

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

STARRED QUESTION NO:281

ANSWERED ON:11.02.2014

SUBSIDY ON FERTILIZERS

Ganpatrao Shri Jadhav Prataprao;Patil Shri A.T. Nana

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

- (a) the details of subsidy given by the Government to various fertilizers companies in the public, private and co-operative sectors in the country during each of the last three year and the current year, company-wise;
- (b) whether the farmers are not benefited by the grant of subsidy to the fertilizers companies;
- (c) if so, the details thereof; and
- (d) the steps taken / proposed to be taken by the Government to ensure that the farmers get the benefit of subsidy granted to the fertilizers companies?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE (IC) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (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 THE LOK SABHA STARRED QUESTION NO.281 TO BE ANSWERED ON 11.02.2014, REGARDING "SUBSIDY ON FERTILIZERS" TABLED BY SHRI A. T. NANA PATIL AND SHRI PRATAPRAO GANPATRAO JADHAO.

(a) The details of subsidy given by the Government to various fertilizers companies in public, private and co-operative sectors in the country during each of the last three years and the current year, company-wise are given in Annexure.

(b) & (c): Urea is provided to the farmers at a subsidized price of Rs. 5360 per MT which is fixed by the Government. This is much below the actual cost. Similarly, at present 22 grades of Phosphatic & Potassic (P&K) fertilizers are provided at subsidized rates to the farmers. Thus the farmers are benefitted from the grant of subsidy on fertilizers.

(d) : The Department is implementing the Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010 under which a fixed amount of subsidy decided on annual basis, is provided on each grade of P&K fertilizers, depending upon its nutrient contents. Under this policy, the fertilizer companies have been allowed to fix Maximum Retail Price (MRP) of the P&K fertilizers at reasonable level. The fertilizer companies are required to print the MRP along with applicable subsidy on each P&K fertilizer bag. In case of urea, the fertilizer companies are required to print the MRP of each bag. Any sale above the printed MRP is punishable under the EC Act. In order to check whether the prices of P&K fertilizers fixed by the companies are reasonable, the companies are required to submit cost data of their fertilizer products to enable the Government to verify whether the subsidy has been passed to the farmers.