

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

UNSTARRED QUESTION NO:1528

ANSWERED ON:22.03.2012

PROVIDING OF FERTILIZERS AT AFFORDABLE PRICES

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

- (a) whether it is mandate of the Government to provide fertilizers to the farmers at the affordable prices;
- (b) if so, the details thereof:
- (c) the complaints received from the State Governments including Karnataka in respect of non-availability of fertilizers to farmers in the crops sowing period and cultivated period during each of the last three years and the current years, State-wise;
- (d) the action taken by the Union Governments thereon;
- (e) whether the Union Government has issued any instructions to the State Governments to hike the prices of fertilizers; and
- (f) 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)and(b): The Department of Fertilizers is responsible for making adequate and timely availability of fertilizers at affordable prices to the farmers in the country. For this purpose, the Department of Fertilizers is providing subsidy on 25 grades of P&K fertilizers under Nutrient Based Subsidy (NBS) policy and for Urea under New Pricing Scheme Stage-III. Under the NBS policy, the Government announces per Kg subsidy on nutrients namely nitrogen 'N', Phosphate 'P', Potash 'K' and Sulphur 'S' on annual basis. After taking into account all relevant factors including the expected international prices of P&K fertilizers, prevalent exchange rate, prevalent domestic prices of P&K fertilizers, inventory level etc. the NBS rates of nutrients 'N', 'P' 'K' and 'S' are announced by the Government. Under the Policy, Maximum Retail Price (MRP) of P&K fertilizers has been left open and manufacturers/marketers/ importers are allowed to fix the MRP at reasonable level depending upon demand and supply dynamics. Presently, the farmers are paying only around 50% of the delivered cost of the P&K fertilizers and the rest of the cost is borne by the Government of India in the form of subsidy. Urea is provided to farmers at statutory MRP at Rs. 5310/- Per MT which is much below its actual cost.

(c)and(d): No major complaints have been received from the State Governments including Karnataka in respect of non availability of fertilizers. The Government of Karnataka has, in fact, periodically reported comfortable availability of fertilizers, especially during the current year. Statements showing availability of fertilizers during each of the last three years and the current year in the country are annexed.

(e) No madam. Union Government has not issued any instructions to State Governments to hike the prices of fertilizers. Under the NBS Policy, the fertilizers manufacturers/marketers/ importers are allowed to fix the MRP of P&K fertilizers at reasonable level based on demand- supply dynamics.

(f) Doesn't arise.