GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION **NO. 3242** TO BE ANSWERED **ON: 07.08.2026**

Shortage of DAP

3242. Shri Manickam Tagore B:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

(a) whether it is a fact that farmers are being forced to purchase alternative additional fertilizers due to shortage of DAP, if so, the details thereof along with the steps taken to ensure adequate availability of DAP during agricultural cropping seasons;

(b) the details of fertilizer subsidy allocated, released and utilized for Urea and DAP during the last three years and the current financial year, along with its impact on retail prices for farmers, year-wise;

(c) whether the Government proposes to increase domestic production capacity of Urea and DAP to reduce dependence on imports and ensure fertilizer security, if so, the details thereof;

(d) whether any assessment has been conducted by the Government regarding the impact of Urea and DAP availability and prices on the cost of cultivation and farmers' income, if so, the findings thereof; and

(e) whether the Government has taken steps to improve fertilizer distribution through digital monitoring systems such as real-time tracking of stocks, movement and sales of Urea and DAP, if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(**SMT. ANUPRIYA PATEL**)

(a) to (e) Following steps are taken by the Government every season for ensuring timely and adequate availability of DAP and other 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. On the basis of requirement projected by DA&FW, Department of Fertilizers (DoF) allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

(ii) 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).

(iii) The gap between demand (requirement) and production for Urea & other fertilizers is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

(iv) The State Governments are regularly advised to coordinate with manufacturers and importers for streamlining the supplies through timely placement of indents.

(v) Regular coordination is done with the Ministry of Railways for giving sufficient rakes, priority to fertilizers and for timely evacuation of rakes for States.

(vi) The distribution of fertilizers within the State at district/block level is done by the concerned State government.

In view of above, the availability of DAP in the country has remained adequate during the ongoing Kharif 2026 season. The State-wise information regarding requirement, availability, sales and closing stock of DAP for the period 01.04.2026 to 03.08.2026 is placed at **Annexure A**.

The details of total fertilizer subsidy allocated, disbursed during the last three years i.e. 2023-24 to 2025-26 and current financial year 2026-27 (as on 04.08.2026) by the Government is placed at **Annexure B**.

Further, under the Urea Subsidy Scheme, Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers are being supplied urea at the subsidized rate.

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.

Further, the Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under NBS Scheme, MRP of P&K fertilizers are decontrolled and companies are free to fix MRP as per their business dynamics at a reasonable level. The NBS subsidy is provided to manufacturer/importer on notified P&K fertilizers on its PoS sale during the season, depending on their nutrient content to ensure availability of fertilizers to farmers. The volatility in international prices of key fertilizers and raw materials is considered while fixing NBS rates for P&K fertilizers so that fertilizers remain affordable to the farmers.

However, to make DAP being a key fertilizer, available at affordable price of Rs. 1350 per 50 kg bag, special provisions like Rs. 3500 per MT to cover 'Other Costs' which includes costs incurred from factory gate to farm gate, advantage / disadvantage due to increase / decrease in international prices, provision for GST component included in the MRP and provision for reasonable return @ 4% of net MRP (MRP-GST) have been extended to both imported and domestic DAP and imported TSP over and above NBS subsidy for Kharif 2026 season to keep the prices of fertilizers stable.

Under the NBS 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.

However, to reduce dependence on imported Phosphatic fertilizers and make country self-reliant 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.

