GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1496 TO BE ANSWERED ON : 10.02.2023

Benefits of fertilizer subsidy

1496. SHRI ASHOK MAHADEORAO NETE:

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

(a)   whether the farmers are getting desired benefit of subsidies on fertilizers in the country;

(b)   if so, the details thereof;

(c)   whether some companies have adopted the tactics of showing less production capacity to avail huge subsidies on the basis of percentage production;

(d)   if so, the details thereof and the action taken by the Government in this regard; and

(e)   the steps taken/proposed to be taken to ensure that the poor and marginal farmers get the maximum benefit of the subsidy?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)

(a), (b) & (e): Yes, Sir. 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 (including poor and marginal farmers) are being supplied urea at the subsidized rates.

Further, 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 which is monitored by the Government. Accordingly, any farmer, including poor and marginal farmers, who are buying these fertilizers is getting benefit of subsidy.

(c):   No, Sir.

(d):   In view of (c) above, question does not arise.

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