

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

STARRED QUESTION NO.+* 236
TO BE ANSWERED ON: 02.08.2016

PRICES OF FERTILIZERS

+* 236. SHRI RAVINDRA VISHWANATH GAIKWAD:

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

- (a) whether the Government has given directions to the fertilizer manufacturing private companies to bring down the prices of the fertilizers;
- (b) if so, the details thereof and the response received thereon;
- (c) whether the farmers are finding it difficult to purchase fertilizers as the private companies have not slashed the prices of non-urea fertilizers and if so, the details thereof;
- (d) the remedial steps being taken by the Government in this regard; and
- (e) whether the Government is likely to discontinue the subsidy given to the private fertilizer manufacturing companies in case they do not reduce the prices and if so and the details thereof?

ANSWER

MINISTER FOR CHEMICALS & FERTILIZERS AND PARLIAMENTARY AFFAIRS

(SHRI ANANTH KUMAR)

(a) to (e): A statement is laid on the table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA
STARRED QUESTION NO +*236 TO BE ANSWERED ON 02.08.2016 REGARDING
USE OF FERTILIZERS ASKED BY SHRI RAVINDRA VISHWANATH GAIKWAD**

(a): While approving NBS rates for 2013-14, the Cabinet also approved that in case the MRP of fertilizers are not reduced as expected and the Companies are found to be indulging in undue profiteering, the Government will review and take necessary action. In the light of above decision of the Cabinet and taking into consideration the falling international prices of P&K fertilizers, the matter was discussed with the fertilizer Industry and they were encouraged to reflect the fall in international prices in the MRP of these fertilisers. All P&K importers and manufacturers have confirmed in writing that they have reduced the prices as indicated in para (b) below.

(b): On an average the prices of DAP, MOP and Complex Fertilizer grades have been reduced by Rs. 125/-, Rs. 250/- and Rs. 50/- per 50 Kg bag respectively.

(c) to (e): In this regard the DoF has taken up the matter with State Governments to monitor and ensure that the farmers get the benefits of reduced price of P&K Fertilizers. It is also mandatory for all fertilizer Companies to submit along with their claims of subsidy, certified cost data in the prescribed format and as per requirement for determining reasonableness of MRPs of P&K fertilizers fixed by the fertilizers Companies.

In cases, where after scrutiny, unreasonableness of MRP is established or where no correlation is found between the cost of production or acquisition and the MRP printed on the bags, the subsidy may be restricted or denied even if the product is otherwise eligible for subsidy under NBS. In proven cases of abuse of subsidy mechanism, the Department of Fertilizers will take necessary action.
