GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

STARRED Question No. ***93** TO BE ANSWERED ON **24.07.2026**

Import Dependency on Fertilizers

*93 : **Shri Vishaldada Prakashbapu Patil:**

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

(a) whether the Government has conducted a comprehensive assessment of structural dependence of the country on imported fertilizer inputs, especially natural gas for urea and imports of phosphatic and potassic fertilizers and if so, the details thereof;

(b) whether the Government has evaluated the operational efficiency and productivity of aging urea plants and the manner in which their condition affects domestic fertilizer output and costs and if so, the details thereof;

(c) whether import dependence, aging urea plants and global supply chain volatility are creating long-term vulnerabilities for agricultural productivity and farmer incomes and if so, the details thereof;

(d) the steps taken to modernise and expand domestic fertilizer manufacturing capacity, including upgradation of old plants and new greenfield or brownfield projects; and

(e) the measures proposed to reduce import dependence, stabilise input costs and curb diversion and black marketing of subsidised fertilizers?

ANSWER
THE MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI JAGAT PRAKASH NADDA)

(a) to (e): A statement is laid on the table of the House.

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STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO. *93TO BE ANSWERED ON 24.07.2026 REGARDING 'IMPORT DEPENDENCY ON FERTILIZERS' ASKED BY SHRI VISHALDADA PRAKASHBAPU PATIL

(a) to (e): The Government continuously monitors the availability of critical fertilizer inputs to ensure uninterrupted production and availability of fertilizers. Natural gas is the principal feedstock for urea production. As the availability of domestic natural gas is limited vis-à-vis the requirement of the fertilizer sector, the demand is met through a combination of domestic natural gas and imported Re-gasified Liquefied Natural Gas (RLNG). The Government has also implemented a gas pooling mechanism for the urea sector to facilitate a uniform pooled price of natural gas for gas-based urea plants.

The consumption of domestic natural gas and RLNG by the fertilizer sector during the relevant period is as under:

Consumption of Natural Gas in fertilizer sector (in MMSCM)			
Financial Year	**Domestic (MMSCM)**	**RLNG (MMSCM)**	**Total (MMSCM)**
2025–26	2,887	16,762	19,649
2026–27 (April–May 2026) (P)	428	2,562	2,990

Source: Petroleum Planning & Analysis Cell (PPAC).

The Government has taken several measures to strengthen domestic urea production, including revival of closed urea units, promotion of energy-efficient production, encouragement of new investments, and priority allocation of natural gas to the fertilizer sector. These measures are aimed at enhancing indigenous urea production and ensuring adequate availability of fertilizers to farmers.

The operational efficiency of urea plants is assessed from time to time on the basis of their energy consumption, which is governed under the provisions of the New Urea Policy-2015. The Government has also notified energy norms for urea units from time to time to encourage adoption of energy-efficient technologies and improve operational performance. Recently, the New Energy Norms (NEN) to be implemented w.e.f. 01.04.2025 has been approved by the Government for brining further energy-efficiency of the plants.

To enhance domestic urea production, the Government has undertaken measures including revival of closed urea units with modern and energy-efficient technology, and establishment of new gas-based urea plants.With regard to Urea, 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. Total 6 new urea units have been set up under NIP-2012 which includes 4 urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 urea units set up by the private companies. The units set up through JVC are Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd (RFCL) in Telangana and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar, respectively. The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology. Therefore, these units have together added urea production capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 269.42 LMTPA during 2026-27. Further, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield Urea plant of 12.7 LMTPA at coal gasification route has also been approved. Further, setting up of a new Brownfield Ammonia-Urea Complex named as Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL) with an annual capacity of 12.7 Lakh Metric Tonne of Urea through Joint Venture within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Assam has been approved. These two projects are under execution phase.

Also, the Government also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production beyond RAC. The NUP-2015 has led to additional production of urea by 20-25 LMT as compared to the production during 2014-15 annually.

Above steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24. During 2025-26, 293.30 LMT of Urea was produced in the country.

In addition to this, on 15.07.2026, CCEA approved National Investment Policy for Urea-2026 for Aatmanirbhar Bharat (NIPU-2026) for making fresh investments in Urea Sector.

The Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K Fertilizers are covered under Open General License (OGL) and companies are free to import/manufacture these fertilizers as per their business dynamics.

To reduce dependence on imported Phosphatic fertilizers and make country self-reliant, the Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/manufacture these fertilizers as per their business dynamics. In addition to that, measures have been taken to encourage domestic production through guidelines 18.01.2024 on reasonableness of MRP, wherein importers/ manufacturers and integrated manufacturers are given reasonable profit of 8%, 10% and 12% respectively. Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized / taken on record under the NBS Scheme. The number of P&K fertilizers covered under NBS Scheme has increased from 22 grades in 2021 to 28 grades. Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is being provided since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil. Further, the rates of nutrients under NBS scheme are decided on biannual basis to ensure availability of fertilizers under the Scheme.

Following Steps are taken by the Government every season for ensuring timely and adequate supply of fertilizers in the country:

i. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise& month-wise requirement of fertilizers.

ii. On the basis of requirement projected by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

iii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web-based monitoring system called integrated Fertilizer Management System (iFMS).

iv. Regular Weekly Video Conference is conducted jointly by DA&FW and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch fertilizers as indicated by the State Governments.

v. The distribution of fertilizers within the State is done by the respective State Government.

vi. The gap between demand and indigenous production of fertilizers is met through timely imports well in advance to ensure adequate and timely availability of fertilizers in the country.

Accordingly, the availability of fertilizers has remained adequate in the country during the ongoing Kharif 2026 season (from 01.04.2026 to 19.07.2026). The information regarding requirement, availability, sales and closing stocks of fertilizers in the country during the said period is placed at **Annexure .**

Further, in order to address the issues of black-marketing, sub-standard, hoarding and diversion fertilizers are declared as an essential commodity under the Essential Commodities Act, 1955 and notified under Fertilizer Control Order, 1985. State Governments are adequately empowered to take action against persons involved in said malpractices, as per provisions of EC Act. Any complaints received at Department of Fertilizers levels regarding these malpractices are sent to concerned State Government to take appropriate action under Essential Commodities Act, 1955 and Fertilizer Control Order, 1985. However, Department of Agriculture & Farmer's Welfare, in consultation with the State Governments, is regularly monitoring the enforcement action taken by States against the cases of Black marketing, Hoarding, Sub-standard and Diversion on weekly basis. In the country, from 01.04.2026 to 17.07.2026, 1,58,886 raids have been conducted with 8,262 show cause notices issued, 2,692 licenses suspended/cancelled and 247 FIRs registered against defaulters.

Further, The Government of India in consultation with the State Government is regularly monitoring the enforcement action taken by State Government against the cases of Black marketing, Hoarding, Sub-standard and Diversion on weekly basis. In the country, In 2025, 4,84,663 raids have been conducted with 17,392 show cause notices issued, 6,941 licenses suspended/cancelled and 847 FIRs registered against defaulters. Since April 2026, 1,43,095 raids have been conducted with 8,060 show cause notices issued, 2,636 licenses suspended/cancelled and 214 FIRs registered against defaulters in the Country. Ministry of Agriculture & Farmers Welfare regularly pursues with the State Government to strictly implement the enforcement action against the defaulters.

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ANNEXURE

Annexure referred to in reply to part (a) to (e) of Lok Sabha Starred Question No 93 for answering on 24.07.2025

ALL INDIA					
AVAILABILITY OF FERTILIZERS DURING THE ONGOING KHARIF 2026 (FROM 01.04.26 TO 19.07.26)					
					fig. in LMT
S.No	**PRODUCT**	**Requirement**	**Availability**	**DBT Sales**	**Closing Stock as on 19.07.26**
1	UREA	109.40	163.78	94.78	69.01
2	DAP	31.57	39.54	22.82	16.72
3	MOP	10.06	13.81	5.20	8.63
4	NPKS	48.48	84.57	39.36	45.21

1. Primary Indicator of comfortable availability: Availability > Requirement
2. Secondary Indicator of comfortable availability: Availability > Sales