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ANNEXURE-A

Annexure referred to in reply of parts (a) to (e) of Lok Sabha Un-starred question no. 3242 for answering on 07.08.2026					
STATE WISE REQUIREMENT, AVAILABILITY, SALES & CLOSING STOCK OF DAP DURING THE ONGOING KHARIF 2026 (FROM 01.04.26 TO 03.08.26)					
					Fig. in LMT
S.No	**State**	**DAP**			
		Requirement	**Availability**	**DBT Sales**	**Closing Stock as on 03.08.26**
1	Andaman and Nicobar Islands	0.00	0.00	0.00	0.00
2	Andhra Pradesh	0.93	1.91	1.00	0.91
3	Arunachal Pradesh	0.00	0.00	0.00	0.00
4	Assam	0.23	0.42	0.30	0.12
5	Bihar	1.72	2.46	1.09	1.37
6	Chandigarh	0.00	0.00	0.00	0.00
7	Chhattisgarh	2.60	2.13	1.59	0.54
8	Dadra and Nagar Haveli	0.00	0.00	0.00	0.00
9	Daman and Diu	0.00	0.00	0.00	0.00
10	Delhi	0.00	0.03	0.02	0.01
11	Goa	0.00	0.00	0.00	0.00
12	Gujarat	2.63	2.35	1.75	0.60
13	Haryana	1.37	1.76	1.28	0.48
14	Himachal Pradesh	0.01	0.03	0.01	0.02
15	Jammu and kashmir	0.18	0.29	0.20	0.09
16	Jharkhand	0.45	0.43	0.29	0.15
17	Karnataka	2.91	3.46	2.54	0.93
18	Kerala	0.07	0.18	0.10	0.07
19	Lakshadweep	0.00	0.00	0.00	0.00
20	Madhya Pradesh	3.89	3.57	2.59	0.98
21	Maharashtra	3.72	4.00	2.93	1.07
22	Manipur	0.02	0.02	0.01	0.01
23	Meghalaya	0.02	0.01	0.00	0.00
24	Mizoram	0.02	0.00	0.00	0.00
25	Nagaland	0.00	0.00	0.00	0.00
26	Odisha	1.47	1.69	1.07	0.62
27	Puducherry	0.00	0.01	0.00	0.01
28	Punjab	1.66	2.61	1.49	1.12
29	Rajasthan	3.35	2.75	2.17	0.58
30	Sikkim	0.00	0.00	0.00	0.00
31	Tamil Nadu	0.86	1.17	0.64	0.53
32	Telangana	2.12	2.25	1.89	0.36
33	Tripura	0.02	0.02	0.01	0.01
34	Uttarakhand	0.15	0.30	0.15	0.14
35	Uttar Pradesh	5.83	9.25	4.44	4.80
36	West Bengal	0.92	1.50	0.70	0.80
	All India	**37.17**	**44.60**	**28.28**	**16.33**
1. Primary Indicator of comfortable availability: Availability > Requirement					
2. Secondary Indicator of comfortable availability: Availability > Sales					

Annexure-B

Annexure referred to in reply of parts (a) to (e) of Lok Sabha Un-starred question no. 3242 for answering on 07.08.2026

			(Figures in Rs. Crore)
Financial Year	**Subsidy Scheme**	**Allocation**	**Expenditure**
2023–24	Imported P&K	28,930.00	28,929.57
	Indigenous P&K	36,270.00	36,270.00
	Indigenous Urea	1,02,027.00	1,02,027.00
	Import of Urea	28,194.00	28,193.94
	Total	**1,95,421.00**	**1,95,420.51**
2024–25	Imported P&K	18,800.00	18,800.00
	Indigenous P&K	34,010.00	34,010.00
	Indigenous Urea	1,03,319.50	1,03,319.50
	Import of Urea	21,000.00	21,000.00
	Total	**1,77,129.50**	**1,77,129.50**
2025-26	Imported P&K	34,000.00	33,999.99
	Indigenous P&K	41,000.00	41,000.00
	Indigenous Urea	94,219.50	94,219.50
	Import of Urea	51,972.00	47,956.24
	Total	**2,21,191.50**	**2,17,175.73**
2026-27 (as on 04.08.2026)	Imported P&K	20,000.00	6,953.45
	Indigenous P&K	34,000.00	13,503.54
	Indigenous Urea	91,000.00	38,564.42
	Import of Urea	31,999.00	31,166.01
	Total	**1,76,999.00**	**90,187.42**