

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

UNSTARRED QUESTION NO:6815  
ANSWERED ON:17.05.2012  
PRICES ON FERTILIZERS  
Naranbhai Shri Kachhadia

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

- (a) whether the Government takes into consideration the financial condition of the small and medium farmers while fixing the prices of chemical fertilizers in the country;
- (b) if so, the details of the standard/criterion adopted by the Government while fixing the prices of such commodities;
- (c) whether chemical fertilizers are not being provided to the farmers at a price fixed by the Government;
- (d) if so, the reasons therefore; and
- (e) the steps taken by the Government to provide financial benefits to the farmers in the country.

**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 (d) : Government has implemented Nutrient Based Subsidy (NBS) Policy for Phosphatic and Potassic (P&K) fertilizers w.e.f. 1.4.2010. Under the Policy, the Government announces a fixed subsidy on P&K fertilizers on annual basis taking into account all relevant factors including international prices, exchange rate, inventory level and prevailing Maximum Retail Prices of P&K fertilizers. The subsidized P&K fertilizers are provided to all farmers irrespective of their economic condition and size of land holding. For P&K Fertilizers, the Maximum Retail Price (MRP) is fixed by the Companies. Urea is, however, made available to farmers at a price fixed by the Government. The farmers are currently paying only about 48% to 67% of the total cost of subsidized P&K fertilizers.

(e): The Government has undertaken a number of steps to provide financial benefits to the farmers in the country as per details below

(1) To promote production of bio-fertilizers, financial support for establishment of bio-fertilizers production unit as back ended subsidy @ 25% of total financial outlay upto a maximum of Rs.40.00 lakh through NABARD is provided. Financial assistance of 50% of cost or Rs.100/- per hectare, whichever is less, is provided to farmers for promotion of bio-fertilizers under Integrated Scheme for Oilseeds, Pulses, Oil Palm and Maize (ISOPOM).

(2) Financial assistance of Rs.150 per hectare is also provided under Accelerated Pulses Production Programme in National Food Security Mission (NFSM).

(3) To encourage the producers of organic fertilizers, Government is providing financial assistance for setting up of production units of organic fertilizers under following schemes:

(i) Under National Project on Organic Farming (NPOF) financial assistance is provided as credit linked back ended subsidy through NABARD for setting up of fruit/vegetable waste/agro-waste compost unit @33% of the total cost of project up to Rs.60.00 lakh per unit.

(ii) Under National Horticulture Mission (NHM) financial assistance is provided for setting up vermi-compost production units @50% of the cost subject to a maximum of Rs.30,000/- per beneficiary.

(4) Financial assistance is also provided to farmers under National Project for Management of Soil Health & fertility for promotion of Integrated Nutrient Management (INM).