

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

STARRED QUESTION NO:133  
ANSWERED ON:07.12.1999  
SUBSIDY ON FERTILIZER  
RAGHUVANSH PRASAD SINGH;UMMAREDDY VENKATESWARLU

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

- (a) the details of present subsidy pattern for fertiliser in the country;
- (b) the amount of subsidy released on fertilizer during the last three years;
- (c) the amount of subsidy allocated on fertilizer to each State during the last three years, State-wise;
- (d) whether there is any proposal to change or revise the existing pattern of subsidy for fertilizers; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SURESH P. PRABHU)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to the parts (a) to (e) of Lok Sabha Starred Question No.133 to be answered on 7.12.99.

(a) Urea is at present, the only fertilizer, which is under statutory price, distribution and movement control. Under the Retention Price-cum-Subsidy Scheme, introduced vide the Government's resolution dated 1.11.1977, with the objective of making available fertilizer to the farmers at affordable rates and ensuring reasonable return on investment to the manufacturers, the difference between cost of production plus return on net-worth corresponding to post-tax return of 12% and notified sale price is paid as subsidy. At present, the farm gate price of urea is Rs. 4000/- PMT, which is uniform throughout the country.

(b) Details regarding amount of subsidy paid on urea during the last three years are given below:-

(Rs. in crores)

Period	Subsidy on imported urea	Subsidy on indigenous urea	Total Subsidy
1996-97	1163	4743	5906
1997-98	721.96	6600	7321.96
1998-99	124.22	7572.32	7696.54

(c) The subsidy on indigenously manufactured urea is paid to the manufacturing units located in different States. However, a statement of State-wise payment of subsidy during the last three years on the basis of the location of fertilizer units is furnished at Annexure-I.

(d) & (e): 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.

Annexure-I

Annexure referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 133 to be answered on 7-12-1999.

State-wise breakup of subsidy paid to the manufacturing units during the last three years

(Rs crores)

S.No.	State	1996-97	1997-98	1998-99
1.	Andhra Pradesh	490.41	518.61	437.68
2.	Assam	20.29	14.42	11.31
3.	Bihar	108.07	100.64	104.27
4.	Goa	104.37	215.96	207.46
5.	Gujarat	534.71	599.57	831.07
6.	Haryana	177.55	228.05	161.97
7.	Karnataka	102.30	154.57	185.00
8.	Kerala	85.81	173.73	142.60
9.	Maharashtra	263.06	319.74	413.90
10.	Madhya Pradesh	186.54	362.25	372.44
11.	Orissa	62.69	78.52	39.79
12.	Punjab	267.12	483.34	332.01
13.	Rajasthan	450.75	636.02	660.14
14.	Tamil Nadu	287.13	434.52	587.49
15.	Uttar Pradesh	1574.17	2269.30	3083.91
16.	West Bengal	28.03	10.76	1.28
Total	4743.00	6600.00	7572.32	