

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

UNSTARRED QUESTION NO:3886  
ANSWERED ON:25.08.2011  
CURTAILMENT IN SUBSIDY  
Ahir Shri Hansraj Gangaram

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

- (a) whether the Government has decided to curtail the grants being provided on the marketing of fertilizers like DAP, MOP, and MAP;
- (b) if so, the details thereof;
- (c) whether the Government has fixed any time limit for the same;
- (d) if so, the reaction of the Government on the probable increase in its prices due to reduction in grants; and
- (e) the other steps being taken by the Government to make the fertilizer available to the farmers of the country at cheaper prices and in time?

**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): No, Madam.

(b) to (e): Government of India is implementing Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010 for 22 grades of decontrolled Phosphatic & Potassic (P&K) fertilizers namely DAP, MAP, TSP, DAP Lite, MOP, Ammonium Sulphate (caprolactum grade produced by FACT and GSFC), 15 grades of complex fertilizers and SSP to make fertilizers available to the farmers at affordable prices.

Under the NBS Policy, 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. Under this scheme, Maximum Retail Price (MRP) of fertilizers has been left open and manufacturers/marketers are allowed to fix the MRP at reasonable level. It is seen that as per the present MRP of P&K fertilizers, farmers are paying only 27% to 58% of the delivered cost of these fertilizers. Subsidy on Urea is provided under New Pricing Scheme -III (NPS-III) and is provided to farmers at Maximum Retail Price of Rs. 5310 PMT which is much below the delivered cost of Urea.

Department ensure availability to fertilizers as per the assessed demand projected by Department of Agriculture & Co-operation in consultation with the State Governments. Department also talks to Secretary/Commissioner/Director of State Agriculture Department of each state on daily basis to sort out the issue of availability of fertilizers.