

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

UNSTARRED QUESTION NO:3208

ANSWERED ON:30.08.2012

PRICES OF CHEMICAL FERTILIZERS

Gavit Shri Manikrao Hodlya;Gawali Patil Smt. Bhavana Pundlikrao ;Nagorao Shri Dudhgaonkar Ganeshrao

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

- (a) whether the Government is providing any financial assistance to fertilizer manufacturing companies in the country;
- (b) if so, the details thereof;
- (c) whether the Government takes into account the economic condition of small and medium farmers at the time of fixing prices of chemical fertilizers in the country;
- (d) if so, the details of the norms followed for fixing the price of such items;
- (e) whether chemicals fertilizers are not provided to the farmers at a price fixed by the Government;
- (f) if so, the details thereof; and
- (g) the steps taken by the Government to provide financial gains to the farmers in the country ?

Answer

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

(a) & (b): Yes, Madam. Budgetary support in the form of loan is provided under the plan loan scheme to the loss making fertilizer companies, namely, M/s Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Fertilizers and Chemicals Travancore Limited (FACT) and Madras Fertilizers Limited (MFL). The Budgetary support is provided to these companies for meeting their requirement of funds for capital expenditure on renewal/replacement/modernisation of obsolete and worn out machinery for achieving higher level of energy efficiency and increased production. The Budgetary support provided to the companies during last five years is as under:-

Year Plan loan allocated to Total
loss making PSUs

BVFCL FACT MFL

2007-08	07.47	15.00	09.00	31.47
2008-09	19.98	13.00	12.97	45.95
2009-10	65.00	34.00	96.99	195.99
2010-11	45.00	89.99	74.50	209.49
2011-12	67.80	60.74	88.95	217.49
2012-13 (BE)	94.62	61.75	87.62	243.99

(c) to (g): NBS Policy is being implemented on P&K fertilizers under which a fixed amount of subsidy decided on annual basis is provided on all subsidised P&K fertilizers depending upon its nutrient content. The subsidy rates are fixed taking into overall consideration including international prices, prevailing MRP, inventory of stocks and exchange. The MRP of P&K fertilizers are fixed by fertilizer companies and not by Government. The subsidised fertilizers are available to all the farmers throughout the country irrespective of land holdings of farmers. Presently subsidised P&K fertilisers are made available to farmers at 50 to 67% of its delivered cost.

Urea is made available to farmers at MRP of Rs.5310 per MT fixed by the Government, which is much lower than its delivered cost.