

New basis of providing fertilizer subsidy

†1700. SHRI RAVI SHANKAR PRASAD:

SHRI SHIVANAND TIWARI:

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

- (a) whether it is a fact that Government has decided to provide fertilizer subsidy on new basis, leaving aside the old basis;
 - (b) if so, the details of new basis;
 - (c) the benefits to the agriculture producers of the country by this new system;
 - (d) whether the experts have been consulted for this new system and its implementation;
- and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) In the context of the Nation's Food Security, the declining response of agriculture productivity to increased fertilizer usage in the country and to ensure the balanced application of fertilizers, the Government has introduced Nutrient Based Subsidy policy in respect of Phosphatic and Potassic fertilizers *w.e.f.* 1.4.2010. Under Nutrient Based Subsidy, secondary and micro nutrients will also be subsidized leading to balanced fertilization.

(d) and (e) While finalizing the Nutrient Based Subsidy Policy, Fertilizer Association of India, various Ministries of the Government and the State Governments have been consulted. It has been introduced after recommendations of Group of Ministers.

Raising of price of urea

†1701. SHRI SHIVANAND TIWARI:

SHRI RAJ MOHINDER SINGH MAJITHA:

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

- (a) whether it is a fact that Government has recently declared to raise the price of urea in the country by 10 per cent;
- (b) if so, the basis of this increase;
- (c) whether it will result in the increase in production cost for farmers; and
- (d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) Yes, Sir. The Government has decided to increase the MRP of Urea by 10% from the current MRP of Rs. 4830/- per MT to Rs. 5310/- per MT *w.e.f.* 1.4.2010. The MRP of Urea has been constant since 2002.

†Original notice of the question was received in Hindi.

(c) and (d) The value of fertilizers is one of the items, which is included in the operational cost of cultivation of crops. The impact due to marginal increase in MRP of Urea after a gap of 8 years would be negligible.

Further, the Commission for Agricultural Costs and Prices while recommending Minimum Support Prices for various agricultural commodities within the purview of MSP regime takes account of rising input cost for these crops individually. The minimum support prices is formulated in a manner that at least covers the input cost on account of human labour, machine labour, bullock labour, seeds, fertilizers, irrigation charges so that farmers are assured of getting adequate returns on their investment.

Reasons for hike in urea prices

1702. SHRIMATI KUSUM RAI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Government has announced a hike of 10 per cent in prices of urea;
- (b) if so, the details thereof; and
- (c) the reasons which compelled Government to announce the hike?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) Yes, Sir. The Government has decided to increase the MRP of Urea by 10% from the current MRP of Rs. 4830/- per MT to Rs. 5310/- per MT *w.e.f.* 1.4.2010. The MRP of Urea has been constant since 2002 while Minimum Support Price (MSP) of foodgrains has been revised upwardly several times by the Government.

Consumption of fertilizers

1703. SHRI S. S. AHLUWALIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether consumption of fertilizers by farmers is subsidized from public exchequer;
- (b) if so, the guidelines therefor;
- (c) whether steep increase witnessed during 2008-09 in the amount of fertilizer subsidy compared to that of 2007-08;
- (d) whether the increase attributed to rise in volume of fertilizers consumption by farmers;
- (e) if so, comparative details thereof for 2007-08 and 2008-09 both for nutrient based and other quality fertilizers;