

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

STARRED QUESTION NO:80
ANSWERED ON:16.08.2007
SUBSIDY ON FERTILIZERS
Mohale Shri Punnulal

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

- (a) Whether the current rate of subsidy on fertilizers being provided to the farmers has been increased; and
(b) If so, the details thereof?

Answer

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

(a) & (b) - A statement is laid on the Table of the House.

Statement referred to in reply to part (a) & (b) of Lok Sabha Starred Question No. 80 to be answered on 16-8-2007 regarding subsidy on fertilizers

The rate of subsidy (Subsidy per Metric Tonne) on fertilizers is the difference between the normative delivered cost of fertilizers up to the farm gate level and its selling prices as notified by the Government. The delivered costs of fertilizers at farm gate level has increased substantially over the last few years due to sharp increase in international prices of raw materials, intermediates and finished fertilizers, leading to increase in current rate of subsidy to fertilizers.

The increase in average subsidy over last three years on various subsidized fertilizers is as below:-

	Rs. per MT		
Fertilizers	2004-05	2005-06	2006-07
Urea #	4800	5528	6945
Indegenous DAP	4826	5966	7087
Imported DAP	4397	5725	6392
MOP	5610	6594	7025
SSP	650	650 upto 30/9/2005	975
		975 w.e.f 1/10/2005	
NPKs (11 grades)	3833	4947	5871

Exclusive of freight subsidy. The rates are provisional