

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1998 TO BE ANSWERED ON : 06.12.2024

Reduction in Price of Fertilizers & Pesticides

1998. MD ABU TAHER KHAN:

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

- (a) whether the price of pesticides and Fertilizers for agriculture sector need to be reduced significantly so that the marginal farmers can increase their meagre income;
- (b) whether it is a fact that at present, marginal farmers have to buy pesticides and fertilizers from the market at very high prices and as a result they are facing financial loss; and
- (c) if so, the steps taken/proposed to be taken by the Government to ensure that the best pesticides and fertilizers are available at affordable prices?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (c): Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP) irrespective of the cost of production. The subsidized MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes 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.

In case of Phosphatic and Potassic (P&K) fertilizers, Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided to manufacturer / importer on subsidized P&K fertilizers depending on their nutrient content i.e. Nitrogen (N), Phosphorus (P), Potassium (K) and Sulphur (S) to improve availability of fertilizers

to farmers. Under NBS policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government.

Accordingly, under the subsidy schemes, the fertilizers are sold at affordable rates as per Fertilizer (Control) Order, 1985. FCO, 1985 has laid down fertilizer wise detailed specification. Any fertilizer, not meeting the said specifications can not be sold in the country for agricultural purpose. Clause 19 of FCO strictly prohibits the sale or manufacture of fertilizers which are not of prescribed standards, and any such sale is punishable under Essential Commodities Act. 1955.

In case of pesticides, there is no mechanism to regulate pricing of pesticides in the Insecticides Act, 1968 and Insecticides Rules, 1971. Pricing of pesticides is market driven and to make available pesticides at reasonable prices, the Registration Committee grants registration certificates for generic pesticides expeditiously.
