

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

UNSTARRED QUESTION NO:754

ANSWERED ON:04.08.2011

HIKE IN SUBSIDY ON FERTILIZERS

Jagannath Dr. M.;Rao Shri Sambasiva Rayapati;Shetkar Shri Suresh Kumar

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

(a) whether the Government proposes to hike the subsidy on two important fertilizers-Di Ammonium Phosphate (DAP) and Muriate of Potash (MOP) in order to prevent a rise in their domestic prices following a surge in the global rates;

(b) if so, the details thereof;

(c) the additional burden of subsidy estimated for the current financial year; and

(d) the final decision likely to be taken by the Government in this regard?

**Answer**

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

(a) & (b): The Government is implementing Nutrient Based Subsidy Policy w.e.f. 1.4.2010 (w.e.f. 1.5.2010 for Single Super Phosphate (SSP)). The NBS is applicable on 22 grades of P&K Fertilizers including Di-Ammonium Phosphate (DAP, 18-46-0), Muriate of Potash (MOP). Under NBS, the subsidy on decontrolled P&K fertilizers is determined for each nutrient Nitrogen(N), Phosphorus(P), Potash(K), and Sulphur(S) on per kg of nutrient basis and is fixed by the Government on annual basis. For the financial year 2011-12 the subsidy on each nutrient has been fixed and announced. There is no policy under NBS to review the level of subsidy in the mid of the year. The subsidy under NBS Scheme on DAP and MOP is as under:-

(Rs. per MT)  
Product Subsidy during Subsidy during  
2010-11 2011-12

DAP 15968 19763  
MOP 14392 16054

The MRP of the P&K fertilizers has been left open to be fixed by the manufacturers/importers of fertilizers at reasonable levels.

(c) & (d): The total expenditure on subsidy on P&K fertilizers during 2010-11 was Rs. 41500/- crore out of the total subsidy bill of Rs. 65836.68 crore. The Budget Estimate for fertilizer subsidy during 2011-12 is Rs. 53589.87 crore on all fertilizers including P&K fertilizers for which it is Rs 29706.87 crore. The actual expenditure on subsidy will depend upon actual consumption of subsidized fertilizers in the current year.