



100% Neem Coating of Urea improves Soil Health, boosts Yields and curbs Diversion: DACFW Study

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Minister of State for Ministry of Road Transport & Highways, Shipping and Chemicals & Fertilizers, Shri Mansukh L. Mandaviya, while giving a written reply to a question on benefits of Neem Coated Urea in Rajya Sabha today, said that the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) conducted a study to determine the impact of Neem Coated Urea that clearly demonstrates the benefits of the of the scheme, as detailed ahead.

Shri Mandaviya informed that the interim report prepared by Agricultural Development and Rural Transformation Centre (ADRTC), Bengaluru has been submitted by Department of Agriculture, Cooperation and Farmers Welfare (DACFW). The brief findings of the study are as follows:

- Improvement in soil health;
- Reduction in costs with respect to plant protection chemicals;
- Reduction in pest and disease attack;
- An increase in yield of paddy, sugarcane, maize, soybean and tur/red gram to an extent of 5.79%, 17.5%, 7.14%, 7.4% and 16.88% respectively;
- Diversion of highly subsidized urea towards non-agricultural purposes negligible among farmers after the introduction of the mandatory policy of production and distribution of only Neem coated urea.

The Minister said that the availability of Urea during 2015-16 and in the current year is more than the requirement and sales. Further, some State Governments have reduced their requirement which was initially projected. There is no report of shortages received from any of the State Government. It is, therefore, perceived that Neem Coating of Urea has helped in curbing the diversion.

The details of consumption of urea during the last three years is as under:

Year	Urea			
	Kharif	Rabi	Total	Kg/Hectare
2014015	141.67	164.63	306.10	152.53
2015-16	152.70	153.64	306.35	149.61
2016-17	143.64 *	Not finalized Yet		
* Estimated				

The figures regarding production and yield is as under:

Year	Area (Million Hectares)	Production (MT)	Yield (Kg/Hectare)
2010-11	126.67	244.49	1930
2011-12	124.75	259.29	2078
2012-13	120.78	257.13	2129
2013-14	125.04	265.04	2120
2014-15	124.30	252.02	2028

2015-16	123.22	251.57	2042
2016-17 *	126.48	271.98	2150
* Second Advance Estimates			
Source: Directorate of Economics & Statistics			

Giving a background of the Neem Coating of urea in the country, the Minister informed that on 2nd June 2008, the Government had notified the policy for encouraging production and availability of fortified and coated fertilizers in the country wherein the indigenous manufacturers/producers of the subsidized fertilizers were allowed to produce fortified/coated subsidized fertilizers up to a maximum of 20% of their total production of respective subsidized fertilizers. This ceiling of production of Neem Coated Urea(NCU) was increased from the limit of 20% to a maximum of 35% of their total production vide notification dated 11th January, 2011.

Shri Mandaviya said that the Government, on 24th March, 2015 made mandatory for all the indigenous producers of urea to produce 75% of their total production of subsidized urea as Neem Coated Urea. Subsequently, on 25th May 2015, Department of Fertilizers made it mandatory for all the domestic producers of urea to produce 100% as Neem Coated Urea with an extra MRP of 5% (of Rs. 5360/- per MT) to be charged by the fertilizer manufacturing entities from farmers. Entire quantity of indigenously produced urea and imported urea is being neem coated w.e.f 1st September, 2015 and 1st December, 2015 respectively.

Also, the Minister stated that the P&K fertilizer companies have reduced the MRP of MOP, DAP and NPK by Rs 5000/MT, Rs 2500/MT and Rs 1000/MT respectively in the month of June 2016 and again Rs 1300/MT for DAP in the month of December, 2016 and it seems that the reduction of prices of P&K fertilizers will encourage the farmers to use more P&K fertilizers which will help the balanced use of fertilizers.

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