

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

STARRED QUESTION NO:170

ANSWERED ON:23.08.2012

AFFORDABILITY AND AVAILABILITY OF FERTILIZERS

Pal Shri Jagdambika;Singh Shri Rajnath

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

(a) whether the Government has made any study regarding the impact of the Nutrient Based Subsidy (NBS) Policy on the prices of fertilizers:

(b) if so, the details thereof;

(c) whether the prices of fertilizers have increased as a result of NBS and if so, the details thereof;

(d) the details instructions issued by the Union Governments to ensure proper and equitable distribution of fertilizers in their States; and

(e) the steps taken by the Union Government to safeguard the interest of the small and marginal farmers so as to ensure that big and powerful farmers do not lift the entire stock of fertilizers from authorised shops?

**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) to (e): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 170 TO BE ANSWERED ON 23.08.2012 REGARDING AFFORDABILITY AND AVAILABILITY OF FERTILIZERS:

(a) and (b): Nutrient Based Subsidy (NBS) Policy on Phosphatic and Potassic (P&K) fertilizers has been implemented only for past two years and its implementation in third year is in progress. A formal study on impact of NBS Policy including its impact on prices of fertilizers is yet to be conducted. However, monitoring of the implementation of policy and its impact on prices is being done by the Government regularly.

(c): Under the NBS policy, a fixed amount of subsidy decided on annual basis, is provided on all grades of subsidized P&K fertilizers depending upon its nutrient contents. The Maximum Retail Price (MRP) of P&K fertilizers is fixed by fertilizer companies.

Since the country is dependent on imports of P&K fertilizers either in the form of finished fertilizers or its raw materials, the delivered prices of P&K fertilizers are dependent on international prices of P&K fertilizers and its raw materials and exchange rate of India Rupees against US\$.

During the year 2010-11, the international prices of P&K fertilizers and its raw materials increased marginally and the exchange rate also remained stable, therefore, the prices of P&K fertilizers in the country increased only marginally.

During the year 2011-12, in spite of increase in the rates of subsidy rates, the prices of P&K fertilizers rose due to increase in international prices of P&K fertilizers and increase in exchange rate.

During the year 2012-13, the prices of P&K fertilizers have increased mainly due to depreciation of Indian Rupees from around Rs. 50 per US\$ in March 2012 to more than Rs.56 per US\$ in June 2012.

It is seen that the increase & decrease in the prices of P&K fertilizers is attributable mainly to international prices of P&K fertilizers and also exchange rate variation.

(d) and (e): The objective of plan of distribution of fertilizers during Kharif and Rabi Season is to ensure adequate availability and to meet the requirement of all States as assessed by Department of Agriculture & Cooperation (DAC), Government of India. With this in view, Department of Fertilizers (DOF) has taken following steps:

(i) Each State in consultation with the fertilizer suppliers prepare monthly supply plan, district-wise, within overall availability at State level for ensuring adequate availability of fertilizers in all parts of the State;

(ii) Monitoring of fertilizer availability at state level is done by Department of Fertilizers. The distribution of fertilizers within state is the responsibility of the respective State Government;

(iii) The movement of fertilizers is monitored throughout the country by an on-line web based monitoring system ([www.urvarak.co.in](http://www.urvarak.co.in)) called Fertilizer Monitoring System(FMS);

(iv) Regular weekly Video Conferences are held jointly by DAC, DOF, Ministry of Railways and Department of Shipping with the officials of Department of Agriculture in the States to monitor availability and take corrective actions, wherever required.