

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

UNSTARRED QUESTION NO:2666

ANSWERED ON:25.11.2010

PRICES OF FERTILIZERS

Antony Shri Anto

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

- (a) whether the Government has any Concession Scheme to ensure reasonable prices for various fertilizers in the country;
- (b) if so, the details thereof including the amount allocated to various States during each of the last three years and the current year, State-wise;
- (c) whether this Concession Scheme is on ad-hoc basis;
- (d) if so, the time-frame of the scheme;
- (e) whether the Government has any plan to extend the said scheme;
- (f) if so, the details therefor;
- (g) if not, the reasons therefor;
- (h) whether the Government has set a monitoring mechanism to oversee the price situation of fertilizers in the country; and
- (i) if so, the details thereof?

Answer

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

(a) to (g) Department of Fertilizers provides subsidy for imported and indigenously produced Urea, Di Ammonium Phosphate (DAP), Mono Ammonium Phosphate (MAP), Triple Super Phosphate (TSP), 13 grades of NPK Complex Fertilizers, Single Super Phosphate (SSP), imported Muriate of Potash (MOP), Ammonium Sulphate produced by GSFC and FACT. Subsidy for indigenous Urea is provided as per the New Pricing Scheme, Stage-III (NPS-III). Imported Urea is brought and provided to the farmer on Government Account. Government has notified the Maximum Retail Price of Urea, which is paid by the farmer and gap between the total delivered cost and the MRP of urea is provided by the Department. Upto 31.3.2010, the Department administered Concession Scheme for the decontrolled P & K fertilizers, wherein concession was provided to the manufacturers/importers for providing the fertilizers at the MRP indicated by the Government. w.e.f. 1.4.2010, Department is administering Nutrient Based Subsidy (NBS) Policy in continuation of the erstwhile Concession Scheme for decontrolled P & K fertilizers (w.e.f. 1.5.2010 for SSP). The MRP of decontrolled fertilizers w.e.f. 1.4.2010 has been kept open and the manufacturers/importers are allowed to fix MRP. However, the NBS, for 2010-11, w.e.f. 1.4.2010 has been announced by the Department keeping in view the MRP, which prevailed as on 31.3.2010. As such, though the MRP is kept open, MRP announced by the manufacturers/importers for different P&K fertilizers is higher by ` 30 per bag (` 600 per MT) only. Under the NBS policy, the farmer pays only 25-40% of the total cost of different fertilizers. Subsidy for different fertilizers is not allocated State-wise and subsidy is provided for the quantity of fertilizers sold in different States as per the requirement given by the Department of Agriculture & Cooperation in consultation with the State Governments. A statement showing the amount of subsidy disbursed by the Government during last three years and the current year is at Annexure. Subsidy scheme for Urea under NPS-III, which was applicable upto 31.3.2010, has been extended till further orders and the Department is examining feasibility of introducing fresh policy for subsidy for Urea. NBS for decontrolled P & K fertilizers for 2011-12 w.e.f. 1.4.2010 has also been announced by the Government.

(h) & (i) : As on date, Government has not set up any specific Monitoring mechanism to oversee the price situation of fertilizers in the Country. Since Urea is a controlled fertilizers and its MRP announced by the Government is binding, any sale of urea in violation of the MRP is treated as punishable under Essential Commodities Act. Though MRP of P&K Fertilizers w.e.f. 1.4.2010 is not announced by the Government, Department monitors the MRP announced by the companies and the State Governments have also been asked to ensure that the fertilizers are sold in the market at the MRP printed on the bags, failing which legal action will be taken under the Essential Commodities Act.