

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

UNSTARRED QUESTION NO:188

ANSWERED ON:22.11.2012

**INCREASE IN PRICES OF FERTILIZERS**

Hazari Shri Maheshwar ;Hegde Shri Anant Kumar;Mitra Shri Somendra Nath;Panda Shri Baijayant;Premdas Shri ;Saroj Smt. Sushila;Shekhar Shri Neeraj;Siddeswara Shri Gowdar Mallikarjunappa;Singh Shri Dushyant;Singh Shri Yashvir;Swamygowda Shri N Cheluvvaraya Swamy ;Verma Smt. Usha;Yadav Shri Dinesh Chandra

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

- (a) whether the Government has implemented new policies in the fertilizer sector in the country during the last three years and the current year;
- (b) if so, the details thereof;
- (c) whether the prices of fertilizers have been falling in the international market and in contrary whereas they have increased within the country resulting in hardships to the farmers due to the high prices and also black marketing of fertilizers;
- (d) if so, the reasons for such increase along with the number of times the prices have increase during the said period; and
- (e) the steps being taken by the Government to keep the prices of fertilizers within the reach of the farmers 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) and (b): Yes Madam. The Department of Fertilizers is implementing Nutrient Based Subsidy (NBS) Policy for Phosphatic & Potassic (P&K) fertilizers w.e.f. 1.4.2010. Under the NBS Policy, a fixed amount of subsidy decided on annual basis is provided on the subsidized P&K fertilizers depending upon its nutrient content. The Maximum Retail Prices of P&K fertilizers are fixed by fertilizer companies.

(c) to (e): The prices of P&K fertilizers have been fluctuating in the international market. The international prices of various fertilizers and its raw material are placed at Annexure. The subsidy under NBS Policy on each grade of subsidized P&K fertilizer is decided after taking into consideration all relevant factors including the prevailing prices of fertilizers in the country. The fertilizer companies fix the MRPs taking into account the delivered cost of fertilizers and the subsidy thereon. The delivered cost of fertilizers depends, among others, the international prices of fertilizers and their raw materials. The rise in domestic prices of fertilizers is a result of increase the international prices and also weakening of Indian Rupee. The Price of Urea, however, has remained inched since 1.4.2010 at Rs. 5310 per MT till October, 2012 and has marginally increased to Rs. 5360 per MT from 1.11.2012.