard, the Government has been encouraging / facilitating the indigenous fertilizer companies for acquisition of raw materials assets abroad through joint ventures and also for Long Term Agreement with fertilizer control rich countries for supply of raw materials/ intermediates.