

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**RAJYA SABHA**

**STARRED QUESTION NO. 157\* TO BE ANSWERED ON : 10.12.2024**

**Rise in prices of fertilizers**

**157\* SHRI G.C. CHANDRASHEKHAR:**

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

- (a) whether Government is aware that the prices of fertilizers have been steadily rising each year, causing significant financial strain on farmers across the country and impacting their ability to afford fertilizers for cultivation;
- (b) if so, the details thereof;
- (c) whether Government has any proposals to waive, cut or reduce the GST on various types of fertilizers essential for cultivation; and
- (d) if so, the specifics of such proposals and if not, the reasons for not pursuing this approach?

**ANSWER**

**MINISTER FOR CHEMICALS & FERTILIZERS AND HEALTH & FAMILY WELFARE**

**(SHRI JAGAT PRAKASH NADDA)**

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(a) to (d): A statement is laid on the table of the House.

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**STATEMENT REFERRED TO RAJYA SABHA STARRED QUESTION NO 157\* FOR 10.12.2024 REGARDING “RISE IN PRICES OF FERTILIZERS” TABLED BY SHRI G.C. CHANDRASHEKHAR**

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(a) & (b): Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP) irrespective of the cost of production. The subsidized MRP of 45 Kg bag of urea is Rs. 266.50 since the year 2018 whereas the estimated normative cost of production of 45 kg bag of urea is Rs 1,687 as per Quarter-1 of 2024-25. The MRP of Phosphatic & Potassic (P&K) fertilizers is decontrolled and fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. For a 50 Kg bag of key P&K fertilizers, their MRP, subsidy and cost of sales at present is as below:

- (i) DAP – MRP is Rs. 1,350, subsidy is Rs. 1,270.55 and cost of sales is Rs. 2,621;
- (ii) NPK 12-32-16 – MRP is Rs. 1,470, subsidy is Rs. 769.95 and cost of sales is Rs. 2,240;
- (iii) NPK 10-26-26 – MRP is Rs. 1,502/-, subsidy is Rs. 646.40 and cost of sales is Rs. 2,149/-;
- (iv) NPK 20-20-0-13 – MRP is Rs. 1,266/-, subsidy is Rs. 749.65 and cost of sales is Rs. 2,016/-;
- (v) MOP – MRP is Rs. 1,534/-, subsidy is Rs. 71.35 and cost of sales is Rs. 1,606/-;
- (vi) SSP – MRP is Rs. 550/-, subsidy is Rs. 256.05 and cost of sales is Rs. 806/-

(c) & (d): Presently, fertilizers attract a GST rates of 5%. GST rates are prescribed on the recommendations of GST Council which is a constitutional body comprising of representatives of States/UTs and Centre. The GST Council in its 45<sup>th</sup> meeting held on 17.09.2021 had constituted a Group of Ministers (GoM) on Rate Rationalization. The GST Council in its 53<sup>rd</sup> meeting referred the matter of reduction of GST on fertilizers, raw materials and micronutrients to Group of Ministers (GoM) on Rate Rationalisation for a holistic view.

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