

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO. 3173 TO BE ANSWERED ON: 09.08.2024

INCREASE IN PRICES OF FERTILIZERS

3173. SHRI SACHITHANANTHAM R:

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

- (a) whether the Government is aware of the fact that the price of fertilizers are increasing steadily every year due to which many farmers across the country are facing severe financial difficulties and unable to afford to purchase fertilizers for their cultivation;
- (b) if so, the details thereof;
- (c) whether the Government has any proposal to waive-off/cut/reduce GST on all kind of fertilizers which are essential for cultivation; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SMT. ANUPRIYA PATEL)

(a) & (b): For Phosphatic and Potassic (P&K) Fertilizers, Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis - based on import prices of fertilizers and other relevant factors like requirement of nutrients in the country, balanced use of fertilizers, subsidy and MRP etc - is provided on P&K fertilizers depending on their nutrient content.

Under the NBS regime, MRP of P&K fertilizers has been left open and fertilizer manufacturers/marketers are allowed to fix the MRP at reasonable rates. Thus, the market price of decontrolled subsidized fertilizers is determined based on demand-supply. The fertilizers companies are required to print retail price along with subsidy on the bags. The average MRP of major P&K fertilizers viz., DAP, MOP, SSP, NPK 12-32-16, NPK 10-26-26 and NPK 20-20-0-13 for last 05 years are placed at **Annexure**.

In case of Urea, it 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) and the MRP has remained unchanged since 01.03.2018 to till date. 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 are being supplied urea at the subsidized rates.

(c) & (d): GST rates are prescribed on the recommendations of GST Council, which is a constitutional body comprising of representatives from States/UTs and Centre.

The GST Council in its 53rd meeting held on 22nd June, 2024, has referred the matter to Group of Ministers on Rate Rationalization for a holistic view.

Annexure

**Annexure referred to in reply to part (a) & (b) of Lok Sabha Untarred Question
No. 3173 for answering on 09.08.2024**

S. No	NPK Fertilizer Grade	Average MRP (approx.) (in Rs./MT)					
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (as on 24.07.2024)
1	DAP (18-46-0-0)	26518.28	24966.78	25003.55	26939.94	27000	27000
2	MOP (0-0-60-0)	18981.04	17872.63	23338.42	34147.54	33987.88	32249.56
3	SSP (0-16-0-11)	7848.25	8032.04	7294.57	10035.50	10628.23	10338.47
4	NPK 10-26-26	25750.94	24575.66	29751.24	29760.78	29394.92	29707.50
5	NPK 12-32-16	25734.16	24643.11	28733.24	31562.41	29865.16	29400
6	NPK 20-20-0-13	20707.05	19938.68	24652.55	28045.64	25275.63	25423.77
