

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3380 TO BE ANSWERED ON: 07.08.2026

Shortage of Urea and DAP

3380. Shri Suresh Kumar Shetkar:

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

- (a) whether the Government has identified the regions where Urea and DAP shortages were reported in the country during the last three years, if so, the details thereof and remedial action taken thereon, State/district-wise;
- (b) whether the Government has strengthened enforcement mechanisms against diversion, illegal sale and misuse of subsidized Urea and DAP fertilizers, if so, the details of cases registered and action taken thereon;
- (c) whether the Government proposes to provide additional financial assistance or special measures for small and marginal farmers affected by increasing fertilizer costs, if so, the details thereof and if not, the reasons therefor;
- (d) whether the Government has reviewed the fertilizer import policy, long-term supply agreements and domestic manufacturing plans to ensure uninterrupted availability of DAP and other essential fertilizers, if so, the details thereof; and
- (e) whether the Government has prepared a long-term fertilizer security roadmap for covering Urea and DAP production, import management, subsidy reforms and affordable availability for farmers, if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

- (a) 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.

Further, the distribution of fertilizers within the State at district/block level is done by the respective State Government.

Accordingly, the availability of Urea and DAP has remained adequate across the States during the last three years. The State-wise information regarding the requirement, availability and sales of said fertilizers during the said period is placed at **Annexure-A**.

(b) Fertilizers are declared as an essential commodity under the Essential Commodities Act, 1955 and notified under Fertilizer Control Order, 1985. State Governments are empowered to take action against persons involved in diversion, illegal sale and misuse of fertilizers, as per provisions of EC Act. Any complaint received at Department of Fertilizers level regarding such malpractices is sent to concerned State Government to take appropriate action under Essential Commodities Act, 1955 and Fertilizer Control Order, 1985.

Further, Department of Agriculture and Farmers Welfare (DA&FW) in consultation with the State Governments is regularly monitoring the enforcement action taken by State Governments against the cases of black-marketing, diversion, hoarding and other malpractices on weekly basis.

Accordingly, information received from the DA&FW regarding the action taken by the State Governments to check diversion and other malpractices during the ongoing Kharif 2026 season, for the period from April 2026 to July 2026 (till 31.07.2026), is placed at **Annexure-B**.

(c) to (e) 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.

Further, 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. Recently, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Assam named as Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL). 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.

Besides, on 15.07.2026, CCEA approved New Investment Policy for Urea (NIPU) for Aatmanirbhar Bharat-2026 for making fresh investments in Urea Sector.

In addition, 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 is 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.

Further, 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, pro 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.

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.

Furthermore, India depends on import of fertilizers to meet its demand. Keeping in view of this, Government of India facilitates Indian fertilizer companies in entering into long term arrangements with overseas suppliers for assured supplies of fertilizers in the country.

In line with this, Indian companies have finalized agreements with Saudi Arabian and Russian companies for the annual supply of about 31 LMT and 26.50 LMT of DAP/NPKs respectively to India in this year.

For Muriate of Potash (MOP), Indian companies have finalized agreements for the supply of 4.80 LMT this year, sourced from Russia, Germany and Turkmenistan.

Besides, in order to strengthen the country's Urea supply, a Long-Term Arrangement (LTA) is made between Rashtriya Chemicals and Fertilizers Limited (RCF) and OQ Trading, Oman, for the supply of Urea for the period from August 2026 to February 2031.

ANNEXURE A

Annexure referred to in reply of part (a) of Lok Sabha Unstarred Question No. 3380 for answering on 07.08.2026
STATE WISE REQUIREMENT, AVAILABILITY & DBT SALES OF UREA & DAP FROM 2023-24 TO 2025-26

