

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

UNSTARRED QUESTION NO:3554
ANSWERED ON:26.04.2012
REDUCTION IN SUBSIDY ON FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the average price of potash and factomfos during the last three years and the current years, quantity-wise;
- (b) whether the Government has reduced subsidy for fertilizers like potash and factomfos for the year 2012-13;
- (c) if so, the details thereof;
- (d) whether the reduction of subsidy is likely to cause the price rise of potash and factomfos;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government to safeguard the interests of the farmers in the country?

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) The average price of potash and factomfos produced by Fertilizer and Chemicals Travancore Ltd. (FACT) during the last three years and the current years is as under:

Fig in Rs. per MT

Product/year 2009-10 2010-11# 2011-12# 2012-13

Potash (0-0-60)	4455	5055	9378	13600
Factomfos (20-20-0-013)	6295	7469	13825	18900

Simple monthly average rate

(b) and (c): The Government has announced Nutrient Based Subsidy (NBS) rates for the year 2012-13 in which the rates for nutrients namely nitrogen (N), phosphorus (P) and potash (K) has been reduced as compared to previous year while maintaining the NBS rates for sulphur (S) at the same level. Accordingly, the subsidy on all P&K fertilizers has been reduced in the year 2012-13 including potash and factomfos (FACT). The NBS rates on per kg on nutrients for the year 2011-12 and 2012-13 are as under :-

Rs. Per Kg.

Year N P K S

2011-12	27.153	32.338	26.756	1.677
2012-13	24.000	21.804	24.000	1.677

Accordingly, the subsidy on potash and factomfos (FACT) for the year 2011-12 and 2012-13 is as under:-

Product/Year Subsidy in Rs. Per MT

2011-12 2012-13

Potash (0-0-60)	16054	14400
Factomfos (20-20-0-13)	12116	9373

(d) to (f): The NBS rates for the year 2012-13 has been fixed taking into account all relevant factors including 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 is expected to be stable and in case there is a favorable movement in international prices/ exchange rate, there may be some reduction in MRP of P&K fertilizers.