

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO. 434 TO BE ANSWERED ON : 20.07.2021

Market-linked Fertilizer Price

434. SHRIMATI POONAM MAHAJAN:

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

- (a) whether there is any policy for market-linking of fertilizer prices or whether any reforms in this sector are being considered, if so, the details thereof;
- (b) whether promoting private capex and encouraging proven private sector players is being thought of behind above initiative, if so, the details thereof; and
- (c) the role and extent of the private sector interference in fertilizer production and whether there is any proposal to revamp any existing fertilizer PSU in Maharashtra, if so, the details thereof?

ANSWER

MINISTER OF HEALTH & FAMILY WELFARE AND CHEMICALS & FERTILIZERS
(SHRI MANSUKH MANDAVIYA)

(a) & (b): Yes, Sir. 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 subsidised 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. Thus, the P&K fertilizers are market-linked under the NBS scheme.

The P&K fertilizer sector is decontrolled and the private sector players take decision in this sector as per their commercial viability. Thus, as such the question of promotion private capex and encouraging proven private sector players for any such initiative does not arise.

(c) : Sir, As far as Urea is concerned, there are 32 urea manufacturing units across the country with the total installed capacity of 232.94 Lakh MT (LMT) per annum (approx.). Out of these 32 units, 16 units are from private sector which have installed capacity of 115.67 LMT per annum.

As far as, P&K fertilizer sector is concerned, there are 4 Cooperative and 21 Private sector units/plants engaged in DAP and Complex fertilizer production or import under the NBS Scheme. Further there are 111 private sector units/plants engaged in production of SSP.

There is no proposal to revamp any existing fertilizer PSU in Maharashtra.

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