

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

UNSTARRED QUESTION NO:763
ANSWERED ON:05.03.2007
IMPORT OF FERTILIZERS
Basu Shri Anil

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

- (a) the quantity and cost of Nitrogen, Phosphate and Potash (P&K) Fertilizers imported during the last three years and till date;
- (b) the cost of said fertilizers produced in the country during the said period; and
- (c) the subsidy provided for import of said fertilizers and to fertilizer producing companies in the country during the said period?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B. K. HANDIQUE)

(a) Fertilizers other than Urea are imported under Open General Licence (OGL). The import of urea is permitted only through State Trading Enterprises and import for direct agriculture use is made on government account. The year wise import of urea on Government account during the last three years and during the current financial year (till date) along with weighted average C&F price in US \$ is given below: -

Year	Qty in Lakh MT	Weighted avg. C&F price in US\$ per MT
2003-04	Nil	-
2004-05	06.41	237.88
2005-06	07.31	258.56
2006-07	28.65	248.85
till date		

Besides above, Government has also imported granular urea from Sur, Oman during the year 2005-06 & 2006-07 at a long term FOB price under Urea Off Take Agreement (UOTA). The granular urea imported from Sur, Oman during the year 2005-06 was 13.25 lakh MT at the weighted average C&F price of US\$ 155.23 per MT and in 2006-07 (up to 23.02.2007) 16.64 lakh MT at the weighted average price of US\$169.45 per MT.

Imports of all other fertilizers are allowed freely. Importers import these fertilizers as per their commercial requirements. However, Government is paying concession on these fertilizers under Concession Scheme. The details of DAP & MOP imported during last three years and in the current year (up to 23.02.07) and average normative delivered price considered for payment of concession/subsidy on these fertilizers during the said period are as under: -

Year Imported	DAP Qty. in LMT	MOP Price in Rs./per MT	Qty. in LMT	Price in Rs./per MT
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2003-04	7.34	11484	25.80	7277
2004-05	6.44	13747	34.09	10065
2005-06	24.38	15075	45.78	11049
2006-07	27.87	15107	30.40	11017

(up to 23.02.07)

(b) The average delivered prices of indigenous Urea & DAP during the last three years and in the current year is under:-

(Rupees per MT)

Year	Indigenous urea	Indigenous DAP
2003-04	9145	11484
2004-05	9963	13747
2005-06	10363	15075
2006-07	10363	15107
Provisional		

(c) The urea is imported on Government account through State Trading Enterprises and handled & distributed through the designated handling agents at various ports. The difference between the delivered cost of urea and recovery of pool issue price (Maximum Retail Price minus Distribution Margin) is borne by the Government as subsidy on imported urea. The subsidy/concession provided by the Government on fertilizers during the last three years and in the current year is as under:

(Rupees in crore)

	2003-04	2004-05	2005-06	2006-07 (RE)
Net subsidy on imported urea	Nil	493.91	1201.43	2703.54
Indigenous urea	8521.00	10243.15	10460.17	11400.37
Decontrolled indigenous P&K fertilizers	2606.00	3977.00	4499.20	5698.10
Decontrolled imported P&K fertilizers	720.00	1165.18	2097.00	2650.00