

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS
RAJYA SABHA
UNSTARRED QUESTION NO. 976 TO BE ANSWERED ON: 26.7.2022

"Global hike in fertilizers prices"

976 SHRI DEREK 'O' BRIEN:

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

- (a) the impact of global price hike of Urea, DAP, MOP, Phosphoric acid, ammonia and LNG in the import expenditure of the country; and
- (b) whether Government has a plan to decrease the dependence on import in connection with mineral fertilizers, if so, the details thereof?;

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS
(**SHRI BHAGWANTH KHUBA**)

(a) : On account of global price hike of fertilizers and raw materials, import expenditure of the country has increased as given below in the table.

In view of the global price hike of fertilizers and raw materials, the BE, RE and actual expenditure are as follows:-

(Rs. in crores)

Sl. No.	Particulars	BE2021-22	RE 2021-22	Actual expenditure 2021-22	BE 2022-23
1	P&K Fertilizers	8260.00	25087.34	20794.79	16800.00
2	Import of Urea	19550.00	36250.40	50250.40	20590.00

(b): The Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector. Under NIP – 2012 read with its amendment, Matix Fertilizers and Chemicals Ltd.(Matix), Chambal Fertilizers and Chemicals Ltd. (CFCL), Ramagundam Fertilizers and Chemicals Ltd.(RFCL) and Hindustan Urvarak & Rasayan Limited (HURL) have set up urea plants of 12.7 Lakh Metric Ton per annum (LMTPA) capacity each at Panagarh-West Bengal, Gadepan-Rajasthan (Gadepan-III), Ramagundam-Telangana and Gorakhpur-Uttar Pradesh respectively.

In addition to above, revival of 1 closed unit of Fertilizers and Chemicals India Ltd. FCIL namely Sindri and 1 closed unit of Hindustan Fertilizers and Chemicals Ltd. (HFCL) at Barauni by means of setting up of new greenfield urea units of 12.7 LMTPA at each of the locations is also included under the NIP-2012 read with its amendment.

For the revival of Talcher unit of FCIL by setting up a new greenfield urea plant of 12.7 LMTPA an exclusive policy has been notified on 28th April 2021.

The Government of India has also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for existing 25 gas based urea units with the objective of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the Government. The implementation of NUP-2015 has led to additional production from the existing gas based urea units due to which the actual production of urea has increased by 20-25 LMTPA in comparison to the actual production during 2014-15.

Predicting the demand-supply gap and increased price of the imported urea, in 2021-22 one-time permission was granted to the urea units set up under the new investment policy and the units converted recently from naphtha to natural gas as feedstock to produce beyond their annual installed capacity. This helped additional production of 1.51 Lakh Metric Ton (LMT) of Urea. Further, urea unit of Matix Fertilizers and Chemicals Limited (Matix) in Panagarh had been lying shutdown since November 2017 was facilitated in restarting its production. Matix restarted production in September 2021 and produced 6.29 LMT urea during 2021-22. Further, Department of Fertilizers by means of various review meetings from time to time instructed all the urea units not to take any planned shutdown and optimize their urea production. These measures together led to the urea production of 250.72 LMT during 2021-22 which is the highest production, so far.

For Potassic & Phosphatic fertilizers, to help India attain self-sufficiency in fertilizers, permission has been granted to Madhya Bharat Agro product Limited Unit-II, Banda Sagar, MP for production of 1.20 LMT per annum, Paradeep Phosphates Ltd manufacture additional DAP/NPK complex to the tune of 8 LMT per annum utilizing the 2 trains of ZACL Goa Plant, RCF for new DAP/NPK Plant with annual capacity of 5 LMT and investment of 950 crore in Thal, and FACT for new DAP/NPK Plant with annual capacity of 5.5 LMT at a cost of Rs 537 cr..

Further, PDM or Potash Derived from Molasses (0-0-14.5-0) which is 100% indigenously manufactured has been included under Nutrient Based Subsidy (NBS) scheme.
