

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

UNSTARRED QUESTION NO:3482
ANSWERED ON:15.12.2011
PRICES OF IMPORTED FERTILIZERS
Chauhan Shri Dara Singh

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

- (a) Whether the prices of imported fertilizers are more than the prices of subsidized fertilizers;
- (b) If so, the details thereof alongwith the reasons therefor; and
- (c) the steps being taken by the Government to provide the imported fertilizers to the farmers on the affordable prices?

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) to (c): Government is paying subsidy on all major indigenous & imported fertilizers. Urea is the only fertilizer under statutory price control and it is imported for direct agriculture use on Government account to bridge the gap between assessed demand and indigenous production. Urea so imported is handled and distributed by the designated handling agencies at various ports. Besides cost of urea Government is also bearing expenditure on handling at ports and movement to the various destinations in the states. Urea is made available to the farmers at a statutory controlled Maximum Retail Price throughout the country. The issue price of urea (MRP minus Distribution Margin) is recovered from the handling agencies. The difference between gross expenditure and issue price of urea is borne by the Government as subsidy on imported urea.

The subsidy on P&K Fertilizers (both indigenous and imported) is paid to the manufacturers/importers of these fertilizers at a fix rate under Nutrient Based Subsidy (NBS) Scheme depending on the nutrient contents in the product. Import of these fertilizers is permitted under Open General Licence (OGL) and companies are importing these fertilizers as per their commercial judgment. The Maximum Retail Prices of these fertilizers are free and fixed by the manufacturers/importers with reference to the prevailing market prices and Rupee Dollar exchange rate.