

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

STARRED QUESTION NO:65  
ANSWERED ON:10.12.2013  
DEMAND AND SUPPLY OF FERTILIZERS  
Ajay Kumar SHRI ;Karunakaran Shri P.

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

- (a) the details of the demand, supply, availability, consumption and distribution of various fertilizers to the farmers during each of the last three years and the current year, fertilizer and State/UT-wise;
- (b) whether the Government has taken note of the discontentment amongst the farmers on account of shortage of fertilizers, large scale black-marketing, supply of substandard, adulterated fertilizers and unprecedented rise in the price of fertilizers;
- (c) if so, the details thereof and the number of complaints received/cases registered along with the action/steps taken thereon during the said period, State/UT-wise;
- (d) the details of the mechanism to assess the demand and supply of fertilizers for kharif and rabi seasons in each of the State/UT; and
- (e) the details of the fertilizer manufacturing units including the quantum of fertilizers produced by them and the steps taken by the Government to ensure timely supply of adequate quantity of fertilizers at reasonable/subsidized rates to them, State/UT-wise?

**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. 65 TO BE ANSWERED ON 10.12.2013 REGARDING DEMAND AND SUPPLY OF FERTILIZERS

(a): The State/UT-wise details of the demand (requirement), availability (includes supply and distribution) consumption (Sales) of Chemical Fertilizers during 2010-11 to 2012-13 and current year 2013-14 (upto October'13) is at ANNEXURE-I.

(b) & (c): As can be seen from the Annexure-I, during current year (i.e. Kharif Season 2013 and Rabi Season 2013-14) there has been adequate availability of Chemical Fertilizers throughout the country.

Further, the State Governments are adequately empowered to take preventive/punitive actions for violation of any of the provisions of Fertilizer Control Order (FCO) 1985 under Essential commodities Act 1955 (ECA). Black-marketing activity is violation of FCO, for which State Government can initiate penal action-including prosecution of offenders. The offender who is convicted may be awarded the sentence up to seven years imprisonment under ECA, besides cancellation of authorization letter. Under clause 6 of FCO, it is required that the dealer displays the stock position and price list of fertilizers at the premises.

Urea prices fixed by the Government has remained unchanged from 01.04.2010 to 31.10.2012. However, w.e.f. 01.11.2012, the maximum retail price of urea has been marginally increased by rupees 50/- per metric tonne to rupees 5360/- per metric tonne. (exclusive of the central excise duty, central sales tax, countervailing duty, the sales tax and other local taxes).

The Government is implementing Nutrient Based Subsidy (NBS) Policy on Phosphatic & Potassic (P&K) fertilizers w.e.f. 1.4.2010 under which a fixed amount of subsidy decided on annual basis is provided on all subsidized P&K fertilizers depending upon its nutrient content. The Maximum Retail Prices (MRP) is fixed by fertilizer companies.

The NBS rates are decided by the Government in the last quarter of the year for the following year after taking into consideration all relevant factors including international prices of P&K fertilizers and its raw material and the prevailing exchange rate.

The prices of P&K fertilizer have increased during the last two years due to fluctuation in the international prices of P&K fertilizers and depreciation of Indian Rupee. However, during the current year the prices and subsidy, both have come down.

State Governments are empowered under Fertilizer Control Order (FCO), 1985, to draw the samples to check the quality of fertilizer. Statements showing State-wise action with respect to the non-standard fertilizers, from 2010-11 to 2011-12 is at ANNEXURES-II A to

## II B.

(d & e): Before start of each cropping season i.e. Kharif and Rabi, Department of Agriculture & Cooperation (DAC) conducts biannual Zonal Conferences to assess demand of fertilizers for the ensuing cropping season. Officials of Department of Agriculture of all the States, representatives of all the fertilizer companies, officials of FAI, officials of Ministry of Railways and Department of Fertilizers are participants in these biannual Zonal Conferences. On the basis of these meetings, Department of Agriculture & Cooperation projects month-wise and state-wise requirement of fertilizers.

On the basis of month-wise & state-wise projection given by Department of Agriculture and Cooperation, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to the States by issuing monthly supply plan and continuously monitors the availability through following system:

(i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system ([www.urvarak.co.in](http://www.urvarak.co.in)) also called as Fertilizer Monitoring System (FMS).

(ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.

(iii) Regular weekly video conference is conducted jointly by department of Agriculture & Cooperation (DAC), Department of Fertilizers (DOF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments

(iv) The gap in the demand and domestic production of fertilizer is met through imports.

The details of the fertilizer manufacturing units including the quantum of fertilizer produced during the last three years and current year upto October'13 is at ANNEXURES-III A to III C.