

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

UNSTARRED QUESTION NO:6645  
ANSWERED ON:09.05.2000  
SUBSIDY EXPENDITURE ON FERTILIZERS  
TRILOCHAN KANUNGO

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

- (a) the subsidy provided on fertilizers during each of the last three years;
- (b) the financial benefits accrued to each of the consuming States under the current subsidy dispensation scheme during the said period;
- (c) whether the fertilizer subsidy has been distributed among the States on pro-rata basis; and
- (d) if so, the financial benefit accrued to the States on either of the basis?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) to (d): Urea, being the only fertilizer under statutory price, distribution and movement control, is eligible for subsidy under the Retention Price-cum-Subsidy scheme. Apart from subsidy on urea, Central Government provides concession on de-controlled phosphatic and potassic fertilizers under the Concession Scheme. Payment of subsidy on urea and concession on de-controlled phosphatic and potassic fertilizers are not made to States but directly to fertilizer manufacturers. The benefits of fertilizer subsidy/concession are passed on to farmers in the form of low statutorily notified maximum retail price of urea and maximum indicative prices of de- controlled fertilizers, which are less than the costs of production. Details of expenditure on subsidy on urea and concession on de-controlled fertilizers during last three years are given in the table below:

Rs in Crores

Period	Amount of concession disbursed on decontrolled fertilisers	Amount of subsidy disbursed on urea
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1997-98	2595.85	7321.96
1998-99	3789.94	7597.22
1999-2000	4500.00	8744.07