

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 2502+
TO BE ANSWERED ON : **02.01.2018**

Subsidy Benefits

2502 SHRI JANAK RAM:

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

- (a) whether the farmers are getting the expected benefit of subsidy on fertilizers and if so, the details thereof;
- (b) whether some companies are resorting to showing less production capacity and thereby receives huge subsidy on the basis of production percentage; and
- (c) the steps taken to ensure that poor and marginal farmers get maximum benefit of subsidy?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(RAO INDERJIT SINGH)

(a) & (c): Government of India is providing subsidy to importers/manufacturers/marketers of Urea and P&K fertilizers for selling fertilizers at subsidized rates to the farmers including poor and marginal farmers.

The Maximum Retail Price (MRP) of Urea is statutorily controlled by the Government. At present, it is Rs. 5360 per MT (exclusive of Central/State levies) w.e.f. 1st November, 2012. Further, an extra MRP of 5% (of Rs. 5360/- per MT) is charged by the fertilizer manufacturing entities on Neem Coated Urea.

The difference between the delivered cost of fertilizers 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.

The Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual basis, is provided on subsidized P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level.

Accordingly, any farmer who is procuring Urea and P&K fertilizers is availing the benefit of subsidy provided by the Government of India.

(b): At present, payment of subsidy is not linked with the production capacity.
