

RAJYA SABHA

Friday, the 12th March, 2010/21 Phalgun, 1931 (Saka)

The House met at eleven of the clock,

[MR. CHAIRMAN in the Chair.]

ORAL ANSWERS TO QUESTIONS

MR. CHAIRMAN: Question 221 ... *(Interruptions)*...

SHRI SITARAM YECHURY (West Bengal): Sir, may I be permitted .. *(Interruptions)*...

SHRI D. RAJA (Tamil Nadu): Sir .. *(Interruptions)*...

MR. CHAIRMAN: Could you please take it up at 12 o'clock? .. *(Interruptions)*... Please take it up at 12 o'clock. .. *(Interruptions)*...

What do you wish to say Mr. Yechury? .. *(Interruptions)*... Nobody can hear you. .. *(Interruptions)*...

SHRI SITARAM YECHURY: Please give me half a minute, Sir. Sir, lakhs of people have collected in the Capital today to protest against the price rise of all essential commodities. We have given a Notice for suspension of Question Hour to raise that. But if the Chairman allows us to raise it at 12 o'clock, then we are prepared to accept that. Will you permit us, Sir?

MR. CHAIRMAN: Okay, we will allow you at 12 o'clock.

SHRI SITARAM YECHURY: Thank you, Sir.

SHRI MANOHAR JOSHI (Maharashtra): Sir, we may also be allowed to raise the issue of farmers who are committing suicides in Vidharbha region.

MR. CHAIRMAN: Agreed, Joshiji. Now, Question No. 221.

उर्वरकों पर दी जाने वाली राजसहायता हेतु नई नीति

*221. श्री रवि शंकर प्रसाद : क्या रसायन और उर्वरक मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार ने उर्वरकों पर दी जाने वाली राजसहायता के लिए नई नीति अपनाई है;

(ख) यदि हां, तो तत्संबंधी ब्यौरा क्या है;

(ग) क्या इस नीति के आधार पर उर्वरकों पर दी जाने वाली राजसहायता की राशि में कमी आने का आकलन किया गया है; और

(घ) यदि हां, तो उक्त आकलन का ब्यौरा क्या है?

रसायन और उर्वरक मंत्रालय में राज्य मंत्री (श्री श्रीकांत जेना): (क) से (घ) विवरण सभा पटल पर रख दिया गया है।

विवरण

(क) और (ख) देश की खाद्य सुरक्षा के संदर्भ में, उर्वरकों के बढ़ते प्रयोग की तुलना में कृषि उत्पादकता की घटती प्रतिक्रिया और उर्वरकों का संतुलित उपयोग सुनिश्चित करने के लिए सरकार ने नियंत्रणमुक्त पी एंड के उर्वरकों के लिए 1-4-2010 से पोषक-तत्व आधारित राजसहायता नीति लागू की है। पोषक-तत्व आधारित राजसहायता नीति का ब्यौरा विवरण-1 में दिया गया है (नीचे देखिए)।

(ग) और (घ) पोषक-तत्व आधारित राजसहायता (एनबीएस) प्रत्येक पोषक-तत्व और खुले खुदरा मूल्यों के लिए नियत राजसहायता के सिद्धांत पर आधारित है। राजसहायता की समग्र मात्रा वर्ष के दौरान खपत तथा अंतर्राष्ट्रीय बाजार में प्रचलित मूल्य परिदृश्य पर आधारित होगी। इसलिए वर्ष के अंत तक राजसहायता आवश्यकता की सही मात्रा वर्तमान में ज्ञात नहीं है।

