

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3008 TO BE ANSWERED ON: 13.12.2024

Transportation of Urea Through Freight on Road

3008: SHRI BHAUSAHEB RAJARAM WAKCHAURE:

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

- (a) whether many fertilizer companies in the country are providing fertilizers to the retailers through particular rail points in contravention of the rules which stipulates transportation through Freight on Road (FoR);
- (b) if so, whether this leads to the vendors incurring an additional transportation charge of Rs. 40 per bag of 50 kg;
- (c) if so, the details thereof;
- (d) whether the Government has also received requests from public representatives and vendors to solve this problem;
- (e) if so, the details thereof during the last three years as on date; and
- (f) the action has been taken by the Government or likely to be taken in this regard?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (f): With respect to Urea, Government announced Uniform Freight Subsidy, 2008 on Urea covered under the New Pricing Scheme Stage-III (NPS-III) being administered by the Department. There are two components of freight which have been recognized for reimbursement under the Uniform Freight Policy:

i. **PRIMARY FREIGHT:** Primary freight consists of two components:

(A) Rail freight for movement of fertilizers (Urea) from plant/port loading rake point to unloading rake point.

(B) Road freight towards transportation of fertilizers (Urea) from plant/port directly by road to block/district headquarters (up to 500 kms).

ii. **SECONDARY FREIGHT:** It consists of road freight towards transportation of fertilizers from nearest railway rake point to block/district headquarters.

The freight subsidy is paid to the Urea units for the transportation of Urea from Plant/Port to the Block/District and the said rates are escalated/de-escalated for each financial year.

Primary movement for P&K fertilizers is done by rail and /or coastal shipping/inland water transportation including road bridging (only in case of use of coastal shipping or inland waterways) up to the rake point in the destination district or by any or two or by all three modes of transportation from the plant or port to various rake points in the destination districts. Freight reimbursement on account of primary movement of P&K fertilizers is paid on the basis of railway charges or actual freight incurred, whichever is less. Freight reimbursement on account of direct road movement of P&K fertilizers is paid as per the actual subject to maximum of equivalent rail freight. Maximum allowable distance under direct road movement is 500 kms. No freight reimbursement is made on account of secondary movement of P&K fertilizers.
