

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

UNSTARRED QUESTION NO:4409  
ANSWERED ON:21.04.2015  
FERTILIZER PRICING POLICY  
Joshi Shri Chandra Prakash;Sreeramulu Shri B.

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

- (a) whether the fertilizer industry has failed to attract investment to its sector;
- (b) if so, the reasons therefor;
- (c) whether the Government has formulated any pricing policy for the sale of fertilizers and if so, the details thereof;
- (d) whether the Government proposes to take steps for free supply of fertilizers to help dry land farmers to survive under various circumstances; and
- (e) if so, the details thereof and if not, the steps taken in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a) & (b) : Yes, Madam. No Brownfield/Greenfield Investment has taken place since 1999. The availability of gas has been one of the major limiting factor to the growth of urea industry in the country. Presently, the availability of domestic natural gas is not even sufficient to meet the demand of existing gas based urea units in the country. Due to shortage of domestic gas, many FO/LSHS/Naphtha based urea plants which have converted to gas recently, are meeting its requirement of gas by using Regasified Liquefied Natural Gas (RLNG).

(c): New Urea Policy (NUP) - 2015 is under the consideration of the Government. There is no proposal to increase MRP of Urea. The MRP of urea is statutorily fixed by the Government of India and at present it is Rs. 5360 per MT (exclusive of the central excise duty for domestically produced urea and countervailing duty for imported urea (which is 1% at present) and state VAT which differs from state to state). With respect to Neem Coated Urea, it has been decided to restrict the extra 5% of MRP to be charged by the companies for future to the extent of 5% of the existing MRP of urea only i.e. Rs 5360 per MT With respect to complex fertilizers, the Nutrient Based Subsidy (NBS) is being implemented w.e.f 1.4.2010 by the Department of Fertilizers and under the said policy, a fixed amount of subsidy decided on annual basis, is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending on its Nutrient Content.

The MRP is fixed by the companies. However, the department is constantly verifying the reasonableness of MRPs fixed by the Companies for ensuring affordability of these fertilizers by the farmers.

(d) & (e): There is no proposal of free supply of fertilizers to help dry land farmers to survive under various circumstances.