

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

STARRED QUESTION NO:158
ANSWERED ON:07.03.2013
PRICES OF FERTILIZERS
Singh Shri Bhola

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

- (a) the details of the import of feedstock and other associated material required for production of various fertilizers during each of the last three years and the current year;
- (b) whether the prices of raw material for the fertilizers have risen manifold in the international market;
- (c) if so, the details thereof and its adverse effect on the prevailing prices of fertilizers in the country including the comparative details of the rise in prices during the said period; and
- (d) the measures taken by the Government to address the issue?

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 (d): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF TH LOK SABHA STARRED QUESTION NO.15S TO BE ANSWERRED OI 7.3.2013 REGARDING PRICES OF FERTILIZERS.

(a): The details are given in Annexure-I.

(b) & (c): The prices of finished fertilizers and raw materials are volatile in the international market. A statement showing prices of raw material and finished Phosphatic and Potassic (P&K) fertilizers reported in Fertilizer Market Bulletin (FMB) is at Annexure-II. In general the prices of raw material and finished P&K fertilizers have started to come down in later part of the year 2012-13.

The country is import dependent to the extent of 100% for Potash and 90% for Phosphatic fertilizers, either in the form of raw materials or finished products. Subsidy being fixed, any fluctuation in international prices of raw materials or finished fertilizers affects the domestic prices of these fertilizers. The changes in the rates of subsidy are also made with the expectation that Maximum Retail Price (MRP) will not go up or will remain stable. The recent increase in the MRP of P&K fertilizer has largely been due to fluctuation in international prices of fertilizers and raw materials and also on account of depreciation of Indian Rupee. The MRP of P&K fertilizers during last three years are given in Annexure-III.

(d): The prices of P&K fertilizers have increased due to fluctuations in international prices and also due to depreciation of Indian Rupee, over which the Government has no control. The MRP of Urea has however remained unchanged since 1st April 2010 except for a marginal increase of Rs 50 Per Tonne w.e.f 1st November 2012. Moreover, the Government is facilitating private and Public Sector companies to acquire fertilizer mineral assets abroad and to form joint ventures for long term supply of fertilizer raw materials and finished fertilizers at preferential price.