

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

UNSTARRED QUESTION NO:6845
ANSWERED ON:17.05.2012
COMMISSION CHARGED BY COMPANIES
Rama Devi Smt.

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

- (a) the percentage of commission to the fertilizer manufacturing companies provided by the Government for allocation during each of the last three years and the current year;
- (b) the percentage of commission charged by the companies from the fertilizer distributors during the said period;
- (c) the percentage of commission given by the dealers to the distributors;
- (d) the criteria laid down for determination of commission at the said levels;
- (e) whether the fertilizers are black-marketed at their levels and the farmers are exploited and they do not get fertilizers on time; and
- (f) if so, the reaction of the Government thereto?

Answer

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

(a) to (d): The commission (dealer's margin) is Rs.180/- per MT for private dealers and Rs.200/- per MT for cooperatives for urea, Rs.275/- to Rs.400/- per MT for DAP and Rs.300/- per MT for MOP. The commission for the urea is same for the last three years, but for phosphatic & potassic (P&K) fertilizers it has increased. The dealer's margin is fixed taking into account the cost involved for last mile delivery of fertilizers upto village level.

(e) to (f): Under Clause 21 of the Fertilizer (Control) Order, 1985 (FCO), it is mandatory to print the Maximum Retail Price (MRP) on each bag of fertilizer and no person is permitted to sell the material above the printed price. The State Governments are adequately empowered under the provisions of the Fertilizer (Control) Order, 1985 to check any black marketing. Any violation of the provisions of the FCO, 1985 attracts penal/administrative action under the Essential Commodities Act 1955/FCO, 1985. State Governments have been advised to prevent such malpractices and ensure that the farmers are provided with proper quality at fixed price.