

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

UNSTARRED QUESTION NO:3987
ANSWERED ON:21.03.2013
UNDUE PROFIT BY FERTILIZER COMPANIES
Badal Harsimrat Kaur

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

- (a) the per metric tonne sale price and imported prices of DAP and Muriate of Potash in June, 2012 and corresponding subsidy during the said period;
- (b) whether it is a fact that fertilizer companies earned undue profit by arbitrarily fixing the sale price;
- (c) If so, the details thereof;
- (d) whether some fertilizer companies sought the release of large amount of fertilizer stocks in the market in early 2012 in spite of the fact that the same was not required by the farmers as such companies were apprehensive of reduction of fertilizer subsidy in coming months;
- (e) If so, the details thereof; and
- (f) The steps taken by the Government to maintain equilibrium in the prices of fertilizers vis -a-vis subsidy?

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) The information is as under:

S.No.	Description	DAP Per MT	MOP Per MT
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1.	Imported prices (landed price)	US\$ 548.57	US\$ 487.01
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2.	Subsidy	Rs. 14350	Rs. 14400
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3.	Maximum Retail Price	Rs. 24800	Rs. 16695
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(b) & (c) Government is implementing Nutrient Based Subsidy (NBS) Policy for Phosphatic & Potassic (P&K) fertilizers w.e.f. 01.04.2010, under which a fixed amount of subsidy, decided on annual basis, is provided on each grade of subsidised P&K fertilizer depending upon their nutrient content. The Maximum Retail Price (MRP) of P&K fertilizers are fixed by the fertilizer companies.

(d) & (e) The movement and dispatch of all major subsidised fertilizers are monitored throughout

(f) The Department is in the process of conducting a comprehensive study on NBS Policy by a reputed consultant. The steps of study will also include examination of MRP fixed by fertilizer companies vis-a-vis subsidy paid by the Government.