

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 1463 TO BE ANSWERED ON: 14.03.2023

Subsidy on fertilizers

**1463: SHRI RAJEEV SHUKLA:
SHRI HARBHAJAN SINGH:**

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

- (a) whether there is any proposal to reduce subsidy on fertilizers;
- (b) if so, the details thereof;
- (c) whether Government has conducted any study to understand the impact of reducing fertilizer subsidy on farmers, particularly the small and marginal farmers; and
- (d) if so, the details thereof?

ANSWER

**MINISTER OF STATE For CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)**

(a) & (b): No, Sir. There is no such proposal. With regard to urea fertilizer, urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers are being supplied urea at subsidized rates.

With regard to P&K fertilizers, the recommendation on Nutrient Based subsidy (NBS) rates, is given by an Inter-Ministerial Committee (IMC) constituted under the NBS policy with Secretary (Fertilizers) as Chairperson and Joint Secretary level representatives from Department of Agriculture and Farmers Welfare (DA&FW), Department of Expenditure (DOE), NITI Aayog and Department of Agricultural Research and Education (DARE). The basic principle adopted in fixation of subsidy rates for different nutrients is identification of 'Benchmark International Prices' of major consumed fertilizers i.e. Urea, DAP, MOP & Sulphur considering the annual / biannual average/current prices published in Fertilizers Market Bulletin (FMB).

(c) & (d): No, Sir. No such study to understand the impact of reducing fertilizer subsidy on farmers has been conducted so far.
