

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

UNSTARRED QUESTION NO:665

ANSWERED ON:24.11.2011

DISBURSEMENT OF FERTILIZER SUBSIDY

Botcha Lakshmi Smt. Jhansi;Ganeshamurthi Shri A.;Gowda Shri D.B. Chandre;Kodikunnil Shri Suresh

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

- (a) the total demand and supply of different types of fertilizers in different States during each of the last three Rabi seasons, State-wise and year-wise;
- (b) whether the Union Government has been unable to disburse fertilizer subsidy payments to the importers of fertilizers, resulting in hardships to them;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the inability to import fertilizers in time is likely to hit the winter crop operations and may impact food inflation in the country; and
- (e) if so, the steps taken by the Union Government to ensure sufficient availability of fertilizers in the country?

Answer

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

(a): The State-wise requirement (demand) and availability of Urea, DAP, MOP & Complex fertilisers during Rabi1 2008-09, 2009-10 and 2010-11 is atannexure `A`.

(b) & (c): Till now, there is no delay in disbursing fertilizer subsidy to the importers of fertilizer except to those where the claims are incomplete in respect of supportive documents or where the claim does not comply with the procedure laid down by Department of Fertilizers.

(d): No, Madam. The details of quantum of fertilizer requirement, estimated indigenous production and estimated imports of Urea, DAP, MOP & Complex fertilizers during the winter season i.e. Rabi 2011-12 are as under:

(Figures in lakh metric tonnes)

FG Requirement	Estimated Indigenous Production	Estimated imports
----------------	---------------------------------	-------------------

UREA	162.99	112.00	56.00
------	--------	--------	-------

DAP	54.78	20.91	38.12
-----	-------	-------	-------

MOP	25.73	â€”	26.00
-----	-------	-----	-------

COMPLEX	55.30	49.04	21.78
---------	-------	-------	-------

(e): Further, the following steps are being taken to make adequate availability of fertilizers in the country:

i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as Fertiliser Monitoring System (FMS);

ii) The gap between requirement and indigenous availability of Urea is met through imports;

iii) The state governments have been advised to instruct the State Institutional agencies to coordinate with manufacturers and importers of fertilizers for streamlining the supplies;

iv) The Government has introduced Nutrient Based Subsidy (NBS) Policy in respect of Phosphatic & Potassic fertilizers w.e.f.

1.4.2010. Under the NBS, State Governments have to play more proactive role to co-ordinate with the manufacturers /importers to tie up supplies of fertilizers as per the requirement of states;

v) Department of Fertilizers and Department of Agriculture & Cooperation are jointly reviewing fertilizer availability with State Agriculture department through Video Conferences every week. The corrective actions, if required, are taken immediately to avoid any hardships to farmers;

vi) Under NBS, Fertilizer companies are required to print Maximum Retail Price (MRP) along with applicable subsidy on the fertilizer bags clearly. Any sale above the printed net retail price will be punishable under the EC Act.;

vii) Department of Fertilisers is having constant interaction with Ministry of Petroleum & Natural Gas, GAIL and other prospective suppliers of NG/LNG so that gas requirement of the fertilizers industry is met;

viii) Government is always encouraging production of urea in the country to achieve self-sufficiency. The Government has announced a new policy on 4th September, 2008 to attract new investments. The policy is based on import Parity Price (IPP) benchmark with suitable floor & ceiling prices aiming to revamp, expansion, revival of existing urea units and setting up of Greenfield projects. The country is almost fully dependent on imports to meet the requirements of phosphatic and potassic fertilizers. Government has taken initiatives to encourage indigenous production in P&K sector by allowing import parity price to the indigenous manufacturers of DAP. Government has also reduced the custom duty on phosphoric acid from 5% to 2% to enable indigenous manufacturers of P&K fertilizers to acquire this important input at reasonable price. Government is also encouraging private sector and public sector companies to explore the possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizers inputs to P&K sector; and

ix) All possible steps are taken by the Department of Fertilisers to match the availability of fertilizers with the assessed requirement.