

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3293 TO BE ANSWERED ON : 07.08.2018

Price of Fertilizers

3293. SHRIMATI PRATYUSHA RAJESHWARI SINGH:

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

- (a) whether the prices of fertilizers have increased in comparison to the support price of sugarcane;
- (b) if so, whether the Government proposes to increase the support price of sugarcanes or decrease the prices of fertilizers;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether the Government proposes to provide more subsidies on chemical fertilizers to provide relief to sugarcane farmers; and
- (e) if so, the details thereof and if not the reasons therefor?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LANNING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(RAO INDERJIT SINGH)

(a) to (e): The cost of production of sugarcane does not depend only on the cost of fertilizers as fertilizer is only one of the inputs among many others. A detailed cost analysis is undertaken and increase in price of all inputs is considered before recommending the Fair and Remunerative Price (FRP) for sugarcane. It may be noted that the fertilizer prices in 2017-18 over 2016-17 have just increased by 1.01% as per WPI released by office of the Economic Adviser, Department of Industrial Policy and Promotion (DIPP).

The FRP of Sugarcane for 2015-16, 2016-17 and 2017-18 were Rs. 230 per quintal (for a basic recovery rate of 9.5%), Rs. 255 per quintal (for a basic recovery rate of 9.5%) and Rs. 275 per quintal (for a basic recovery rate of 10%) respectively.

There is no proposal under consideration of the Government to decrease price of Urea. In order to encourage balanced use of fertilizers and reduce the consumption of urea, Department of Fertilizers has introduced 45 Kg bag of urea in place of 50 Kg bag of Urea. The MRP of 45 Kg bag of urea is Rs. 242 per bag (exclusive of taxes and other charges towards neem coating) and the MRP of 50 Kg bag of urea will Rs. 268 per bag (exclusive of taxes and other charges towards neem coating).

Urea is being provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The difference between the delivered cost of fertilizers at farm gate and net market realization by the Urea units is given as subsidy to the Urea manufacturer/importer by the Government of India.

As per NBS policy, a fixed amount of subsidy, decided on annual basis, is provided on subsidised P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at a reasonable level which is monitored by the Government.

The NBS rates are generally fixed for one year. At present, there is no proposal under consideration of the Government for increasing the subsidy rates for P&K fertilizers during the financial year 2018-19.
