

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

UNSTARRED QUESTION NO:2006
ANSWERED ON:23.08.2012
REQUIREMENT OF FEEDSTOCK AND INTERMEDIATES
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the details of the feedstock and intermediates required for producing various fertilizers imported from outside during the last three years i.e. from 2008-09 to 2011-12;
- (b) whether the prices of the raw materials of fertilizers have gone up by several times in the international market;
- (c) if so, whether the rise in the prices of these intermediates caused vertical rise in the prices of essential fertilizers in the country impacting the Indian agriculture; and
- (d) if so, comparative details of such price rise during the last year and this year and the measures taken by the Government in this regard?

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): The details of the feedstock and intermediates required for producing various fertilizers imported by India during 2008-09 to 2011-12 are given in the table below:

Year	Feedstock	Intermediate	Raw Material	
	LNG Ammonia (Million tonnes)	Phosphoric Acid (as P ₂ O ₅) (Million tonnes)	Rock Phosphate	Sulphur (Million tonnes)
2008-09	7.00-8.00	1.471	1.582	5.261 1.445
2009-10	7.12	1.916	2.721	5.327 1.294
2010-11	8.00	1.735	2.140	6.387 1.808
2011-12	8.26	1.726	1.906	N.A. N.A

MMSCMD – Million standard cubic meters per day. N.A. – not available.

(b) to (d) The international prices of the raw materials are highly volatile and have increased in recent years. The Government is implementing Nutrient Based Subsidy (NBS) Policy for Phosphatic and Potassic (P&K) fertilizers under which 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 exchange rate remained stable, therefore, the prices of P&K fertilizers in the country increased 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.

There is no impact of prices in the international market on the domestic price of Urea as it is provided to farmers at statutory MRP of Rs. 5310 per MT throughout the country.

The details of international prices of fertilizers, their intermediates and raw materials and also the highest MRP of various fertilizers in the country are annexed.