

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:3032

ANSWERED ON:14.03.2000

NEW FERTILIZER POLICY

LAKSHMAN CHANDRA SETH;SHEELA GAUTAM;SHIVRAJ SINGH CHOUHAN

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

- (a) whether the new price determination mechanism has adversely affected the domestic fertilizer units;
- (b) if so, the details thereof;
- (c) the steps being taken or proposed to be taken by the Government to safeguard the interest of the domestic fertilizer units in the country;
- (d) whether the Government have formulated a new fertilizer policy;
- (e) if so, the details thereof; and
- (f) the time by which the declaration of this policy is likely to be made?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) to (c): Urea is the only fertilizer which is at present under price distribution and movement control. Existing price determination mechanism in the shape of Retention Price-cum-Subsidy Scheme (RPS) for domestic units is still in force. RPS provides for reasonable return on net-worth to the domestic urea manufacturers.

(d) to (f): In keeping with the policy of economic liberalisation and reforms, all other varieties of fertilizers except urea have already been freed from price, movement and distribution control. The Government intend moving towards a deregulated regime in all the three types of fertilizers, that is, nitrogen, phosphatic and potassic, after taking into account its fiscal capacity on the one hand and making available fertilizers to the farmers at a reasonable price on the other. It is proposed to translate the intention of the Government into a concrete action plan by formulating a long term policy for the fertilizer sector which would include, inter-alia, the Government's decisions on the recommendations made by the High Powered Fertilizer Policy Review Committee which are being processed.