

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

UNSTARRED QUESTION NO:3267

ANSWERED ON:06.09.2007

FERTILIZER TO FARMERS AT SUBSIDISED RATE

Gaikwad Shri Eknath Mahadeo;Gangwar Shri Santosh Kumar;Mane Smt. Nivedita

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

- (a) whether the Union Government proposes to give fertilizer to farmers at subsidized rate, as reported in the Times of India dated August 9, 2007
- (b) if so, the facts thereof;
- (c) the quantum of funds allocated for this purpose;
- (d) the time by which the fertilizer at subsidized rate would be made available to farmers;
- (e) whether the Government propose to control the trend of regular increasing of fertilizer subsidy; and
- (f) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (d) : The Union Government is administering a subsidy scheme on sale of various chemical fertilizers viz. urea, DAP, MOP, 11 grades of complex fertilizers and SSP. These subsidized fertilizer are provided to farmers at a notified maximum retail price which is much lower than the actual delivered cost of these fertilizers at farm gate level. The requirement of fertilizer subsidy on estimated sale on these fertilizers in the current year alongwith the carry over liabilities of subsidy from previous year is estimated to be Rs.47,979.45 crore. Against the above requirement, an allocation of Rs. 22,452 crore has been made available in BE-2007-08. The remaining balance requirement has been communicated to Ministry of Finance for allocation in the supplementary demands for grants 2007-08.

(e) & (f): A GOM has been set up to look into all issues relating to sustainable use of fertilizers and pertinent subsidy and pricing issues. The matter regarding increases in fertilizer subsidy is also being looked into by the GOM.