

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

UNSTARRED QUESTION NO:1570

ANSWERED ON:18.11.2010

INCREASE IN PRICES OF FERTILIZERS

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

- (a) whether the prices of fertilizers are increasing at an alarmingly rate in the country;
- (b) if so, the reasons therefor;
- (c) the efforts being made by the Government in this regard;
- (d) whether there is uniform criteria for supply of fertilizers to all the States of the country during different showing seasons;
- (e) if so, the details thereof;
- (f) whether there is rampant black marketing of fertilizers in the country; and
- (g) if so, the details thereof and the efforts being made by the Government to check such malapractices ?

Answer

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

(a) to (c): The MRP of Urea and Phosphatic & Potassic Fertilizers has been constant since, 2002. The MRP of the NPK complex fertilizers were reduced with effect from 18.2.2008. Government of India increased the MRP of Urea from Rs. 4830 per metric tonne (PMT) to Rs.5310 per metric tonne (PMT) w.e.f. 1.4.2010. Consequent upon the introduction of Nutrient Based Subsidy Policy w.e.f. 1.4.2010, the MRP of the fertilizer were decontrolled. However, it was decided that the subsidy may be fixed in such a manner that the price of the fertilizers do not affect the farmers adversely. Accordingly the price of Phosphatic & Potassic fertilizers at which the farmers purchase fertilizers after 1.4.2010 is higher by Rs. 30 per bag only. The price of SSP has reduced by Rs. 70 per bag. The price of MOP has remained unchanged. The farmers have to pay only 25-40% of the actual cost of the fertilizers. Rest of the cost is reimbursed by the Government to the manufacturers/importers in the form of subsidy. Any sales of fertilizers above printed MRP is punishable under the Essential Commodities Act. The State Governments have been asked to ensure that the fertilizers are sold at the rates marked on the bags failing which action can be taken under Essential Commodities Act.

(d) to (e): Yes, Madam. Fertilizers are supplied to the States as per requirement estimated by the Department of Agriculture & Co operation in consultation with the States. The details showing cumulative Requirement, Availability and Sales of Urea, DAP, MOP and Complex during the current year 2010-11 (April 2010 to October 2010) is enclosed.

(f) to (g): As per clause 4 (a) of the Fertilizer (Control) Order - Display of stock position of fertilizers - Every dealer, who makes or offers to make a retail sale of any fertilizers, shall prominently display in his place of business - the quantities of opening stock of different fertilizers held by him on each day. Any person violating this mandatory provision of FCO is held liable to be proceeded under the provisions of FCO and Essential Commodities Act. The State Governments as enforcement agencies are adequately empowered to take appropriate action against the offenders who indulge in any kind of malpractices viz. hoarding etc.