

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

UNSTARRED QUESTION NO:3938
ANSWERED ON:21.03.2013
ADDITIONAL SUBSIDY ON CHEMICAL FERTILIZERS
Chauhan Raj Kumari

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

- (a) whether the Government has taken any steps for providing the additional subsidy on chemical fertilizers to farmers to give them relief in view of increasing cost of farming;
- (b) if so, the details thereof; and
- (c) if not, the reasons there for?

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 (c) The Government continues to provide Urea to the farmers at a fixed price of Rs 5360 PMT, which is much below its delivered cost. The difference in the normated delivered cost and Maximum Retail Price (MRP) is paid as subsidy by the Government. As regards Phosphatic and Potassic (P&K) fertilizers, the Government is implementing Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010. Under this policy, a fixed amount of subsidy, decided on annual basis, is provided on P&K fertilizers covered under the scheme.

Since the country is nearly fully dependent on imports in P&K fertilizers either in the form of finished fertilizers or their raw material and subsidy being fixed, its international price affects the prices of fertilizers in the country.

The prices of P&K fertilizers in last three years have mainly increased due to fluctuation in its international prices and also due to depreciation of Indian rupee vis a vis USD. Apart from above, there is no proposal to provide any additional subsidy on chemical fertilizers.