

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

UNSTARRED QUESTION NO:2393
ANSWERED ON:08.12.2011
HIKE IN SUBSIDY ON FERTILIZERS
Nagar Shri Surendra Singh

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

- (a) whether the Government proposes to increase subsidy on fertilizers provided for agriculture to farmers;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

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. Presently, there is no consideration in the Government to increase the subsidy on fertilizers. 90% of the requirement of the phosphatic and 100% of that of Potassic fertilizers of the Country is met through imports. Resultantly, the rise/fall in the international prices of Phosphatic & Potassic (P&K) fertilizers and its raw materials has a direct bearing on the cost of P&K fertilizers in the Country. Government of India has introduced Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010 replacing the erstwhile concession scheme for decontrolled P&K fertilizers. Prior to 1.4.2010, the MRPs of the P&K fertilizers was fixed by the Government below the actual cost and the difference between the actual cost and the MRPs was reimbursed by the Government to the manufacturers/importers in the form of subsidy. Under the NBS Policy, the MRPs of the P&K fertilizers has been left open to be fixed by the manufacturers/importers and the amount of subsidy is fixed in terms of the nutrients of Nitrogen 'N', Phosphate 'P', Potash 'K' and Sulphur 'S' on annual basis. Accordingly, any increase/decrease in the prices of P&K fertilizers and its raw materials in the international market is adjusted in the MRPs of P&K fertilizers. Since it is fixed on annual basis, there is no consideration in the Government to increase the subsidy.