

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

STARRED QUESTION NO:290

ANSWERED ON:21.12.2004

FERTILIZER POLICY

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba

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

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- (a) whether the Government is in the process of formulating a long term fertilizer policy;
- (b) if so, the aim of the said policy;
- (c) whether the draft outline of the policy had been prepared and put on the website of the Department for inviting comments/suggestions of stakeholders;
- (d) if so, whether the suggestions received from the farmers are being incorporated in the said policy;
- (e) if so, the details thereof;
- (f) whether the committee constituted to examine the response to the draft policy has submitted its report to the Government;
- (g) if so, the details thereof; and
- (h) the time in which the policy is likely to be finalized?

Answer

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

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

Statement referred to in reply to parts (a) to (h) of the Lok Sabha Starred Question No. 290 to be answered on 21.12.2004

(a) to (h): A draft outline of the long term fertilizer policy was prepared and circulated amongst concerned stakeholders such as fertilizer industry, farmers, State Governments, economists etc. to invite their views and suggestions. The draft policy was also discussed in seminars/workshops held in different parts of the country. The draft policy evoked meaningful discussions and the Department of Fertilizers received a number of suggestions/comments on the proposals made in the draft policy paper. A Committee was constituted under the Chairmanship of Secretary (Fertilizers) to examine the views and suggestions received in response to draft long-term fertilizer policy. The suggestions received were considered by the Government while formulating New Pricing Scheme (NPS) for urea units which has come into effect from 1.4.2003 replacing the erstwhile unit specific Retention Price Scheme. NPS is being implemented in stages. Stage-I was of one year duration w.e.f. 1.4.2003 to 31.3.2004 and Stage-II is of two years' duration effective from 1.4.2004 upto 31.3.2006. The suggestions received in response to draft long term policy were also considered by the Government while formulating the pricing policy for investment made in new and expansion projects of urea, which has been announced in January, 2004.

Government has recently constituted a Working Group under the Chairmanship of Dr. Y.K. Alagh, which, apart from reviewing the effectiveness of Stage-I and II of New Pricing Scheme (NPS) for urea units and for formulating policy for urea units for Stage-III i.e. from 1.4.2006 onwards, would also examine issues pertaining to formulation of feedstock policy especially with regard to nature, pricing and availability, demand and supply of urea upto the end of 11th Five Year Plan, fixing milestones for conversion of existing naphtha and FO/LSHS based units to NG/LNG, mode of determination and methodology of payment of concession to urea units, de-control of movement and distribution of urea, balanced fertilization through urea pricing etc. The Group has been asked to submit its report within six months of its constitution.