

Fertilizer

Fertilizer consumption

8.36 The consumption of chemical fertilizers in terms of nutrients during 2003-04 was 16.8 million tonnes, up 4.4 per cent from the 2002-03 level. Due to poor monsoon, consumption was lower in 2000-01 and 2002-03 (Table 8.17). With good monsoon in 2003, fertilizer consumption bounced back in 2003-04, but still fell short of the 1999-2000 level (18.1 million tonnes). In 2004-05 with deficient rainfall in some parts of the country and floods in other areas, fertilizer consumption is likely to be low.

8.37 A great deal of variability was observed in fertilizer consumption during 2003-04 among the States. Amongst States in the plains, per hectare consumption was quite high in Punjab, Haryana and Andhra Pradesh. It was quite low in Rajasthan, Orissa and Madhya Pradesh, apart from the States in the North- Eastern region (Table 8.18). The all India average consumption of fertilizer at 89.8 kgs per hectare in 2003-04 was higher than the preceding year's average of 86.1 kgs per hectare.

Fertilizer production

8.38 Domestic production of fertilizers {nitrogenous (N) and phosphatic (P)} in 2004-

**Table 8.18 : Per hectare consumption of N.P.K. fertilizers
(Based on 2000-01 provisional gross cropped area)**

S.No.	State/U.T.	2003-04	2002-03
1	Andhra Pradesh	136.8	123.5
2.	Karnataka	74.9	89.5
3.	Kerala	63.6	67.7
4.	Tamil Nadu	112.5	117.2
5.	Gujarat	95.1	73.8
6.	Madhya Pradesh	55.0	39.4
7.	Chhatisgarh	46.5	47
8.	Maharashtra	65.7	75.3
9.	Rajasthan	40.5	28.6
10.	Haryana	167.1	150.4
11.	Himachal Pradesh	49.4	41.9
12.	Jammu & Kashmir	71.4	58.1
13.	Punjab	184.1	172
14.	Uttar Pradesh+	126.7	124.6
15.	Bihar++	80.5	86.5
16.	Orissa	41.4	36.9
17.	West Bengal	122.4	128
18.	Arunachal Pradesh	2.8	2.8
19.	Assam	46.6	43
20.	Tripura	29.4	21.6
21.	Manipur	130.5	128.7
22.	Meghalaya	17.0	16.1
23.	Nagaland	2.2	1.7
24.	Mizoram	0.0*	19.9
25.	Sikkim	3.5	9.9
All India		89.8	86

+ Includes Uttaranchal. ++Includes Jharkhand.

* non-response

Source: Ministry of Chemicals & Fertilizers.

Table 8.17 : Consumption of major fertilizers

(in lakh tonnes)

Fertilizer	2000-01	2001-02	2002-03	2003-04	2004-05 (estimated upto Sept, 2004)
Urea	191.9	199.2	184.9	197.7	104.6
DAP	58.8	61.8	54.7	56.2	31.2
MOP	18.3	19.9	19.1	18.4	10.7
N	109.2	113.1	104.7	110.8	59.6
P	42.2	43.8	40.2	41.2	23.4
K	15.7	16.7	16.0	16.0	9.2
Total	167.0	173.6	160.9	168.0	92.2

Source: Ministry of Agriculture.

Table 8.19 : Fertilizer production, imports and subsidies							
Year	Production		Imports	Subsidy			
	N	P	N+P+K	Imported Urea	Domestic Urea	Decontrolled P&K Fertilisers	Total
	('000 tonnes)			(Rs crore)			
1960-61	98	52	419	-	-	-	-
1970-71	830	229	629	-	-	-	-
1980-81	2164	842	2759	335	170	-	505
1990-91	6993	2052	2758	659	3730	-	4389
2000-2001	11004	3748	2090	1	9480	4319	13800
2001-2002	10771	3861	2398	47	8044	4504	12595
2002-03	10562	3906	1757	0	7790	3224	11014
2003-04	10634	3631	2019	0	8521	3326	11847
2004-05	10919#	4144#	1384**	473*	8143.15*	4046*	12662.15*
# Estimated. * Budget estimate. ** Up to 31.10.2004. Source: Ministry of Chemicals & Fertilisers.							

05 is estimated to be more than that in 2003-04 (Table 8.19).

Pricing, control and subsidy

8.39 To encourage balanced fertilizer use and make fertilizers available to farmers at affordable prices, the Central Government

determines and notifies the selling price of urea as well as decontrolled P&K fertilizers such as Diammonium Phosphate (DAP), Muriate of Potash (MOP), Single Super Phosphate (SSP) and complexes. The current selling prices of urea and P&K fertilizers are less than the cost of production, the difference between the selling price and the cost of production as assessed by the Government is borne as subsidy. There has been no increase in selling prices of fertilizers since February 28, 2002 (Table 8.20). A marginal increase in selling prices of fertilizers announced on February 28, 2003 was withdrawn with effect from March 12, 2003. With subsidy on urea at Rs.8,616 crore and on decontrolled phosphatic and potassic fertilizers at Rs.4,046 crore, the estimated total subsidy burden for fertilizer was Rs.12,662 crore during 2004-05.

Table 8.20 : Selling prices of fertilizers		
(Rs per tonne)		
S.No.	Name of the fertilizer	Maximum retail price (Rs. per tonne)
1.	Urea	4830
2.	DAP	9350
3.	Complex fertilizers	6980-9080
4.	SSP	Varies from State to State
Source: Ministry of Chemicals & Fertilisers.		