



PRESS INFORMATION BUREAU
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Ministry of Information and Broadcasting
Government of India



Neem Coated Urea
Ministry of Agriculture and Farmers Welfare

November 01, 2021

Reforms like neem coated urea, soil health cards, using technology to improve irrigation has helped the hardworking farmers of India. We are well poised to fulfil our dream of doubling the income of farmers by 2022, when India marks 75 years of Independence.

– PM Shri Narendra Modi

Background

- Urea has been one of the most important chemical Fertilizers for our crops and has been one of the instrumental factors in the increase in food grain production of the country.
- Every year the government spends more than Rs. 50,000 crores to ensure that the farmers can get urea at affordable prices.
- There were findings and reports that a lot of urea applied by farmers to the crops was getting wasted leading to low nutrient efficiency, water and soil contamination and wastage of highly subsidized urea.
- There was diversion of the highly subsidized agricultural urea to chemical industries and non-agricultural practices. This resulted not only in wastage of precious subsidies but also occasional shortage of urea for genuine farmers.

Finding a Solution

- Neem oil, a wholly organic product, had the quality that could both slow down nitrogen release from urea to soil thus increasing nutrient use efficiency, decreasing soil and water contamination, and reducing appreciably the chances of diversion of agricultural grade urea for many non-agricultural uses. In case of India, instead of chemical inhibitors, use of organic neem as coating of urea was more beneficial.
- Further, only around 25 percent of the entire urea produced in the country was neem coated till 2014.

The Decision

- In 2015, the Government of India decided to introduce 100 % neem coating on all subsidized agricultural grade urea in the country.
- All the indigenous and imported urea were neem coated to make the urea slow release and difficult to use for non-agricultural purposes.

Providing the Infrastructure

- Neem coating infrastructure was put in place in all ports in record time.
- Provisions were made for neem coated urea manufacture in all urea plants of the country as well as in all the ports in a record time.
- By December 2015, 100 per cent of the urea supplies to farmers throughout the length and breadth of the country was neem coated.
- **Since 2015, the entire urea supplied to more than 140 million farmers of the country i.e., about 340 lakh metric tonnes urea per year, has been neem coated successfully.**
- Rs. 40,000 crores have been sanctioned to revive defunct fertilizer units in Gorakhpur, Sindri, Talcher, Ramagundam and Barauni. This will boost fertilizer availability even further and create employment.
- New Urea plant to be set up at Namrup, Assam.

Potential Benefits

- Urea usage has become more efficient. Wastage and diversion have greatly decreased.
- There has been no major incidence of shortage of urea in the last five-six years in any part of the country.
- The taxpayer's money is being spent for its legitimate use and no diversion of subsidized urea is being tolerated.
- 100 per cent neem coating resulted in improvement in soil health, reduction in pest and disease attack, increased Nitrogen use efficiency and increased yield of major crops.
- Significant increase in Urea Production with introduction of New Urea Policy

Source: [PIB e-booklet on Neem Coated Urea](#)

AG/AKP/SK