Fig. in LMT

S.No	State	2023-24						2024-25						2025-26					
		UREA			DAP			UREA			DAP			UREA			DAP		
		Requireme nt	Availabili ty	DBT Sales	Requirem ent	Availabili ty	DBT Sales	Requirem ent	Availabili ty	DBT Sales	Require ment	Availabili ty	DBT Sales	Require ment	Availabili ty	DBT Sales	Requirem ent	Availabili ty	DBT Sales
1	Andaman and Nicobar Islands	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Andhra Pradesh	15.73	17.89	14.99	4.13	4.86	4.20	15.90	18.68	15.70	4.30	4.80	4.34	15.60	19.22	17.06	4.80	6.32	5.45
3	Arunachal Pradesh	0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.02	0.01	0.00	0.00	0.00
4	Assam	3.46	4.56	3.73	0.75	0.87	0.72	3.28	4.48	4.10	0.61	0.70	0.62	3.35	5.13	4.60	0.56	0.95	0.72
5	Bihar	22.63	27.46	23.24	6.82	7.78	6.51	22.87	27.64	25.60	5.50	6.40	5.83	23.82	28.12	25.33	6.10	8.04	6.57
6	Chandigarh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Chhattisgarh	8.40	11.37	8.99	3.10	5.28	4.34	8.90	12.03	10.07	4.10	4.19	3.83	10.00	12.41	9.81	4.10	4.29	3.25
8	Dadra and Nagar Haveli	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Daman and Diu	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Delhi	0.00	0.37	0.32	0.00	0.05	0.04	0.23	0.43	0.40	0.01	0.05	0.04	0.26	0.25	0.21	0.05	0.05	0.05
11	Goa	0.03	0.02	0.02	0.01	0.01	0.01	0.02	0.02	0.02	0.01	0.00	0.00	0.02	0.02	0.02	0.01	0.00	0.00
12	Gujarat	24.71	26.78	24.30	5.86	6.71	6.29	25.60	25.82	24.23	6.25	5.84	5.42	25.02	25.95	23.99	6.30	5.82	5.32
13	Haryana	20.63	24.86	21.77	5.60	6.29	5.83	21.50	25.32	22.65	5.80	5.49	5.34	21.67	26.08	23.20	5.53	6.10	5.46
14	Himachal Pradesh	0.68	0.82	0.68	0.01	0.01	0.01	0.71	0.81	0.65	0.01	0.04	0.03	0.66	0.94	0.79	0.02	0.05	0.05
15	Jammu and kashmir	1.40	2.01	1.45	0.55	0.59	0.44	1.48	2.05	1.36	0.49	0.58	0.43	1.46	2.24	1.60	0.46	0.61	0.43
16	Jharkhand	2.47	3.74	3.04	1.02	1.06	0.94	2.65	4.11	3.73	0.90	0.87	0.84	2.90	3.73	3.22	0.80	1.13	0.93
17	Karnataka	16.10	21.02	15.65	5.90	8.13	6.42	17.25	22.63	19.17	5.64	6.55	5.86	18.77	21.55	18.85	5.98	7.79	6.09
18	Kerala	1.19	1.13	0.96	0.20	0.18	0.16	1.11	1.37	1.15	0.17	0.21	0.20	1.14	1.30	1.14	0.20	0.31	0.22
19	Lakshadweep	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20	Madhya Pradesh	33.46	41.73	34.37	14.22	17.81	15.50	35.38	42.43	38.09	16.57	12.70	11.66	40.42	47.16	42.43	15.00	13.09	11.47
21	Maharashtra	23.74	31.06	23.48	7.00	8.93	7.36	23.73	32.72	26.41	7.50	7.13	6.47	26.77	32.37	27.27	7.20	8.06	5.81
22	Manipur	0.30	0.26	0.25	0.04	0.01	0.01	0.25	0.16	0.14	0.03	0.03	0.02	0.20	0.24	0.19	0.03	0.05	0.04
23	Meghalaya	0.02	0.05	0.04	0.00	0.00	0.00	0.04	0.04	0.04	0.01	0.00	0.00	0.03	0.03	0.03	0.00	0.00	0.00
24	Mizoram	0.07	0.15	0.13	0.01	0.00	0.00	0.08	0.25	0.20	0.01	0.00	0.00	0.07	0.11	0.11	0.01	0.00	0.00
25	Nagaland	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.02	0.02	0.00	0.00	0.00
26	Odisha	5.46	7.70	5.84	2.33	3.12	2.74	6.05	8.15	6.67	2.86	2.83	2.56	6.20	8.94	7.26	2.75	3.42	2.78
27	Puducherry	0.16	0.15	0.13	0.02	0.01	0.01	0.16	0.16	0.15	0.01	0.02	0.02	0.15	0.15	0.14	0.02	0.02	0.01
28	Punjab	29.48	37.35	30.68	8.00	8.23	7.24	26.50	36.70	32.56	8.10	6.99	6.61	29.92	35.36	31.39	7.35	8.13	6.66
29	Rajasthan	24.28	29.23	25.39	8.95	9.80	9.37	26.20	29.43	26.40	8.50	7.11	6.90	25.52	31.94	28.05	8.43	8.61	7.80
30	Sikkim	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Tamil Nadu	10.23	11.86	10.11	2.95	3.22	2.71	10.91	12.61	10.92	2.70	2.98	2.56	10.87	12.80	11.43	2.95	3.46	2.89
32	Telangana	18.94	23.77	19.03	3.80	4.34	3.68	20.20	22.15	20.08	3.90	3.91	3.64	20.20	21.80	20.94	3.85	4.92	4.38
33	Tripura	0.24	0.26	0.14	0.05	0.04	0.03	0.18	0.24	0.17	0.04	0.03	0.02	0.18	0.24	0.17	0.03	0.05	0.03
34	Uttarakhand	1.84	2.67	2.31	0.35	0.49	0.38	2.03	2.60	2.31	0.30	0.52	0.40	2.01	2.49	2.21	0.30	0.67	0.48
35	Uttar Pradesh	76.15	91.83	74.53	24.50	25.76	21.61	77.00	91.72	79.18	24.05	21.55	19.51	79.92	91.75	80.37	24.00	25.30	20.25
36	West Bengal	14.32	17.34	12.20	4.02	3.83	3.20	13.80	19.05	15.77	3.55	3.62	3.12	14.30	18.43	14.76	3.59	4.47	3.65
	All India	356.08	437.47	357.81	110.18	127.42	109.73	364.01	443.83	387.92	111.92	105.14	96.29	381.45	450.79	396.60	110.42	121.72	100.80

