

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

UNSTARRED QUESTION NO:1870
ANSWERED ON:05.08.2010
DIRECT FERTILIZER SUBSIDY TO FARMERS
Reddy Shri Magunta Srinivasulu

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

- (a) whether the fertilizer subsidy cut is in the offing as import prices have nosedived;
- (b) if so, the details thereof;
- (c) the present status thereof; and
- (d) the steps being taken by the Government to safeguard the interest of the farmers ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (c): No, Madam. Government of India has introduced Nutrient Based Subsidy (NBS) Policy for 2010-11 w.e.f. 1.4.2010 for decontrolled Phosphatic & Potassic (P&K) fertilizers (w.e.f. 1.5.2010 for SSP). Under the NBS Policy, subsidy for indigenous and imported P&K fertilizers has been announced on annual basis for 2010-11 based on the prevailing prices and price trends of fertilizers in the International market. Subsidy for indigenous Ureas is provided based on the New Prices Scheme-III and for imported urea as per Import parity price. The prices of imported fertilizers have not registered any substantial change in the International market in the period April 2010 - July 2010. Further, marginal decrease in prices, if any, has been offset by the adverse Rs/US\$ exchange rate.

(d): Urea and Phosphatic & Potassic fertilizers such as Di Ammonium Phosphate, Mono - Ammonium Phosphate, Triple Super Phosphate, Single Super Phosphate, Muriate of Potash, 12 grades of Complexes and Ammonium Sulphate are provided to the farmers at the subsidized rates by the Government. Subsidy provided by Government for such fertilizers is about 2/3rd of the total cost of fertilizers and farmers pay the balance price only.