

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

STARRED QUESTION NO:166  
ANSWERED ON:23.08.2007  
SUBSIDY FOR CHEMICAL AND FERTILIZER SECTOR  
Chinta Mohan Dr. ;Singh Shri Suraj

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

- (a) whether the amount of subsidy being provided on fertilizers for development of agriculture in USA, Japan, European countries, United Kingdom etc. is higher than that of India;
- (b) if so, the facts thereof;
- (c) the average amount of subsidy being given in each of the said countries; and
- (d) the present status of subsidy on fertilizers in our country?

**Answer**

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

(a)to(d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 166 TO BE ANSWERED ON 23.8.2007.

(a)&(b): The countries under Organization for Economic Cooperation & Development (OECD), including USA, Japan, European Union, etc. provide substantial amount of subsidy to the agriculture sector in different forms. However, the specific details of fertilizer subsidy provided by these countries are not available. The domestic support to agriculture sector in these countries is generally provided in the form of market price support, direct income support, assistance to help farmers restructure agriculture, etc.

(c)&(d): The details of average amount of subsidy on fertilizers being given in USA, Japan, European countries, United Kingdom, etc. is not available. However, the total Producer Support Estimate (PSE)<sup>1</sup> to agriculture sector in these countries is as below:

| Country | Producer Support Estimate (US\$ million) | Subsidy per hectare of arable land (US \$) | Subsidy per hectare of permanent crops land (Rs.) |
|---------|--|--|---|
|---------|--|--|---|

|                |         |          |        |
|----------------|---------|----------|--------|
| European Union | 136,144 | 1099.11  | 45064  |
| Japan          | 49,368  | 10423.99 | 427384 |
| United States  | 42,869  | 244.27   | 10015  |
| Korea          | 20,721  | 11224.81 | 460217 |
| Turkey         | 11,250  | 432.48   | 17732  |

The average fertilizer subsidy per hectare of land in our country was Rs.1720.93 in 2006-07. In addition to fertilizer subsidy, the agriculture sector in our country also receives domestic support through other measures like Minimum Support Prices (MSP), subsidized power, etc. in the farm sector.

1. PSE is an indicator of the annual monetary value of gross transfers from consumers and tax payers to agricultural producers. It is measured at the farm gate level, arising from policy measures which support agriculture, regardless of their nature, objectives or impacts on farm production or income. The composition of producer support estimate includes market price support, payments based on output, area planted/animal numbers, on historical entitlements, on input use, input constraints, overall farm income, etc.