

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

UNSTARRED QUESTION NO:3817

ANSWERED ON:25.08.2011

HIKE IN MRP FOR POTASH AND PHOSPHATIC FERTILIZERS

Ponnam Shri Prabhakar

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

- (a) whether the fertilizer industry has been conditionally allowed to hike maximum retail price for potash and phosphatic fertilizers;
- (b) if so, the details thereof; and
- (c) the extent to which it is likely to be beneficial for the farmers?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS(SHRI SRIKANT KUMAR JENA)

(a) to (c) : No, Madam. At present, Government of India is implementing Nutrient Based Subsidy (NBS) Policy for 22 grades of decontrolled Phosphatic & Potassic (P&K) fertilizers namely DAP, MAP, TSP, DAP Lite, MOP, SSP, Ammonium Sulphate (caprolactum grade produced by FACT and GSFC) and 15 grades of complex fertilizers to make fertilizers available to the farmers at affordable prices. Under NBS scheme, Maximum Retail Price of fertilizers has been left open and manufacturers/marketers are allowed to fix the MRP at reasonable level.

Under the NBS scheme, subsidy on P&K fertilizers is fixed annually on the basis of its nutrients content (i.e. Nitrogen, Phosphate, Potash and Sulphur). NBS is fixed taking into consideration the affordability of the farmers and prices of fertilizers in the international market. It is seen that as per the present MRP of P&K fertilizers, farmers are paying only 27% to 58% of the estimated delivered cost of these fertilizers.