

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

UNSTARRED QUESTION NO:347

ANSWERED ON:25.11.2014

RISE IN PRICES OF FERTILIZERS

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

- (a) the present prices of various categories of fertilizers in the country, fertilizer and State /UT-wise;
- (b) whether large scale anomalies /steep rise in the prices of various fertilizers have been witnessed;
- (c) if so, the details thereof and the reasons therefor along with the steps taken to reduce the prices of fertilizers during each of the last three years and the current year, fertilizer and State/UT-wise;
- (d) the number of complaints received from the States regarding non-availability of fertilizers during sowing season and the action taken thereon during the said period, State/UT-wise;
- (e) the steps taken/proposed to be taken by the Government to provide fertilizers to the farmers at reasonable price and the action to curb black marketing of fertilizers in the country?

Answer

MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI ANANTH KUMAR)

(a)to (c): Urea has been priced statutorily at Rs. 5360/- MT (excluding taxes etc). The prices of various grades of Phosphatic & Potassic (P&K) fertilizers State/UT-wise for the last three months are given in the Annexure. It is seen that the prices of P&K fertilizers remained more or less static.

The Government has taken following measures to keep the prices of P&K fertilizers at reasonable level:

i. Under the Fertilizer Control Order (FCO), the fertilizers companies are required to print the Maximum Retail Price (MRP) on each bag of fertilizer. No fertilizer company or dealer is supposed to sell or offer for sale any fertilizers at a price exceeding printed MRP. Violation of this is punishable under Essential Commodities Act. 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. Overcharging is violation of EC Act.

ii. It has been made mandatory for the fertilizer companies to submit alongwith their subsidy claims, the cost data of their fertilizer products from 2012-13 onwards in prescribed format on six monthly basis. The Department has also appointed Cost Accountants/ Firms to scrutinise the said cost data.

iii. It has also been stipulated in the provisions that in cases, where after scrutiny, unreasonableness of MRP is established or where there is no correlation between the cost of production or acquisition and the MRP printed on the bags, the subsidy would be restricted or denied even if the product is otherwise eligible for subsidy under NBS Scheme. In proven case of abuse of subsidy mechanism, the Department of Fertilizers, on the recommendation of Inter Ministerial Committee may exclude any grade/grades of fertilizers of a particular company or the fertilizer company itself from the NBS Scheme.

(d): Requests from various State Governments were received for expediting the supply of various grades of fertilizers. Appropriate and prompt action were taken to attend to all the requests.

(e): To provide fertilizers in adequate quantity to the farmers following steps are taken by the government :

(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) 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 Marked 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.

(v) Regarding action to curb black marketing of fertilizers, it is stated that the State Governments are adequately empowered to take appropriate action in this regard under the provisions of Fertilizers Control Order (FCO), 1985 and Essential Commodity Act, 1955. In addition, Department of Fertilizers has, from time to time, written to the Chief Secretaries, Ministry of Home Affairs to activate the enforcement agencies under their jurisdiction to take action in this regard. Further, Department of Fertilizers, through weekly video conference with Department of Agriculture & Cooperation and representatives of State Government has been sensitizing and advising the State Governments for keeping strict vigil and for taking of prompt action by the State Governments to check black-marketing and breach of MRP etc.