

ANNUAL REVIEW OF FERTILISER PRODUCTION AND CONSUMPTION 2015-16 HIGHLIGHTS

Increase in Production

- Production of N and P₂O₅ recorded increase of 8.4% and 7.5%, respectively, during 2015-16 over the previous year.
- Production of urea, DAP, NP/ NPK complex fertilisers and SSP recorded increase of 8.3%, 10.9%, 7% and 2.5%, respectively, during 2015-16 over 2014-15.

High Imports

- Import of urea at 8.47 million MT (MMT) in 2015-16 was close to the previous year's level.
- DAP imports increased to 6.01 MMT, 56% more than the previous year's level.
- Import of MOP at 3.24 MMT, was 23% lower than the previous year's level.
- Import of NP/NPK complex fertilisers and MAP was about 629 thousand MT and 22 thousand MT, respectively, during 2015-16.

Retail prices of fertilisers

- Retail prices of urea remained unchanged at Rs.5360/- per tonne. Retail prices of P & K fertilisers have been market driven under NBS policy.

Increase in fertiliser consumption

- Total fertiliser nutrient consumption increased by 5.6% in 2015-16 over 2014-15.
- The consumption of N, and P₂O₅ increased by 3.8% and 15.9%, respectively, during 2015-16 over 2014-15. However, the consumption of K₂O declined by 7.9% during the period.

NPK use ratio changed

- NPK use ratio changed from

6.7:2.4:1 during 2014-15 to 7.5:3.0:1 during 2015-16.

Per hectare use increased

- Total nutrient consumption per hectare of gross cropped area increased from 131.6 kg in 2014-15 to 138.9 kg in 2015-16.

Ten states account for 78% consumption

Uttar Pradesh had the largest share (17.7%), followed by Maharashtra (10.1%), Madhya Pradesh (7.3%), Karnataka (6.6%), Punjab, Andhra Pradesh and Bihar (6.3% each), West Bengal (6%), Rajasthan and Gujarat (5.6% each). These 10 states accounted for 78% of the total consumption in the country.

Weak monsoon

- During south-west monsoon 2015, 19 sub-divisions received normal/excess rainfall and 17 deficient/ scanty, out of a total of 36 sub-divisions. The rainfall was 86% of the LPA.

Production of foodgrains was marginally up

- Production food grains remained flat. The change was from 252 million MT in 2014-15 to 252.2 million MT in 2015-16.
- Among the principal crops, production of rice at 104.3 MMT, coarse cereals at 37.9 MMT, pulses at 16.5 MMT and oilseeds 25.3 MMT registered decline of 1.1%, 11.5%, 4% and 8%, respectively, during 2015-16 over 2014-15. Similarly, the production of sugarcane, cotton, jute & mesta declined by 2.8%, 13.4% and 5.9%, respectively,

during the period

Fertiliser Policies

- The Industry continued to suffer due to inadequate budget allocations with large amount of unpaid subsidy dues carried forward from 2015-16 to 2016-17.
- New Urea Policy 2015 (NUP-2015) was notified on the 25th May, 2015. The policy is effective from 1st June 2015 to 31st March 2019. Energy norms of urea plants have been further tightened under the policy.
- Government of India made it mandatory for all indigenous producers of urea to produce 100% of their production of subsidised urea as *neem* coated urea as notified on 25th May, 2015. Imported urea is also required to be *neem* coated before despatch from the ports.
- Department of Fertilizers notified the policy on promotion of city compost in February, 2016, Initially, the marketing and promotion of city compost would be done through the existing fertiliser companies. In due course, compost manufacturers and other marketing entities recognized by the concerned State Government would be included.
- Department of Fertilizers, issued an OM on the 18th March, 2016 regarding removal of the minimum capacity utilization criteria for SSP manufacturing units to be eligible for subsidy under NBS scheme.
- The rates of Nutrient Based Subsidy (NBS) per kg of nutrient for N, P, K and S continued to remain unchanged for 2015-16.