

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

UNSTARRED QUESTION NO:4984
ANSWERED ON:09.12.2010
SUPPLY OF FERTILIZERS AT REDUCED RATES
Sarvey Shri Sathyanarayana

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

- (a) whether the Government proposes to provide the fertilizers in the country at the reduced rates through Public Distribution system;
- (b) if so, the details thereof; and
- (c) if not, the time by which such proposal is likely to be implemented?

Answer

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

(a) : No, Madam.

(b) & (c) : Department of Fertilizers is implementing two fertilizer subsidy schemes viz. New Pricing Scheme for Urea and Nutrient Based Subsidy Policy for decontrolled Phosphatic & Potassic fertilizers, whereby the farmers are provided fertilizers at the subsidized prices on 20 grades of fertilizers including Urea. The MRP of the fertilizers has been kept invariably lower than the actual cost of the fertilizers so as to provide the same to the farmers at the affordable prices. The MRP of fertilizers was indicated by the Government prior to 31.12.2010 and the same has been decontrolled w.e.f. 1.4.2010 and accordingly, it is fixed by the manufacturers/importers of the fertilizers. The difference between the actual cost and the MRP of the fertilizers is reimbursed by the Government in the form of subsidy to the manufacturers/importers. As on today, the farmers have to pay only 25-40% of the actual cost of the fertilizers in the form of MRP. Though, the fertilizers are not provided to the farmers through the Public Distribution system at present, Government is examining to transfer the subsidy direct to the farmers instead of the present system of releasing subsidy through the fertilizer industry.