

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

STARRED QUESTION NO:82

ANSWERED ON:16.08.2012

COST OF FERTILIZERS

Hazari Shri Maheshwar ;Saroj Smt. Sushila

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

- (a) the prices of various fertilizers in the country at present, fertilizer-wise and State-wise;
- (b) whether the farmers in the country are unable to secure fertilizers on account of prohibitive cost which result in low agricultural yield;
- (c) if so, the reaction of the Government thereto;
- (d) the reasons for the rise in the prices of fertilizers during the last three years and the current year; and
- (e) the steps taken by the Government to check the rise in the prices of fertilizers in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF 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. 82 TO BE ANSWERED ON 16.08.2012 REGARDING COST OF FERTILIZERS

(a): The range of MRP at which the fertilizers are available to the farmers during Kharif season 2012 is annexed. These prices are exclusive of local taxes and are approximately same for all the States/UTs in the country.

(b) & (c): It is seen that there has been lesser sales of P&K fertilizers during April to July 2012 as compared to same period in the last two years. Reduced sales of P&K fertilizers may be due to various factors including deficient monsoon and prevailing prices of fertilizers. However, the sale of Urea has remained more or less the same during this period.

(d) & (e): Nutrient Based Subsidy (NBS) policy is being implemented on P&K fertilizers under which a fixed amount of subsidy decided on annual basis, is provided on all grades of subsidized P&K fertilizers. The 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 also 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.

It is seen that the prices of P&K fertilizers have increased mainly due to increase in international prices of P&K fertilizers on which the Government has no control and also the depreciation of Indian Rupee.

The price of urea however, has remained unchanged at Rs. 5310/- per tonne since April 2010.