

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

STARRED QUESTION NO:249  
ANSWERED ON:30.08.2007  
WHOLESALE/ RETAIL PRICES OF CHEMICAL FERTILIZERS  
Jatiya Dr. Satyanarayan

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

(a) the details of the wholesale and retail prices of each type of major/important chemical fertilizers in the country during each of the last three years; and

(b) the mechanism adopted by the Government to monitor the retail and wholesale prices of such fertilizers?

**Answer**

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

(a) and (b) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) AND (b) OF LOK SABHA STARRED QUESTION NO. 249 TO BE ANSWERED ON 30.8.2007 REGARDING WHOLESALE/RETAIL PRICES OF CHEMICAL FERTILIZERS

Statement referred to in reply to parts (a) & (b) of Lok Sabha Starred Question No. 249 to be answered on 30.08.2007 regarding wholesale/retail prices of chemical fertilizers.

(a) Government declares a Maximum Retail Price (MRP) for each of the chemical fertilizers under the subsidy/concession scheme, except SSP. MRP of SSP is notified by respective State Governments from time to time. No separate wholesale prices are recognized under the subsidy/concession scheme.

The following rates of MRP are applicable from 2002 till date including the last three years:

Chemical Fertilizers MRP (2002 till date )  
Rs. Per MT

DAP	9350
Urea	4830
MOP	4455
11 grades of NPK complexes	6980-9080
SSP	
2004-05	2600-3740
2005-06	2600-4300
2006-07	2780-4472
2007-08	2700-4300

For payment of concession/subsidy, Government computes total delivered cost/ total cost of respective fertilizer. The difference between the total delivered cost/total cost of fertilizer and the MRP paid by the farmer is given as concession/subsidy. In case of SSP, the concession is fixed at Rs.975/ per MT.

Dealers' Margin/Distribution Margin, as applicable to different fertilizers, is treated as part of total delivered cost/total cost. Currently, the dealers' margin is Rs.180/- per MT for Urea through other than Cooperative channel, Rs.200/ per MT through Cooperative Channels, Rs.275/- per MT for DAP and NPK and Rs.200/-per MT for MOP.

(b) Mechanism of price control of fertilizers is administered by the State Governments as per the guidelines under the Fertilizer (Control) Order (FCO), 1985 issued by the Central Government and administered by the Department of Agriculture and Cooperation.

Clause 3 of the FCO provides for fixing prices of fertilizers by the Central Government. No dealers, manufacturer, importer or pool-handling agency shall sell or offer for sale any fertilizer at price exceeding the MRP or rate fixed under the FCO.

It is mandatory under Clause 4 of the FCO that every dealer, who makes or offers to make a retail sale of any fertilizers, has to prominently display list of prices or rates of such fertilizers fixed by the Government under Clause 3 of the FCO.

Under Section 7 of the Essential Commodities Act, any violation of Clause 3 of the FCO is punishable offence for imprisonment up to 7 years. Further, under Clause 21 of the FCO, every manufacturer/importer and pool-handling agency is required to print 'FERTILIZER' and also maximum retail price in bold.

The State Governments are implementing and enforcement authorities for FCO. Regulation and monitoring of dealers in the respective State is done by respective State Governments under Clauses 26 and 27 of the FCO.