

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

UNSTARRED QUESTION NO:3949  
ANSWERED ON:18.02.2014  
REGULATORY AUTHORITY FOR FERTILIZER SECTOR  
Dharmshi Shri Babar Gajanan

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

- (a) whether the Government proposes to set up an independent regulatory authority for the fertilizer sector to fix the prices of fertilizers and rates of subsidy;
- (b) if so, the details thereof and the time by which a final decision is likely to be taken in this regard; and
- (c) if not, the reasons therefor and the manner in which prices of fertilizers and rates of subsidy are regulated currently?

**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) & (b): No, Madam. The Government does not propose to set up an independent regulatory authority for the fertilizer sector to fix the prices of fertilizers and rates of subsidy.

(c): The difference between the delivered cost of fertilizers at farm gate and net realization from market by urea units is disbursed by Government of India as subsidy to urea units. The MRP is statutorily fixed by the Government. At present, it is Rs.5360 per MT (exclusive of the central excise duty, central sales tax, countervailing duty, the sales tax and other local taxes wherever levied) w.e.f. 01st November, 2012.

Under the Nutrient Based Subsidy Scheme (NBS) policy, a fixed rate of subsidy (in Rs. per Kg basis) is announced on nutrients namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S) by the Government on annual basis. The per Kg subsidy rates on the nutrient N, P, K, S is converted into fixed per MT subsidy on the various P&K fertilizers namely DAP, MAP, TSP, MOP, Ammonium Sulphate, SSP and 15 grades of NPKS complex fertilizers are covered under the NBS policy. Under the NBS regime, MRPs of P&K fertilizers are determined by market forces. The prices are allowed to be fixed by the fertilizer companies at reasonable level.

The MRPs of urea, DAP, MOP at the time of fixation of NBS rates during the year 2010-11 to 2012-13 is as under: -

Year	Urea	DAP	MOP
2010-11	5310	9350	4455
2011-12	5310	10750	5055
2012-13	5310	18200	12000