विवरण-1

देश की खाद्य सुरक्षा के संदर्भ में देश में उर्वरकों के बढ़ते प्रयोग की तुलना में कृषि उत्पादकता की घटती प्रतिक्रिया तथा उर्वरकों का संतुलित अनुप्रयोग सुनिश्चित करने के लिए सरकार ने नियंत्रणमुक्त पी एंड के उर्वरकों के लिए 1-4-2010 से पोषक तत्व आधारित राजसहायता नीति (एनबीएस) लागू की है। एनबीएस के अन्तर्गत, नियंत्रणमुक्त पी एंड के उर्वरकों में शामिल नाइट्रोजन (एन), फास्फेट (पी), पोटैश (के) और सल्फर (एस) पोषक तत्वों जैसे एफएसीटी और जीएसएफसी द्वारा उत्पादित डाई अमोनियम फास्फेट (डीएपी), मोनो अमोनियम फास्फेट (एमएपी), ट्रिपल सुपर फॉस्फेट (टीएसपी), म्यूरिट ऑफ पोटैश (एमओपी), मिश्रित उर्वरकों के 12 ग्रेड, सिंगल सुपर फॉस्फेट (एसएसपी) और स्वदेशी अमोनियम सल्फेट (एसएस) जो राजसहायता स्कीम के अंतर्गत पहले से आते हैं, के आधार पर राजसहायता दी जाती है। सचिव (उर्वरक) की अध्यक्षता में गठित अन्तर मंत्रालयी समिति (आईएमसी), जिसमें कृषि और सहकारिता विभाग, व्यय विभाग, योजना आयोग और कृषि अनुसंधान और शिक्षा विभाग के प्रतिनिधि भी थे, की सिफारिशों के आधार पर प्रति पोषक तत्व पर राजसहायता उर्वरक विभाग द्वारा वार्षिक रूप से निर्धारित की जाएगी। इन उर्वरकों में ऊपर उल्लिखित उर्वरकों की किसी प्रकार की किस्म के साथ गौण तथा सूक्ष्म पोषक तत्वों (एस को छोड़कर) पर अलग से प्रति टन राजसहायता दी जाएगी ताकि प्राथमिक पोषक तत्वों के साथ इनके अनुप्रयोग को बढ़ावा दिया जा सके। सरकार द्वारा इस प्रकार तय की गई पोषक तत्व आधारित राजसहायता, प्रत्येक राजसहायता प्राप्त उर्वरक के लिए प्रति टन राजसहायता में परिवर्तित हो जाएगी। तैयार उर्वरकों के आयात के साथ-साथ उर्वरकों के वितरण और संचलन पर 'उर्वरक निगरानी प्रणाली' द्वारा निगरानी रखी जाएगी। भारत में उत्पादित/आयातित उपर्युक्त नियंत्रणमुक्त उर्वरकों का 20% अनिवार्य वस्तु अधिनियम 1955 (ईसीए) के अंतर्गत संचलन नियंत्रण में होगा ताकि कम आपूर्ति वाले क्षेत्रों में आपूर्तियों को पूरा करने के लिए इन उर्वरकों के संचलन को नियंत्रित किया जा सके। नियंत्रणमुक्त उर्वरकों पर भाड़ा राजसहायता रेलभाड़ा तक सीमित होगी। सड़क भाड़ा को निर्धारित राजसहायता और खुदरा मूल्यों के एक भाग के रूप में माना जाएगा। मिश्रित उर्वरकों सहित सभी नियंत्रणमुक्त राजसहायता प्राप्त उर्वरकों का आयात खुले सामान्य लाइसेंस के तहत किया जाएगा। राजसहायता प्राप्त नियंत्रणमुक्त उर्वरकों का बाजार मूल्य मांग आपूर्ति की ताकतों के आधार पर निर्धारित किया जाएगा। विशिष्ट उर्वरक बनाने और उर्वरकों का मिश्रण करने वाले उद्योग को राजसहायता प्राप्त उर्वरक उत्पादकों/आयातकों से तभी प्राप्त होगा जब यह विशिष्ट उर्वरक/उर्वरक मिश्रण का उत्पादन करने हेतु आदानों के रूप में जिले में पहुंच जाएगा। दो वर्षों की अवधि के लिए उत्पादन की अधिक लागत की प्रतिपूर्ति करने के

लिए नेफ्था आधारित कैप्टिव अमोनिया का इस्तेमाल करके मिश्रित उर्वरकों का उत्पादन करने वाले स्वदेशी उत्पादकों को अपने नेफ्था आधारित संयंत्रों को गैस आधारित संयंत्रों में बदलना होगा। डीएपी/एमओपी/मिश्रित उर्वरकों/एमएससीपी/टीएसपी/एस के उत्पादकों/आयातकों को राजसहायता का भुगतान राज्यों के जिलों में उर्वरकों की प्राप्ति पर आधारित होगा। राज्यों में एसएसपी के उत्पादकों/विपणनकर्ताओं को राजसहायता का भुगतान एसएसपी की बिक्री के आधार पर किया जाएगा।

