

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

UNSTARRED QUESTION NO:1939
ANSWERED ON:23.08.2012
SUBSIDY ON FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the amount of subsidy being provided on fertilizers for the development of agriculture sector in Japan, USA, European Countries, United Kingdom etc. is higher than that in India;
- (b) if so, the details thereof;
- (c) whether in comparison, the average amount of subsidy given in each of the said countries, is higher than that of India; and
- (d) if so, the present status of subsidy on fertilizers in our country?

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 (c): Department of Fertilizers has no information with regard to subsidy being provided on fertilizers by Japan, USA, European Countries United Kingdom and other countries.

(d): The Government currently provides subsidy on Urea and 25 grades of Phosphatic & Potassic (P&K) Fertilizers.

The maximum retail price (MRP) of Urea is fixed by the Government. The difference in delivered cost of Urea and the MRP is paid as subsidy by the Government. Nutrient Based Subsidy (Policy) is being implemented for P&K fertilizers under which a fixed subsidy, decided on annual basis, is provided on each subsidized P&K fertilizers based on its nutrient content. The MRP is fixed by fertilizers companies.

The total subsidy provided on fertilizers for last two years and provision made for current year is as under:-

(in crores)

Year	Indigenous urea	Imported urea	P&K Fertilizers	Total
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2010-11	15080.73	9255.95	41500.00	65836.68
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2011-12	20285.44	17475.00	36409.41	74169.85
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2012-13	19000.00	13398.00	28576.00	60974.00
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(Budget Estimate)

In Urea sector, since the raw materials are available within the Country, the Government endeavour is to achieve self-sufficiency in this sector. The Government had announced a new policy of urea on 4th September 2008 to attract new investments. The policy is based on import parity Price (IPP) benchmark with suitable floor & ceiling prices aiming to revamp, expansion, revival of existing urea units and setting up of Greenfield projects. The revision in this policy is under consideration.