

Import of fertilizers

3698. SHRI T.T.V. DHINAKARAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether fertilizers are being imported;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the action taken to step up indigenous production of fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) Yes, Sir. 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) to bridge the gap between assessed demand and indigenous production. Government is also importing approximately 19 LMTs urea from Oman India Fertiliser Company (OMIFCO) under Long Term Urea Off Take Agreement (UOTA) between GOI and OMIFCO. The details of urea imported during the last three years and the current year (upto 31st July 2009) are as under:-

(Quantity in Lakh MT)

Year	Imports from OMIFCO	Imports through STEs	Total
2006-07	18.37	28.82	47.19
2007-08	18.91	50.37	69.28
2008-09	19.06	37.61	56.67
2008-10 upto 31.7.09	7.00	5.97	12.97

Fertilizers, like DAP and MOP, are also imported under Open General Licence (OGL). Fertilizer suppliers import these fertilizers as per their commercial judgement. However, Government is paying subsidy on these fertilizers under Concession Scheme. The details of P and K fertilizers imported during last three years and the current year (upto 31st July 2009) are as under:-

(Quantity in Lakh MT)

Year	Imported DAP*	MOP
2006-07	28.41	34.48
2007-08	29.78	44.31
2008-09	66.31	43.46
2009-10 upto 31.7.09	30.28	5.99

*DAP includes MAP/TSP

(c) Government is always encouraging production of urea in the country to achieve self-sufficiency. The Government has announced a new policy on 4th September, 2008 to attract the

new investments. The policy is based on Import Parity Price (IPP) benchmark with suitable floor and ceiling prices aiming to revamp, expansion, revival of existing urea units and setting up of Greenfield projects. The policy aims to substantially bridge the gap between consumption and domestic production of urea in next five years subject to adequate availability of gas at reasonable prices. The country is almost fully dependent on imports to meet the requirements of phosphatic and potassic fertilizers. Government has taken initiatives to encourage indigenous production in P and K sector by allowing import parity price to the indigenous manufacturers of DAP. Government has also reduced the custom duty on phosphoric acid from 5% to 2% to enable indigenous manufacturers of P and K fertilizers to acquire this important input at reasonable price. 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 and K sector.

Potash market in India

†3699. SHRI RAVI SHANKAR PRASAD:
SHRI SHIVANAND TIWARI:

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

- (a) whether it is a fact that India is a major buyer of potash in the international market;
- (b) if so, the average annual share of India in the international market;
- (c) whether it is also a fact that a variation upto 25 per cent in the prices of potash in the above market is being seen; and
- (d) if so, the facts in this regard and the names of the big and small countries selling potash in the international market?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Yes, Sir.

(b) Average annual share of India in the international market in the import of potash is 10-11%.

(c) and (d) India is one of the four largest consumers of potash in the world alongwith China, USA and Brazil. Indian entities are importing potash on requirement basis. Noticeable variations have been seen in the prices of Potash in international market during the last three years. The prices of potash imported in India during last three years are given below:

Year	Price (US \$) PMT
2006-07	210.41
2007-08	252.00
2008-09	613.36
2009-10 (April to June)	615.00

†Original notice of the question was received in Hindi.