

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

UNSTARRED QUESTION NO:603
ANSWERED ON:24.11.2011
NUTRIENT BASED SUBSIDY SCHEME
Swamygowda Shri N Cheluvarya Swamy

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

- (a) whether the Ministry has opposed the Finance Ministry's fertilizer subsidy proposal of Nutrient Based Subsidy Scheme;
- (b) if so, whether the Ministry feels that the proposed scheme would affect the small and marginal farmers; and
- (c) if so, the details thereof?

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. The Ministry had certain apprehensions about implementation of Nutrient Based Subsidy (NBS) Policy and was of view that the decision on NBS Policy be postponed to prepare for its effective implementation.

(b) & (c) The amount of subsidy on each grade of fertilizer is fixed by the Government for a particular year based on the subsidy announced on each nutrient of Nitrogen 'N', Phosphate 'P' & Potash 'K' & Sulphur 'S' contained in the fertilizers. The Maximum Retail Prices (MRPs) of the P&K fertilizers have been left open to be fixed by the manufacturers/importers at reasonable level. 90% of the requirement of Phosphatic & 100% of Potassic fertilizers of the Country is met through imports. Since, the subsidy amount has been fixed and the MRPs have been left open under Nutrient Based Subsidy Policy, any increase in the international prices of P&K fertilizers and its raw materials has a direct bearing on the MRPs of the P&K fertilizers. The recent increase in the international prices of finished fertilizers/intermediates/raw materials of P&K fertilizers and depreciation of the Indian Rupee against USD has resulted in increase in the MRPs of P&K fertilizers. This has affected all farmers including small and marginal farmers.