

- (b) the reasons for delay in operationalising these units; and
- (c) the reasons for preferential treatment to the Ramagundam unit?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) The Government of India has decided to explore the feasibility of revival of the closed public sector fertilizer units of Hindustan Fertilizer Corporation Limited (HFCL) and Fertilizer Corporation of India Limited (FCIL) including the Talcher and Ramagundam units of FCIL subject to assured availability of natural gas. The Government has constituted an Empowered Committee of Secretaries (ECOS) with the mandate to evaluate all investment options for revival of the closed units of FCIL/HFCL and to make suitable recommendations for consideration of the Government. ECOS has already considered various possible investment options for revival of each of the closed units including Talcher and Ramagundam and have finalized its recommendations regarding the suitable financing option. The recommendations of ECOS are under consideration of the Government. No preferential treatment is being given to any specific unit.

Nutrient based subsidy

1705. SHRI SITARAM YECHURY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Government has adopted Nutrient Based Subsidy (NBS) Scheme;
- (b) if so, the details thereof;
- (c) whether it is a fact that NBS scheme has not been tested before its implementation; and
- (d) if so, the reasons for implementing such an untested scheme?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Yes, Sir.

(b) The details are given in the statement. [Refer to the statement appended to the Answer to starred question no. 221 (part) (a) and (b)]

(c) and (d) Before the Nutrient Based Subsidy was finalised and approved by the Government, wide consultations were held with the State Governments, fertilizer industries, concerned Ministries/Departments of Government of India. Further, Nutrient Based Subsidy has been finalized after consideration and recommendation by the Group of Ministers.

Fixing price of subsidized fertilizers

1706. SHRIMATI SHOBHANA BHARTIA:

SHRI N.K. SINGH:

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

- (a) whether any mechanism exists to fix the price of subsidized fertilizers in the country;
- (b) if so, the details thereof;
- (c) whether keeping in view the problems faced by small and marginal farmers in the country, Government proposes to review its policy for distribution of subsidized fertilizers; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) MRP of Urea is statutorily fixed by the Government, which is Rs. 4830 PMT upto 31.3.2010. With effect from 1.4.2010, it is increased by 10% to Rs. 5310 PMT. The MRP of Urea has been constant since 2002. For P&K fertilizers, the MRP is indicated upto 31.3.2010. The Government has introduced Nutrient Based Subsidy policy w.e.f 1.4.2010 wherein the retail price of the subsidized fertilizers has been left open.

(c) and (d) The subsidized fertilizers are made available to all farmers at subsidized retail prices in requisite quantities, including the small and marginal farmers. The small and marginal farmers do not have any perceptible difficulty in procuring subsidized fertilizers under current distribution policy. The same is proposed to be broadly continued.

Hike in input cost of agriculture due to hike in price of urea

1707. SHRI T.K. RANGARAJAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether there is any proposal/decision to raise the prices of urea;
- (b) if so, the percentage of hike proposed;
- (c) whether the hike will further enhance the input costs of agriculture;
- (d) whether it would also cause further shrinkage in the profit levels in agriculture; and
- (e) the response of Government 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.

(c) to (e) The value of fertilizers is one of the items, which is included in the operational cost of cultivation of crops. With increase in either input quantity or rate or both, the operational input cost of cultivation increases. The impact due to marginal increase in MRP of Urea after a gap of 8 years would be negligible.