

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

UNSTARRED QUESTION NO:1859
ANSWERED ON:05.12.2005
FERTILIZER SUBSIDY
Mallikarjunaiah Shri S.

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

- (a) whether subsidy to the farmers on fertilizers has been enhanced from the existing rates; and
- (b) if so, the details thereof?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b): There has been no increase in statutorily notified maximum retail price (MRP) of urea and indicative MRPs of decontrolled phosphatic and potassic fertilizers since 28.2.2002. Although an increase of nearly 5% increase in selling prices of fertilizers was declared effective from 28.2.2003, but the prices were rolled back after a few days i.e., w.e.f 12.3.2003 to the levels as were existing prior to 28.2.2003.

Although no increase in selling prices of fertilizers have been effected for more than two years, but there has been increase in subsidy/concession expenditure on fertilizers due to steep increase in the prices of raw materials, intermediates and inputs used in the manufacture of fertilizers. The farmers have been insulated from the increase in the cost of production of fertilizers as it has been absorbed by the Government in the form of higher subsidy/concession expenditure.