

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 4206 TO BE ANSWERED ON : 20.12.2024

Production of Phosphate Fertilizers

4206. MD ABU TAHER KHAN:

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

- (a) whether the production of phosphate fertilizer is required to be increased to make it easily accessible to all farmers, if so, the details thereof; and
- (b) the measures proposed to be taken to control the prices of other chemical fertilizers and prevent its black marketing?

ANSWER

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

(a): 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. Import of P&K fertilizers is decontrolled and companies are free to import / produce fertilizer raw materials, intermediaries and finished fertilizers as per their business dynamics. Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized / taken on record under the NBS subsidy scheme, with a view to boost manufacturing and make country self-reliant in fertilizer production. Further, to promote Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer, it has been notified under Nutrient based subsidy (NBS) regime w.e.f 13.10.2021. Also, freight Subsidy on SSP, which is an indigenously manufactured fertilizer, has been made applicable since Kharif 2022 to help in promotion of SSP usage for providing Phosphatic or "P" nutrient to the soil.

(b): 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 Phosphatic & Potassic (P&K) fertilizers, under Nutrient Based Subsidy (NBS) scheme, subsidy is fixed keeping in view international prices of key fertilizers & raw materials and fluctuations, if any, are subsumed while fixing NBS rates for P&K fertilizers annually / bi-annually.

Accordingly, all farmers are being supplied urea and P&K fertilizers at the subsidized affordable rates.

Fertilizers are declared as an essential commodity under the Essential Commodities Act, 1955 and notified under Fertilizer Control Order, 1985. State Governments are empowered to take action against persons involved in black-marketing, hoarding and smuggling as per provisions of EC Act. Any complaint received at Department of Fertilizers level regarding black marketing/over-pricing of fertilizers is sent to concerned State Government to take appropriate action under Essential Commodities Act, 1955 and Fertilizer Control Order, 1985.
