

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

STARRED QUESTION NO:313
ANSWERED ON:26.04.2012
INCREASE IN RETAIL PRICES OF FERTILIZERS
Das Shri Khagen;Kodikunnil Shri Suresh

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

- (a) the prices of urea in the international market during each of the last three years and the current year;
- (b) whether the Government proposes to increase the retail prices of urea and other fertilizers to reduce the subsidy burden in the current fiscal;
- (c) if so, the details thereof and the reasons therefor alongwith the likely maximum retail price at which urea is to be made available to the farmers;
- (d) whether the Government has recently withdrawn the freight subsidy on fertilizers; and
- (e) if so, the details thereof and the step being taken to check the increase in prices of fertilizers?

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) 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. 313 TO BE ANSWERED ON 26-04-2012 REGARDING INCREASE IN RETAIL PRICES OF FERTILIZERS

(a) The prices of urea in the international market as imported by India during the last three years and the current year is as under:-

Year	WEIGHTED AVERAGE C&F PRICE (US\$/PMT)	WEIGHTED AVERAGE C&F PRICE OTHERS (US\$/PMT)	WEIGHTED AVERAGE OMIFCO
2009-10	277.14	164.99	
2010-11	327.38	166.78	
2011-12	481.74	211.11	
2012-13	386.00	150.00	
During April			

(b) & (c) Formulation of policy for existing urea units beyond New Pricing Scheme - Stage-III is under consideration of Government. In case of Phosphatic & Potassic (P&K) fertilizers, the Nutrient Based Subsidy (NBS) policy is being implemented from 1.4.2010. Under the NBS, a fixed subsidy is paid on P&K fertilizers which is decided on annual basis. MRP of P&K fertilizers is fixed by the companies.

The NBS for the year 2012-13 has been fixed taking into consideration the international prices of P&K fertilizers, exchange rate, prevailing MRP of P&K fertilizers and its inventory level. If the international prices of P&K fertilizers and exchange rate remain at expected level, the MRP of P&K fertilizers is expected to be stable and in case there is a favourable movement in international prices or exchange rate, there may be some reduction in MRP.

(d) No, Madam. However, the reimbursement on account of secondary movement of P&K fertilizers from rake point to districts is proposed to be discontinued w.e.f. 1.4.2012.

(e) The NBS rates for P&K fertilizers for the year 2012-13 has been fixed taking into consideration the discontinuation of secondary freight as mentioned in (d) above. Therefore, there is no question of increase in prices of fertilizers on account of discontinuation of secondary freight on P&K fertilizers.