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Title: Regarding decontrol of Urea.

SK. SAIDUL HAQUE (BARDHMAN-DURGAPUR): Thank you Chairman, Sir, for giving me the chance to speak on matters of urgent public importance in the 'Zero Hour'.

Sir, the UPA-led Central Government has proposed to decontrol the urea price and also to increase the prices of urea by 10 per cent. The Soumitra Choudhury Committee recommended to decontrol urea and allow increase in prices by 10 per cent initially and later bring it under nutrient based subsidy by October, 2011.

The empowered Group of Ministers approved this recommendation on 5<sup>th</sup> August.

The 10 per cent hike in price per tonne over the current maximum retail price of Rs. 5130 tonne could translate to an additional expenditure of more than Rs. 530 for farmers whose condition all over country is very miserable one. From next year, companies will have a free hand and farm gate prices of urea will be fixed by them.

CAG report on 'Performance Audit of Fertilizer Subsidy' has been Tabled in Parliament on 5<sup>th</sup> August, 2011 which told that 45 per cent of farmers pay more than Maximum Retail Price. The report also pointed to the problem of artificial shortages created by dealers during peak seasons to hike prices much above the Market Retail Price.

Instead of putting an end to black-marketing and corrupt practices, the Government measure is only going to put the farmers at the mercy of fertilizer giants.

Already, the Government had on July 8, 2011 by a Notification, withdrawn any restraint on increasing prices of non-urea fertilizers by the companies and stated that the market price of non-urea fertilizers like DAP and MOP will be open and thereby increasing the prices of all non-urea fertilizers, even much more than what was in May 5, 2011 Notification. Hence, the Government move for decontrolling of urea is coming at a time when already farmers are paying hefty amount for non-urea fertilizers and rising input costs are a disincentive to cultivation.

Urea is a key agriculture input. Decontrol of urea prices, like in the case of DAP and other complex fertilizers, will put a big burden on the peasantry and costs of production will increase substantially. This will result to increase the deplorable condition of the farmers who are, now, suffering much and are bound to sell their products below production cost. In some parts of the country, farmers find no other option, but to commit suicide being trapped in debt. This move of the Government will go to make their plight more miserable.

Hence, I demand from the Government to withdraw the proposal to decontrol urea and also withdraw price increase by 10 per cent.

SHRI P.K. BIJU (ALATHUR): Mr. Chairman, Sir, I also want to associate myself with the issue raised Shri S.K. Saidul Haque.

MR. CHAIRMAN: All right. Your name will be associated with this issue. Advocate Shri A. Sampath, please, be precise and put your demand.