

(c) Yes, Sir, The key findings of the study are as under :-

- (i) Availability of P and K fertilizers has improved.
- (ii) Overall Subsidy burden on P and K fertilizers has declined.
- (iii) There has been significant increase in the prices of P and K Fertilizers. Increase in price has led to reduction in overall consumption of DAP and MOP. However, consumption of SSP increased significantly.
- (iv) Low price of Urea led to increase in gap between price of nitrogen *vis-a-vis* P and K over the last 3 years. As a result, there was a significant distortion of fertilization post NBS. The N and K ratio has significantly worsened in four northern states of Haryana, Punjab, Rajasthan and Uttar Pradesh.
- (v) The productivity has increased or has remained constant across various crops during 2010-13.
- (vi) Uncertainty on prices has led to uncertainty with regard to operating profit. The fluctuation in the Foreign Exchange rates have also impacted the profitability of the Industry.
- (vii) Few players have taken initiative to invest in assets abroad.

(d) The Government has taken following measures to provide relief to the farmers:

- (i) Availability of P&K fertilizers have been ensured to farmers after introduction of NBS Policy.
- (ii) Extensive Services are provided by various fertilizer companies to educate farmers about balanced use of fertilizers.
- (iii) New Complex Fertilizer grades have been brought under the subsidy scheme to give wider choice to farmers to manage proper application of fertilizers.
- (iv) In order to ensure reasonability of prices of fertilizers, the Government has made mandatory for the fertilizer companies to furnish cost data of their products and Cost Accountants have been appointed to scrutinize the cost data.

#### **Demand and supply of fertilizers to Telangana**

661. SHRI PALVAI GOVARDHAN REDDY : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether Government has formulated any scheme to address the problem of availability of fertilizers in Telangana, if so, the details thereof ;

(b) whether Government has received any request for supplying additional quantity of fertilizers to farmers of Telangana in the last three years;

(c) if so, the demands so made and supplies made by Government, year-wise and fertilizer-wise; and

(d) the manner in which Government ensures that genuine fertilizers are supplied to farmers at prices fixed by it?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR) : (a) Sir, the following steps are being taken by the Government to provide adequate quantity of fertilizers to the farmers in all the States/UTs including the State of Telangana :

1. The month-wise demand is assessed and projected by the Department of Agriculture and Co-operation (DAC) in consultation with the State Governments before commencement of each cropping season.
2. On the basis of month-wise and state-wise projection given by DAC, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to States by issuing monthly supply plan, distribution within the State is the responsibility of the state Government and DoF continuously monitors the availability through following system:
  - (i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system ([www.urvarak.co.in](http://www.urvarak.co.in)) also called as Fertilizer Monitoring System (FMS);
  - (ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.
  - (iii) Regular Weekly Video Conference is conducted jointly by Department of Agriculture and Cooperation (DAC), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.
  - (iv) The gap in the demand and domestic production of fertilizer is met through imports.

(b) and (c) The state of Telangana came into existence on 2nd June, 2014. Details showing demand (requirement), supply plan, availability and sales of all the fertilizers in

undivided Andhra Pradesh and Telangana State for the last three years and upto current Rabi season (upto October, 2014) is given in Statement (*See below*). It can be seen that the availability of fertilizers in undivided Andhra Pradesh and Telangana has been adequate and comfortable before or after existence of Telangana. Therefore question of additional supply does not arise.

(d) The distribution of genuine fertilizers to the farmers within the state at fair price is the responsibility of the concerned States Government. State Governments under the extant provisions of Fertilizer Control Order (FCO), 1985 are adequately empowered to draw sample of fertilizers anywhere in the country and to take appropriate preventive/punitive against the offenders.

Also, it is mandatory for the companies to feed MRP of fertilizers in Web based information system *i.e.* FMS, which is accessible to general public.

#### **Statement**

*Statement showing Requirement, Availability and Sales of Fertilizers for the last 3 years (upto October, 2014) in Andhra Pradesh and Telangana*

Year	State	Demand (Requirement)	Supply Plan	Availability	Sales
<b>UREA</b>					
FY 2014-15 upto Oct 2014	Andhra Pradesh	9.58	15.57	10.20	9.78
	Telangana	10.42	7.69	7.37	7.32
FY 2013-14	Andhra Pradesh	32.50	40.60	35.12	34.87
FY 2012-13	Andhra Pradesh	32.50	20.17	29.39	28.51
FY 2011-12	Andhra Pradesh	31.00	17.25	29.87	29.34
	TOTAL	116.00	101.28	111.94	109.83
<b>DAP</b>					
FY 2014-15 upto Oct 2014	Andhra Pradesh	3.30	5.31	1.77	1.57
	Telangana	2.55	1.92	0.90	0.86
FY 2013-14	Andhra Pradesh	11.00	11.86	6.30	6.15
FY 2012-13	Andhra Pradesh	12.30	11.97	6.80	6.48
FY 2011-12	Andhra Pradesh	12.30	11.67	10.88	10.39
	TOTAL	41.45	42.74	26.66	25.45

Year	State	Demand (Requirement)	Supply Plan	Availability	Sales
<b>MOP</b>					
FY 2014-15 upto Oct 2014	Andhra Pradesh	1.48	3.00	1.59	1.33
	Telangana	0.84	1.23	0.74	0.65
FY 2013-14	Andhra Pradesh	5.00	5.89	3.45	3.26
FY 2012-13	Andhra Pradesh	6.60	6.47	3.35	3.14
FY 2011-12	Andhra Pradesh	6.60	6.33	4.43	3.82
	TOTAL	20.51	22.92	13.56	12.20
<b>NPK</b>					
FY 2014-15 upto Oct 2014	Andhra Pradesh	7.31	9.99	7.46	6.56
	Telangana	4.83	4.01	4.49	4.17
FY 2013-14	Andhra Pradesh	22.00	27.00	20.76	19.75
FY 2012-13	Andhra Pradesh	22.50	23.56	18.16	17.59
FY 2011-12	Andhra Pradesh	22.30	28.08	25.71	23.58
	TOTAL	78.94	92.64	76.59	71.64

#### **Amendments in Investment Policies for urea sector**

662. SHRI MANSUKH L. MANDAVIYA : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) the updated status for bringing in amendments in the two New Investment Policies declared in year 2008 and 2012 for urea sector to boost domestic production of urea and minimize its imports from international market; and

(b) by when Government intends to complete the amendment procedure of these Investments Policies along with the details of points for amendments which would address the concerns of urea manufacturers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR) : (a) and (b) This department has already notified amendment to New Investment Policy (NIP) – 2012 on 7th October, 2014. So far as amendment to New Investment Policy (NIP) – 2008 is concerned, the proposal is under consideration of the Department.