

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

UNSTARRED QUESTION NO:5603

ANSWERED ON:10.05.2012

SUBSIDY ON TRANSPORTATION OF POTASH PHOSPHORUS

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

- (a) whether the subsidy provided on the transportation of potash and phosphorus based fertilizers has been discontinued with effect from April,2012;
- (b) if so, the details thereof; and the reasons therefor;
- (c) the rise in the prices of fertilizers during the last three years and after decontrolling of fertilizers;
- (d) whether the farmers are using less quantity of fertilizers in their fields and the loss of farming is increasing due to their high cost which is likely to affect production adversely; and
- (e) if so, the details thereof and the corrective measures taken by the Government to provide relief to the farmers in view of excessive increase in prices of fertilizers due to reduction in the subsidy thereon?

Answer

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

(a)&(b): Freight reimbursement on account of secondary movement of Phosphatic and Potassic (P&K) fertilizers from rake point to district is proposed to be discontinued from 1.4.2012. However, there is no proposal to discontinue freight reimbursement on account of primary movement by rail from units/ports to various rake points and direct road movement from units/ports to districts.

(c): Nutrient Based Subsidy (NBS) policy is being implemented w.e.f. 1.4.2010. During the first year of its implementation, i.e. 2010-11, the prices of P&K fertilizers increased marginally. In spite of increase in subsidy rates during 2011-12 the prices of P&K fertilizers increased substantially during the year 2011-12 due to increase in prices of fertilizers and its raw material in the international market. Depreciation of rupee further added to increase in prices of fertilizers during the year 2011-12. The prices of fertilizers in the year 2012-13, are expected to be stable. The quarter-wise MRP of P&K fertilizers for the last three years is placed at Annexure-I.

(d)&(e): The consumption of fertilizers during last 5 years is placed at Annexure-II. It is seen that consumption of urea has been increasing at more or less at same level as it was increasing previously. However, in spite of increase in prices of P&K fertilizers during 2011-12, the consumption of complex fertilizers has increased and consumption of DAP has remained at same level as compared to previous year.