New policy for fertilizer subsidy

† *221. SHRI RAVI SHANKAR PRASAD : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

- (a) whether Government has adopted a new policy for fertilizer subsidy;
- (b) if so, the details thereof;
- (c) whether a reduction in the amount of fertilizer subsidy is estimated on the basis of this policy; and
- (d) if so, the details of this estimate?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) and (b) In the context of Nation's Food Security, the declining response of agricultural productivity to increase fertilizer usage and to ensure the balanced application of fertilizers in the country, the Government has introduced Nutrient Based Subsidy Policy for decontrolled P & K fertilizers *w.e.f.* 1.4.2010. The details of the Nutrient Based Subsidy Policy is given in the Statement-I (see below).

(c) and (d) Nutrient Based Subsidy (NBS) is based on the principle of fixed subsidy for each nutrient and open retail prices. The overall quantum of subsidy will depend on the consumption during the year and the price scenario prevailing in the international market. As such, the exact quantity of subsidy requirement till the end of the year, is not known at present.

Statement-I

In the context of the Nation's food security, the declining response of agricultural productivity to increased fertilizer usage in the Country and to ensure the balanced application of fertilizers, the Government has introduced Nutrient Based Subsidy Policy (NBS) for decontrolled P & K fertilizers, *w.e.f.* 1.4.2010. Under NBS, subsidy will be based on the nutrients *i.e.* Nitrogen (N), Phosphate

†Original notice of the question was received in Hindi.

(P), Potash (K) and Sulphur (S) contained in the decontrolled P&K fertilizers already covered under the subsidy scheme, namely Di Ammonium Phosphate (DAP), Mono Ammonium Phosphate (MAP), Triple Super Phosphate (TSP), Muriate of Potash (MOP), 12 grades of Complex Fertilizers, Single Super Phosphate (SSP) and indigenous Ammonium Sulphate (AS) produced by FACT and GSFC. The per nutrient subsidy shall be decided annually by Department of Fertilizers based on the recommendations of the Inter Ministerial Committee (IMC) constituted under the Chairmanship of Secretary (Fertilizers) and representatives of Department of Agriculture and Cooperation, Department of Expenditure, Planning Commission and Department of Agricultural Research and Education. Any variant of the fertilizers mentioned above with secondary and micronutrients (except 'S') in such fertilizers will attract a separate per tonne subsidy to encourage their application along with primary nutrients. The Nutrient Based Subsidy, so decided by the Government, will be converted into subsidy per tonne for each subsidized fertilizer. The distribution and movement of fertilizers alongwith import of finished fertilizers will be monitored through the 'Fertilizer Monitoring System'. 20% of the above said decontrolled fertilizers produced/imported in India will be in the movement control under the Essential Commodities Act 1955 (ECA) to regulate the movement of these fertilizers to bridge the supplies in under served areas. Freight subsidy on decontrolled fertilizers will be restricted to the rail freight. The road freight is assumed to be part of the fixed subsidy and the retail prices. The import of all the decontrolled subsidized fertilizers including complex fertilizers will be placed under Open General License. The market price of the subsidized decontrolled fertilizers will be determined based on the demand supply forces. The customized fertilizers and the fertilizer mixture industry will be able to receive the subsidized fertilizers from the manufacturers/importers after its receipt in the districts as inputs for manufacturing customized fertilizers/fertilizer mixture. A separate additional subsidy will be provided to the indigenous manufacturers producing complex fertilizers using Naphtha based captive ammonia to compensate for the higher cost of production for a period of two years. Such units will have to convert their plants from Naphtha based to gas based plants. The payment of subsidy to the manufacturers/importers of DAP/MOP/Complex fertilizers/MAP/TSP/AS shall be based on the receipt of fertilizers in the districts of the States. The payment of subsidy to the manufacturer/marketer of SSP shall be based on the sale of SSP in the States.