1. Primary Indicator of comfortable availability: Availability > Requirement

2. Secondary Indicator of comfortable availability: Availability > DBT Sales

Annexure referred to in reply of part (b) of Lok Sabha Unstarred Question No. 3380 for answering on 07.08.2026																			Annexure-B
Cumulative Statement from April 26 to July 26 (as on 31.07.2026)																			
Action taken by the State Government to check black marketing, hoarding, quality check, diversion etc during the Kharif season from April 2026 to July 2026 as on date (31.07.2026)																			
		Black Marketing			Hoarding			Sub Standard Quality			Diversion			Convicti on with details*	No of arre st made	Quantity of material seized (in terms of Bag) and grade of fertilizer	Total		
States	No. of Inspectio ns /raids	Show cause notice issued	No. of licenses cancelled/sus pended	FIR register ed	Show cause notice issued	No. of licenses cancelled/sus pended	FIR register ed	Show cause notice issued	No. of licenses cancelled/s uspended	FIR register ed	Show cause notice issued	No. of licenses cancelled/s uspended	FIR register ed				Show cause notice issued	No. of licenses cancele d/suspe nded	FIR registered
Andaman & Nicobar Islands	32	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Andhra Pradesh	5460	7	13	0	95	73	4	45	0	0	0	0	0	NIL	0	0	147	86	
Arunachal Pradesh	0	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Assam	3327	7	0	0	6	0	0	1	0	0	4	4	0	NIL	0	0	18	4	
Bihar	18022	718	686	63	1	149	15	0	0	0	0	0	0	NIL	0	0	719	835	
Chhattisgarh	5486	209	48	6	37	10	2	76	0	1	0	0	1	NIL	0	30029	322	58	
Dadar & Nagar	0	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Delhi	150	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Goa	20	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Gujarat	7822	39	0	2	4	5	0	17	0	8	2	0	7	NIL	0	0	62	5	
Haryana	494	8	7	0	22	31	6	9	6	0	3	6	2	NIL	0	0	42	50	
Himachal Pradesh	56	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Jammu & Kashmir	9226	0	0	0	0	0	0	0	0	0	0	0	1	NIL	0	1562	0	0	
Jharkhand	727	14	0	0	31	2	0	0	1	0	0	0	1	NIL	0	0	45	3	
Karnataka	17137	2132	2	0	0	0	0	78	0	0	5	0	7	NIL	0	4424	2215	2	
Kerala	651	0	0	0	0	0	0	15	0	0	4	0	2	NIL	0	2272	19	0	
Madhya Pradesh	1021	0	0	4	0	0	0	0	0	9	23	22	0	NIL	0	0	23	22	
Maharashtra	42353	850	575	19	728	222	1	563	426	40	16	20	7	NIL	0	0	2157	1243	
Manipur	61	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Meghalaya	330	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Mizoram	101	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Nagaland	102	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Odisha	10318	0	2	0	0	0	1	5	2	1	0	0	0	NIL	0	246	5	4	
Puducherry	39	0	0	0	0	0	0	0	0	0	0	0	0	NIL	0	0	0	0	
Punjab	1912	10	0	0	0	0	0	57	8	4	49	0	8	NIL	0	0	116	8	
Rajasthan	8450	712	22	2	139	28	6	126	0	1	167	1	6	NIL	2	5058	1144	51	
Tamilnadu	5868	8	0	0	139	0	6	221	0	0	118	0	2	NIL	0	290	486	0	
Telangana	11658	28	9	6	0	0	0	0	2	0	3	2	1	NIL	0	0	31	13	
Tripura	1050	0	0	0	184	0	0	0	0	0	0	0	0	NIL	0	0	184	0	
Uttar Pradesh	11181	1092	363	26	47	58	2	87	69	5	23	58	8	NIL	0	3826	1249	548	
Uttarakhand	376	1	0	1	0	0	0	1	1	0	0	0	0	NIL	0	0	2	1	
West Bengal	16661	5	2	0	276	16	0	42	0	0	0	0	0	NIL	0	0	323	18	
Total	180091	5840	1729	129	1709	594	43	1343	515	69	417	113	53	0	2	47707	9309	2951	
* - Details to be submitted- case number, year of FIR and year of filing of case and date of order																			
Above data has been compiled as reported by states																			

