

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

UNSTARRED QUESTION NO:1976
ANSWERED ON:05.08.2010
PRICES OF PHOSPHATIC FERTILIZERS
Devappa Anna Shri Shetti Raju Alias

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

- (a) whether the prices of phosphatic fertilizer have come down in the international market; and
- (b) if so, the head-wise benefits accrued to the Government as well as the Indian companies ?

Answer

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

(a): The prices of Phosphatic & Potassic fertilizers such as Di Ammonium Phosphate, Mono Ammonium Phosphate, Triple Super Phosphate have marginally declined in the International market in the last six months. However, weakening of Indian Rupee against US \$ in recent past has adverse impact for the importers.

(b): 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. 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, it is found that the prevailing price are not substantially below the price considered for benchmarking the subsidy under the NBS. As such, there is no benefit to the Government, as there is no reduction in subsidy. Further, it seems there may not be any benefit to the fertilizer Companies, as there is no substantial change in the total delivered cost of phosphatic fertilizers.