SHRI RAVI SHANKAR PRASAD: Sir, at the very outset, as a Member of this House, I need your kind protection. This is a question of great importance and I do not see the hon. Cabinet Minister present again, Sir. Why I am asking this question is because my particular question relates to

the new fertilizer policy. There is a Press report saying that Mr. Alagiri is opposed to this fertiliser policy. It was published in 'Tribune' and I have got a copy of it. The point I am trying to make is what is the policy of the Government? Is the Minister agreeable with that? Having said that, today, the people of the country are reeling under price rise. I see from this answer that a very literary-based name, that is, Nutrient Based Subsidy Policy is supposed to be introduced from 10 of April, 2010. The hon. Minister of State, at times, I pity you that you have to always represent your Cabinet Minister. But having said that, my first question is that if the farmers are already reeling because of price rise, and if the new policy is going to come from 1st April, 2010, why did you raise the price of urea by Rs.10/- w.e.f. February itself when urea comprises 55 per cent of the fertilizer required by the farmers, creating further havoc for the farmers?

SHRI SRIKANT JENA : Sir, the hon. Member is very keen to know about why the Government has increased the urea price by 10 per cent from 1st of April. As you know, Sir, the MRP is fixed; it has not been changed so far as urea is concerned. The urea consumption is almost 55 per cent of the total consumption of the fertilizer in the country. As you know, for the last eight years, not a single pie has been increased so far as urea is concerned. When my good friend, Shri Ravi Shankar Prasad, was the Minister in the NDA Government, they increased the price twice during their regime by 20 per cent though the international price then was only \$ 110 per MT. Today, the international price has increased three-fold. Therefore, this was needed. For every bag, there will be an increase of Rs.24/- only so that farmers are least affected. Therefore, it has been kept in the MRP. The MRP is fixed. From 1st of April, the total increase in the price of urea will be hardly Rs.24/- per bag. This has been done to ensure proper utilisation of urea because excess usage of urea is also creating problem so far as productivity is concerned.

SHRI RAVI SHANKAR PRASAD: The hon. Minister of State, Shri Srikant Jenna, you will very, definitely, recall that I was the Minister in Mr. Vajpayee Government, but the prices were stable for six years. Farmers were happy. It was not as spiralling prices as it is going today. Having said that, Sir, the second question is that the reply to parts (c) and (d) of the question indicate that you are not sure as to what shall be the subsidy component of this Nutrient-Based Fertiliser Policy.

We hear there is a big subsidy burden. But you are not sure about it. There is a very elaborate literature in the accompanying reply which is difficult to understand. But the sum and substance is, if I quote you, 'the exact quantity of subsidy requirement till the end of the year is not known.' Therefore, you don't know as to whether the new policy would lead to reduction of the subsidy burden.

In this view of the matter, my question is, why are you not thinking of shifting the subsidy directly to the farmers, instead of middlemen appropriating it, misappropriating it and manipulating it? Why are you not bringing the interests of the farmers in the forefront so that subsidy directly goes to them and they are benefited? ...*(Interruptions)*...

SHRI SRIKANT JENA: Sir, at this moment, it is not predictable what exactly will be the subsidy burden on the Government because in the beginning of the year, you cannot presume the exact quantity of fertilizer that will be required over the year. Therefore, at the end of the year, we will be in a position to know what exactly will be the subsidy burden on the Government. But keeping that in view, the one thing that I can say is that the Government is well aware of the situation; because all that depends on the factors like what is the usage and, also, at the same time, what is the international price. Accordingly, in the new policy which is being implemented from the 1st of April, the exact subsidy part, the fixed subsidy on nutrient, will be fixed. It is because, Sir, as you know, in our agriculture, every year the agricultural productivity, is, going down. If I quote a picture, Sir, the productivity response to additional fertilizer usage has gone down to 1.7 per cent, whereas, in 60s, it was 17.83 per cent. For increasing the productivity, every year we are using more fertilizers, but, at the same, the rate of growth of productivity is going down. Therefore, unless there is a proper utilization of fertilizers and different nutrients, are added to the fertilizer, the productivity will not go up. As per the ICAR recommendation we are exactly following that, i.e., we are doing proper utilization of fertilizers; and then only the productivity will go up. Once the international price is known, very soon, the Government is going to fix the exact subsidy, that means, what will be the subsidy component on the decontrolled fertilizer. ...*(Interruptions)*...

MR. CHAIRMAN: Please. ...*(Interruptions)*...

SHRI RAVI SHANKAR PRASAD: Sir, he has not replied the question. Give me protection. ...*(Interruptions)*...

MR. CHAIRMAN: You have asked your two supplementaries. ...*(Interruptions)*...

SHRI RAVI SHANKAR PRASAD: Why are you not giving it to the farmers directly? ...*(Interruptions)*... I asked that question.

