

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

UNSTARRED QUESTION NO:3299

ANSWERED ON:06.09.2007

SUBSIDY ON FERTILIZERS

Murmu Shri Hemlal;Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

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

- (a) whether the Government has recently decided to continue subsidy on fertilizers as reported in the 'Hindustan' dated August 9, 2007;
- (b) if so, the facts thereof;
- (c) the details of subsidy allocated to fertilizer sector during 2007-08 in comparison to previous year; and
- (d) the time by which the Government proposes to review the allocation of subsidy policy?

Answer

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) to (c) The Union Government is administering a subsidy scheme on sale of various chemical fertilizers viz. Urea, DAP, MOP, 11 Grades of complex fertilizers and SSP. These subsidized fertilizers are provided to farmers at a notified maximum retail price which is much lower than the actual delivered cost of these fertilizers at farm gate level. The requirement of fertilizer subsidy on estimated sale on these fertilizers in the current year alongwith the carry over liabilities of subsidy from previous year is estimated to be Rs. 47,979.45 crore. Against the above requirement, an allocation of Rs. 22,452 crore has been made available in BE-2007-08. The expenditure on fertilizer subsidy during the year 2006-07 was Rs. 25,952 crore.

(d) A Group of Ministers (GOM) has been set up to look into all issues relating to sustainable use of fertilizers and pertinent subsidy and pricing issues. The matter regarding subsidy policy is also being looked into by the GOM.