

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

UNSTARRED QUESTION NO:94
ANSWERED ON:25.07.2005
FIXATION OF PRICE OF FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the details of the methodology to fix up the price of the fertilizers from time to time;
- (b) whether the Government is planning to set up any mechanism to regulate the price fixing of the fertilizers; and
- (c) if so, the details thereof?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a) to (c): All the major fertilizers were under statutory price control upto 25.8.1992 where after the phosphatic and potassic (P&K) fertilizers were decontrolled. At present, only urea is under statutory price control, whose maximum retail price (MRP) is fixed under Fertilizer (Control) Order, 1985.

Immediately after decontrol of the P&K fertilizers, the Government introduced an ad hoc concession scheme for sale of the decontrolled P&K fertilizers, under which State Governments were announcing the price of decontrolled P&K fertilizers and Government of India was making payment of concession based on the sales certified by the various State Governments. Government of India started announcing the indicative MRPs of di-ammonium phosphate (DAP), Muriate of Potash (MOP) and complex fertilizers w.e.f 1.4.1997. The indicative MRP of Single Super Phosphate (SSP) is still announced by respective State Governments. The indicative MRPs announced by the Government w.e.f 1.4.1997 were based on the recommendations of the Empowered Committee constituted by the Government.

Revision in the MRP/indicative MRPs is done by the Government keeping in view the consideration of making available fertilizers to farmers at affordable prices.