MR. CHAIRMAN: Please, please. ...*(Interruptions)*... Please. ...*(Interruptions)*...

SHRI RAVI SHANKAR PRASAD: Sir, he hasn't replied. ...*(Interruptions)*... I asked for subsidy being given directly to the farmers. ...*(Interruptions)*...

SHRI SRIKANT JENA: Sir, if you ask, everybody in this House will certainly say that the subsidy should be handed over straight to the farmers. But it is not so easy a situation; you need to identify a farmer, how much he is cultivating, etc. It is a huge affair which is practically not possible at this moment.

PROF. M.S. SWAMINATHAN: Sir, I think the basic principle underlying this 'Nutrient-based Subsidy Policy' is to promote balanced fertilization by farmers and I think it is a very welcome step. But I would like to know from the hon. Minister that if farmers have to benefit from the new policy, each one must have a 'soil health card.' The farmer must have a soil health card, giving information on the macro and macro-nutrient status of the soil. Is the hon. Minister proposing to combine the nutrient-based subsidy with the empowerment of farmers on their own soil health with reference to the nutrient-status?

SHRI SRIKANT JENA: Exactly, Sir. The whole intention of the Government is to see that the farmers at the end must know his soil health condition and accordingly the Ministry of Agriculture and our Ministry both are interacting. Every farmer must know his soil health condition and the deficiency in the soil itself. This nutrient-based subsidy will be a great help to the farmers to know what exactly is the component, what exact component is required for 'N', what exact component required for 'P' and 'K'. All these things can be known, and, accordingly, the farmer will use those sorts of fertilizers in the field and the yield will be more.

I will fully accept your suggestion and we will try our best. We will suggest to the Ministry of Agriculture how best they can help in this matter.

श्री सत्यव्रत चतुर्वेदी: सभापति महोदय, नई नीति के तहत आप फर्टिलाइजर के लिए जो नीति बना रहे हैं, इससे संतुलित उपयोग फर्टिलाइजर का हो सके और उत्पादकता बढ़ सके, इस दृष्टि से आपकी इस नीति का हम स्वागत करते हैं और यह एक अच्छी नीति है। सर, मैं यहां पर एक प्रश्न माननीय मंत्री जी से पूछना चाहता हूँ। क्या माननीय मंत्री जी को इस बात की जानकारी है कि देश के विभिन्न हिस्सों में, अलग-अलग क्षेत्रों में, जो मिट्टी के अंदर न्यूट्रिएंट्स की कमी है, वह भी एक समान नहीं है। अलग-अलग क्षेत्रों में न्यूट्रिएंट्स की आवश्यकता भी अलग-अलग है। ऐसा देखते हुए, फर्टिलाइजर का संतुलित उपयोग हो, इस बात को सुनिश्चित करने के लिए एक विचार यह आया था कि विभिन्न क्षेत्रों के किसानों के लिए वहां की आवश्यकता के अनुसार क्षेत्र स्पेसिफिक फर्टिलाइजर बनाने का काम किया जाए जिसमें उस क्षेत्र के लिए जितने न्यूट्रिएंट्स की जरूरत हो, उतने न्यूट्रिएंट्स उस में मौजूद हों। मैं आपके माध्यम से माननीय मंत्री जी से यह जानना चाहता हूँ कि क्या इस दिशा में सरकार ने कोई निर्णय किया है और अगर कोई निर्णय लिया है, तो इस दिशा में आपने अभी तक क्या प्रगति की है जिससे क्षेत्र विशेष के उपयोग के लिए उपयुक्त खाद, क्षेत्रीय खाद तैयार हो सके, उस सम्बन्ध में कृपया जानकारी दें?

श्री श्रीकांत जेना: सर, इसमें दो चीजें हैं। One is, agro-climatic conditions of our country and the

second is, the soil health in different parts of the country. The State Governments and the Departments of Agriculture are suggesting to the Ministry of Agriculture and, simultaneously, also to our Ministry about the requirement of different kinds of fertilizers in different parts of the country. So far as the deficiency of micro nutrients is concerned, according to the ICAER, in 1950 the soil was deficient in Nitrogen. Today, we find that 45.4 per cent of Indian soils are deficient in ...*(Interruptions)*...

