

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

STARRED QUESTION NO:105
ANSWERED ON:13.08.2013
CUT IN SUBSIDY ON NON UREA FERTILIZERS
Abdulrahman Shri ;Ahir Shri Hansraj Gangaram

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

- (a) the subsidy being given by the Government on urea based and non-urea fertilizers, as on date;
- (b) whether the Government proposes to slash the subsidy on non-urea fertilizers by twenty per cent;
- (c) if so, the details thereof;
- (d) whether the Government has made any assessment of the likely impact on the economic conditions of the farmers due to the reduction of subsidy on non-urea fertilizers; and
- (e) if so, the details thereof and the remedial measures proposed to be taken in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE (I/C) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (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. 105 TO BE ANSWERED ON 13.8.2013 REGARDING CUT IN SUBSIDY ON NON UREA FERTILIZERS:

(a) to (c): Urea is a statutorily controlled fertilizer and the price is fixed by Government. The current MRP of Urea is Rs. 5360 PMT. The difference of delivered price and the Maximum Retail Price is paid as subsidy to fertilizer companies. The subsidy in respect of non-urea fertilizers under Nutrient Based Subsidy Scheme (NBS) are fixed on annual basis based on their nutrient content. The present subsidy rates of these fertilizers for 2013-14 are annexed.

At present there is no proposal to slash the subsidy on these fertilizers.

(d) & (e): The Government has not yet conducted any assessment on the impact of Nutrient Based Subsidy Scheme. However, recently a consultant namely, M/s Ernst and Young has been assigned a study to assess the impact of NBS Policy. The study to be completed over 3 months period is designed to evaluate NBS Policy and its impact on prices, balanced fertilization and to make suggestion about the mechanism to ascertain reasonability of MRPs and also to make the NBS policy more effective in achieving its objectives.