

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

STARRED QUESTION NO:136  
ANSWERED ON:22.03.2012  
SUBSIDY ON DECONTROLLED FERTILIZES  
Gutha Shri Sukender Reddy;Satpathy Shri Tathagata

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

- (a) Whether the Government proposes to bring down subsidy bill on fertilizers by cutting down the subsidy on decontrolled fertilizers like Phosthatic (P) and Potassic (K) including secondary fertilizers and micro-nutrients for the financial year 2012-13;
- (b) if so, the details thereof;
- (c) whether the reduction in the subsidy may adversely affect the prices of decontrolled fertilizers;
- (d) if so, the details thereof; and
- (e) the corrective steps being taken by the Government to safeguard the interests of the farmers?

**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(e) A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 136 TO BE ANSWERED ON 22.3.2012 REGARDING SUBSIDY ON DECONTROLLED FERTILIZERS ASKED BY SHRI GUTHA SUKHENDER REDDY AND SHRI TATHAGATA SATPATHY.

(a)and(b): Yes Madam. Department of Fertilizes is implementing the Nutrient Based Subsidy (NBS) Policy for decontrolled Phosphatic & Potassic (P&K) fertilizers w.e.f. 1.4.2010 under which the Government announces per Kg subsidy on nutrients namely nitrogen 'N', Phosphate 'P', Potash 'K' and Sulphur 'S' on annual basis. These rates are announced after taking into account all relevant factors including the expected international prices of P&K fertilizers, prevalent exchange rate of Indian National Rupees against US\$, prevalent domestic prices of P&K fertilizers, inventory level etc. The approved rates for the year 2011-12 and, 2012-13 are as under:

Nutrients    NBS rates (in Rs. per Kg)

2011-12    2012-13

N	27.153	24.000
P	32.338	21.804
K	26.756	24.000
S	1.677	1.677

The existing additional subsidy provided on P&K fertilizers fortified/coated with micro-nutrients namely Boron and Zinc is proposed to be continued in the year 2012-13. The expected total subsidy on P&K fertilizers on the projected requirement of P&K fertilizers calculated on the basis of rates approved for the year 2012-13 shall be Rs. 40664 crore approximately. The subsidy on this quantity of fertilizers at the NBS rates of 2011-12 would be Rs. 52936 crore.

(c)to(e): No Madam. If prices of P&K fertilizers in the international market and exchange rate remain at expected levels during the course of year, the reduced rate of NBS for the year 2012-13 will not have any adverse impact on the prices of fertilizers in the country. However, any favourable movement in international prices of P&K fertilizers and exchange rate may result in reduction in MRP of P&K fertilizers.