

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 516 TO BE ANSWERED ON : 25.06.2019

PRICE OF FERTILIZERS

516. SHRIMATI RATHVA GITABEN VAJESINGBHAI :

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

- (a) whether the prices of fertilizers have been increased recently;
- (b) if so, the details thereof during each of the last three years and the current year and the reasons therefor, fertilizer-wise;
- (c) the existing mechanism to monitor the volatility in prices of fertilizers in the country;
- (d) whether fertilizers are made available to farmers in sufficient quantity during the sowing seasons, if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken/proposed to be taken by the Government for providing adequate quantity of fertilizers at affordable prices to farmers?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS

(SHRI D V SADANAND GOWDA)

(a): No Sir. Prices of Phosphatic & Potassic (P&K) fertilizers have not been increased. For P&K fertilizers, the Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010. Under the 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 reasonable level.

Whereas in case of Urea, w.e.f. 01.11.2012, MRP of 50 kg bag of Urea had been fixed at Rs. 268 per bag (exclusive of charges towards neem coating and taxes as

applicable). Subsequently, vide notification dated 04.09.2017, Government of India had decided to introduce 45 kag bag of Urea in place of existing 50 kg bag. The MRP of 45 kg bag of urea is Rs. 242 per bag (exclusive of charges towards neem coating and taxes as applicable).

(b): Question does not arise.

(c) & (e): Urea is being provided to the farmers at a statutorily notified Maximum Retail Price (MRP). Hence, question of volatility of price does not arise. Whereas, in P&K fertilizers, reasonableness of MRP of P&K fertilizers fixed by the fertilizer companies is examined by the Department of Fertilizers under the NBS Scheme. It has been stipulated in the provisions that in cases, where after scrutiny, unreasonableness of MRP is established or where there is no correlation between the cost of production or acquisition and the MRP printed on the bags, the subsidy would be restricted or denied even if the product is otherwise eligible for subsidy under NBS Scheme. In proven case of abuse of subsidy mechanism, the Department of Fertilizers, on the recommendation of Inter-Ministerial Committee may exclude any grade/grades of fertilizers of a particular company or the fertilizer company itself from the NBS Scheme.

With regards to availability of sufficient quantity of fertilizers during the sowing seasons, following steps have been taken by Government:-

Before the commencement of the cropping season, Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW), in consultation with all the State Governments, assesses the requirement of fertilizers. After assessment of requirement, DAC&FW projects month-wise requirement of fertilizers.

On the basis of month-wise & state-wise projection given by DAC&FW, Department of Fertilizers allocates sufficient / adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through following system:

(i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS);

- (ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.
- (iii) Regular Weekly Video Conference is conducted jointly by Department of Agriculture & Cooperation and Farmers Welfare (DAC&FW), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.
- (iv) The gap between demand (requirement) and production is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

Thus, with the steps as indicated above, Department of Fertilizers ensures availability of fertilizers at the State level and the distribution to the farmers within the State is the responsibility of the respective State Government. Further, State Governments have been adequately empowered to ensure selling of fertilizers at MRP/ affordable prices.

(d): The details of requirement, availability and sales of fertilizers during the current Kharif 2019 (April to June 2019 (upto 18.06.2019)) are given in the table below:

<Figures in LMT>

	Projected Requirement	Availability	Sales
Urea	56.67	60.82	46.72
P&K (DAP, MOP & Complex)	44.55	71.22	27.38

Source: iFMS.

It can be seen from the table above that the availability of fertilizers has been more than the sales.