श्री सत्यव्रत चतुर्वेदी: मंत्री जी हम केवल इतना चाह रहे हैं कि जो क्षेत्र स्पेसिफिक खाद बनाने का प्रस्ताव था, उस पर क्या प्रगति हुई, उसकी हमें जानकारी चाहिए।

SHRI SRIKANT JENA: Sir, the small industry is in mixture units; complex mixture fertilizers can also be done in different parts of the country. We encourage people because the subsidy basket has been enlarged and, therefore, now it would benefit farmers. Also, farmers would get the benefit if small entrepreneurs come up and set up mixture units on a small scale and also get subsidised inputs and in the process, they can also apply the conditions that are available, say, within 50 or 100 kilometres radius and accordingly they can prepare and sell the customised fertilizers.

श्री सत्यव्रत चतुर्वेदी: आप मुझे इसकी बाद में जानकारी दे दीजिएगा। ...*(व्यवधान)*...

MR. CHAIRMAN: Shri R.C. Singh. ...*(व्यवधान)*... और भी सवाल आ रहे हैं आप बैठ जाइए। ...*(व्यवधान)*...

श्री पुरुषोत्तम खोडाभाई रूपाला: सर, मुझे भी किसानों के बारे में सवाल करना है। ...*(व्यवधान)*...

श्री सभापति : अभी और भी सवाल आ रहे हैं। आप बैठ जाइए।

श्री आर.सी. सिंह: सर, मंत्री महोदय ने स्वीकार किया है कि रासायनिक खाद के प्रयोग से 1.7 परसेंट प्रोडेक्टिविटी डाउन हो गई है, कम हो गई है और जमीन बंजर होती जा रही है। क्या जैविक खाद बनाने के लिए सरकार की तरफ से कोई प्रोत्साहन की व्यवस्था है, जो जैविक खाद बन सकें और जो हमारी प्रोडेक्टिविटी है, उसको बरकरार रखा जा सके?

SHRI SRIKANT JENA: Sir, we are encouraging biofertilizers as also localized fertilizers that the farmers have been traditionally using. At the same time, we are also encouraging customized fertilizers so that this aspect could be taken care of at the end point.

श्री आर.सी. सिंह: सर, कोई प्रोत्साहन देने के बारे में ...*(व्यवधान)*...

श्री सभापति: अब एक सवाल के बाद दूसरा सवाल नहीं। ...*(व्यवधान)*...

श्री आर.सी. सिंह: सर, मंत्री जी ने जवाब नहीं दिया। ...*(व्यवधान)*...

MR. CHAIRMAN: Question No. 222.

SHRI SITARAM YECHURY: Sir, may I suggest that Question No. 227 may also be taken up

along with Question No. 222? They are both on the same subject.

MR. CHAIRMAN: That is a complex exercise. No.

Switch-over to nutrient based subsidy

*222. SHRI B.K. HARIPRASAD: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether to address the concerns over an unprecedented Rs. 1.17 lakh crore subsidy on fertilizers in 2008-09 in the backdrop of markedly reduced crop yields, Government has decided to switch-over to a nutrient based subsidy regime;

(b) whether continuance of earlier pricing structure for urea, without a change to fixed subsidy per kilogram of nutrients, will keep the fertilizers subsidy bill as high as earlier; and

(c) whether lack of sectoral de-control in the new policy will not result in any fresh investments due to uncertain scenario?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) In the context of Nation's Food Security, the declining response of agricultural productivity to increase fertilizer usage and to ensure the balanced application of fertilizers in the country, the Government has introduced Nutrient Based Subsidy Policy for decontrolled P & K fertilizers w.e.f. 1.4.2010. The details of the Nutrient Based Subsidy Policy and decisions about the revision in the price of urea w.e.f. 1.4.2010 is given in the Statement-I (See below).

(b) Nearly 80% of the requirement of urea is met through indigenous production and through long term purchase agreement with OMIFCO. As such, price of urea of 80% requirement is more or less stable. Only 20% of the requirement of urea is dependant upon international market. As such, no major change in urea subsidy is anticipated. Further, 10% increase in MRP of urea has also been announced.

(c) India meets about 90% of requirements of decontrolled P & K fertilizers through imports, due to paucity of indigenous source of raw materials. In this context, the introduction of Nutrient Based Subsidy also aims, inter-alia, at increased emphasis on sourcing of decontrolled fertilizers, intermediates and raw materials on a longer perspective and consequent investments.