

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1289+ TO BE ANSWERED ON: 18.12.2018

Price of Fertilizers

1289+ SHRIMATI REKHA VERMA:

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

- (a) whether the Government has any proposal to inspect the quality and price of fertilizers being sold in the market and if so, the details thereof;
- (b) if not, the reasons therefor;
- (c) whether instances of unauthorized sale of fertilizers have come to the notice of the Government;
- (d) if so, the details thereof and the action taken /being taken thereon; and
- (e) the details regarding the quantity and net price of fertilizers accumulated for sale without prior permission?

ANSWER

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

(RAO INDERJIT SINGH)

(a) & (b): Fertilizers have been declared as Essential Commodity under Essential Commodities Act, 1955, and in order to ensure supply of adequate quantity of good quality of fertilizer to the farmers, the Government of India promulgated the Fertilizer (Control) (organic, Inorganic and Mixed) Order, 1985 (FCO) and Fertilizer (Movement Control) Order, 1973. The Quality of Fertilizer is governed under the FCO provisions. The specifications of various fertilizers are specified under FCO. Clause 19 of FCO strictly prohibits the sale/manufacture of fertilizer which are not of prescribed standards. No person shall sell any product as fertilizer unless it is specified under the FCO.

It is the prime responsibility of the State Governments to ensure quality fertilizers to farmers as per FCO specifications and are adequately empowered to implement the provisions of FCO. Further, any violation of provisions of FCO invokes both administrative and penal penalties.

Under FCO, it is mandatory to indicate the MRP on bags of fertilizer and no person shall sell or offer for sale any fertilizer at a price exceeding the maximum price or rate fixed.

Further, 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.

(c) to (e): There is no report of instances of unauthorized sale of fertilizer from any State Government. However, State Governments have been adequately empowered to take actions against persons who indulge in illegitimate activities, violating provisions of FCO, 1985, Fertilizer (Movement Control) Order, 1973 and Essential Commodities Act, 1955.
