

AUTHORIZING PRIVATE ENTITIES TO IMPORT FERTILIZERS

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

Ministry of Chemicals and Fertilizers

Authorizing private entities to import fertilizers

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The Government has not authorized any private entity to import fertilizers from foreign countries.

Import of fertilizers (other than Urea) is free and on private account under OGL, commonly known as Open General Licence (OGL). Various companies import these fertilizers as per their commercial judgment, and not by any authorisation by the Government.

Urea is under statutory price control and presently for its direct agriculture use, the import on Government account is permitted through State Trading Enterprises (STEs) namely MMTC Limited (MMTC), State Trading Corporation Limited (STC) and Rashtriya Chemicals & Fertilizers (RCF) under the Foreign Trade Policy of the Government. Of the above mentioned STEs, MMTC and STC are PSUs of Department of Commerce, Ministry of Commerce and Industry and RCF is a PSU of Department of Fertilizers, Ministry of Chemicals and Fertilizers.

Government is also importing urea from Oman India Fertiliser Company (OMIFCO) under a Long-Term Urea Off Take Agreement (UOTA) between GOI & OMIFCO. The project is promoted by Indian Farmers and Fertilizers Cooperative Ltd. (IFFCO) and Krishak Bharati Cooperative Ltd. (KRIBHCO) from India side and Oman Oil Company from the Omani side. IFFCO and KRIBHCO are distributing the OMIFCO urea to the States as per supply plan of Government of India.

Government does monitor the activities of the private fertilizer importers to ensure the timely supply of fertilizers to farmers.

The following steps have been taken by Government to ensure timely supply of fertilizers to farmers of the country: -

(I) Before the commencement of each cropping season, Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW), in consultation with all the State Governments, assesses the requirement of fertilizers. After assessment of requirement, DAC&FW projects month-wise requirement of fertilizers.

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

- i. The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web-based monitoring system called integrated Fertilizer Monitoring System

(iFMS);

ii. 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.

iii. Regular Weekly Video Conference is conducted jointly by Department of Agriculture & Cooperation and Farmers Welfare (DAC&FW), 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.

- iv. The gap between demand (requirement) and production is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

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

RCJ/PK

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