

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

UNSTARRED QUESTION NO:3490
ANSWERED ON:15.12.2011
SUBSIDY ON FERTILIZERS
Singh Chaudhary Lal

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

- (a) whether it is a fact that 0.7 per cent of Gross Domestic Product goes into fertilizer subsidies;
- (b) if so, the details thereof;
- (c) whether most of the subsidy goes to support the inefficient domestic fertilizer industry rather than farmers;
- (d) if so, the details thereof;
- (e) whether the prices for fertilizers paid by the farmers are close to the prices in the international market; and
- (f) if so, the steps being taken by the Government to provide the fertilizers on the much subsidized rates to the farmers?

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): As per the Economic Survey 2010-11, the Gross Domestic Product of the country is Rs.7877947 crore. The expenditure incurred on the fertilizers subsidy during 2010-11 was Rs.65836.68 crore, which comes to be 0.84% of the Gross Domestic Product of the country during 2010-11.

(c) & (d): No Madam, the entire subsidy is meant for the farmers only. However, the rate of subsidy is higher for some fertilizer units in which the cost of production is higher due to higher cost of feedstock and the age of the fertilizer plants, which is paid for higher domestic production to reduce our dependency on the imports.

(e) & (f): No Madam, prices for the farmers are 40% (on an average) of the international prices.