

# DEMAND – PRODUCTION DETAILS OF FERTILIZERS

Relevant for: Indian Economy | Topic: Agriculture Issues and related constraints

Ministry of Chemicals and Fertilizers

## Demand – production details of fertilizers

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The details of the demand (requirement) and production of major fertilizers (Urea, DAP, MOP, Complex and SSP) during last three years in the country and at present are given below:-

<figures in LMT>

Year	Requirement (Demand)	Actual Production
2016-17	614.33	414.41
2017-18	598.95	413.61
2018-19	603.00	414.85
2019-20	640.48	(up to October) - 245.01

Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW) assess the requirement of fertilizers on the season to season basis. Before each season i.e Rabi and Kharif, DAC&FW organizes Zonal Conferences with States to assess the requirement of fertilizer while taking into account cropping pattern, cropped area, crop wise recommended dose of fertilizers, requirement of nutrients in soil as per soil health status & recommended doses, irrigated area, consumption pattern etc. As such, it is not possible to forecast the quantum of fertilizer required for the future years.

The Government had announced New Investment Policy (NIP) – 2012 on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> 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 & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia –Urea complex at Panagarh, West Bengal. The commercial production of Matix started on 1<sup>st</sup> October 2017. Chambal Fertilizers & Chemicals Limited (CFCL) has also set up a Brownfield project at Gadepan, Rajasthan. The commercial production of CFCL-III started on 1<sup>st</sup> January, 2019.

The Government of India is reviving 5 closed fertilizer plants of Fertilizer Corporation of India Ltd. (FCIL) and Hindustan Fertilizer Corporation Ltd. (HFCL) namely Talcher, Ramagundam, Gorakhpur and Sindri plants of FCIL and Barauni plant of HFCL by setting up new Ammonia Urea plants of 12.7 Lakh metric tonne per annum capacity. These projects upon implementation/ operationalization will bridge the gap between demand and supply of urea in the country, and will rejuvenate the fertilizer sector. Subsequent to commissioning/ start of the above plants, the indigenous urea production will be enhanced by 63.5 Lakh Metric Tonne per year leading to corresponding reduction in import of urea.

Government of India has also proposed to set up a new Ammonia-Urea Plant at Brahmaputra Valley Fertilizers Corporation Limited (BVFCL), Namrup-IV having capacity of 12.70 LMT or Urea through nomination (PSU) route.

The Government of India has also notified the New Urea Policy (NUP) – 2015 on 25<sup>th</sup> 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. NUP-2015 has led to additional production of approximately 20 LMT as compared to 2014-15, from the existing gas based urea plants and the total production of urea during the year 2015-16 was 244.75 LMT, i.e. the highest ever urea production in the country. The indigenous urea production for the years 2016-17, 2017-18 & 2018-19 was 242.01 LMT, 240.23 LMT & 240 LMT respectively.

This information was given in a written reply by the Union Minister of Chemicals & Fertilizers, Shri. D.V.Sadananda Gowda in Rajya Sabha today.

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**RCJ/PK**

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