

again from the Government of Madhya Pradesh in November, 2009. The State Government of Madhya Pradesh was again advised to take up the matter directly with Planning Commission for required funds.

#### **Fertilizers subsidy and agricultural productivity**

3381. DR. GYAN PRAKASH PILANIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether grants on fertilizers have gone up to Rs. 1,00,000 crore at present, from Rs. 12,800 crore in the year 2001-02;
- (b) whether productivity has increased by only 6.92 per cent during the said period;
- (c) whether the above shows that there is no positive correlation between fertilizer subsidy and agricultural productivity; and
- (d) whether it also shows that subsidy fattens the industry instead of the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): The total expenditure on subsidy/concession for all fertilizers during the year 2001-02 was Rs. 12695.02 crores (Gross) and during 2009-10, the expenditure was Rs. 64,032.29 crores (Gross).

- (b) The average productivity of food grains was 1734 kg/ha during the year 2001-02 and this has increased to 1798 kg/ha during the year 2009-10.
- (c) Yes, Sir.
- (d) Fertilizer subsidy is the difference between the normative delivered cost of fertilizers and the notified selling prices of the subsidized fertilizers. The subsidy is provided to fertilizer manufacturers/importers to covers the gap between the normative delivered costs of subsidized fertilizers and the notified selling prices (MRPs) at the farm gate level. Accordingly, subsidy is disbursed to farmers in the form of subsidized fertilizers.

#### **Supply of quality fertilizers**

3382. SHRI Y.S. CHOWDARY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the national policy on supply of quality fertilizers to farmers;
- (b) the annual requirement of fertilizers and reasons for short supply;
- (c) the quantum of fertilizers imported during last five years and their value;
- (d) the details of subsidies extended on fertilizers for the last five years, year-wise, and whether Government is planning to scale down these subsidies;
- (e) whether Government is aware of smuggling of fertilizers from India to neighbouring countries;
- (f) if so, details thereof and measures taken to curb the same; and
- (g) the measures taken by Government to encourage utilization of bio-fertilizers in place of chemical fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Government of India has declared fertilizer as an essential commodity under the Essential Commodities Act, 1955 and has notified Fertilizer Control Order, 1985 under the said Act. The quality of fertilizers is regulated under the Fertilizer Control Order, 1985. As per the provision of the Fertilizer Control Order, 1985, fertilizers, which meet the standard of quality laid down in the order can only be sold to the farmers. The State Governments are adequately empowered to take appropriate action against the sellers of non-standard fertilizers. The penal provision includes prosecution of offenders and sentence if convicted upto seven years imprisonment under the ECA, 1955 besides cancellation of authorization certificate and other administrative action. There are 71 fertilizer testing laboratories including four laboratories of the Government of India at Faridabad, Kalyani, Mumbai and Chennai with an annual analyzing capacity of 1.34 lakh samples. During the year 2006-07, 2007-08 and 2008-09, the percentage of samples of fertilizers declared non-standard at all India level were 6.0%, 6.2% and 5.5% respectively.

(b) The requirement of major fertilizers for each crop season is assessed by the Department of Agriculture and Cooperation (DAC) in consultation with the Agriculture Departments of State Governments. For the current Kharif season (April'10 to September'10), the DAC has assessed requirement of 136.64 LMT of Urea, 68.74 LMT of DAP 22.98 LMT of MOP and 48.69 LMT of complex fertilizers. Urea is the only fertilizer under partial movement, distribution and statutory price control of Government of India. It is imported for direct agriculture use on Government account through State Trading Enterprises (STEs). *i.e.* MMTC, STC and IPL to fill up the gap between the assessed requirement and indigenous production of Urea. All other fertilizers *viz.* DAP, MOP, SSP and NPK etc. are decontrolled/de-canalized since 1992 and are imported under Open General Licence (OGL). The companies import these fertilizers as per the requirement projected by Department of Agriculture and Cooperation. Government is paying subsidy on these fertilizers under Nutrient Based Subsidy policy. Union Government monitors availability within the State. The State-wise requirement (demand) availability and sales of fertilizers during the years 2010-11 (April to July) is given in the Statement (See below). As can be seen, the availability of fertilizers is adequate.

(c) The year-wise import of Urea, DAP and MOP during the last five years and value is given below:

Year	(in crores)					
	Imported Urea		Imported DAP/ MAP/TSP		Imported MOP	
	Imports (LMT)	Value (in crores)	Imports (LMT)	Value (million US\$)	Imports (LMT)	Value (million US\$)
1	2	3	4	5	6	7
2005-06	20.57	1748.42	28.28	837.20	45.29	906.71
2006-07	47.19	4647.23	28.76	947.35	34.48	724.08
2007-08	69.28	8338.70	32.39	1582.88	44.21	1129.57

1	2	3	4	5	6	7
2008-09	56.67	11091.87	67.57	7343.70	53.46	2954.79
2009-10	52.10	5754.01	60.29	2207.99	52.43	2464.47

(d) Fertilizers are provided to the farmers in the States at subsidized rates. Expenditure on fertilizer subsidy in the last five years is as follows:

Year	(in crores)				
	Indigenous P and K	Indigenous Urea	Imported P and K	Imported Urea	Total
2005-06	4499.20	10625.57	2096.99	2140.88	19389.64
2006-07	6648.17	12650.37	3649.95	5071.06	28019.55
2007-08	10333.80	16450.37	6600.00	9935.14	43319.31
2008-09	32957.10	20968.74	32597.50	12971.38	99494.72
2009-10	16000.00	17580.25	23452.06	6999.63	64031.94

Under the Nutrient Based Subsidy Policy (NBS), subsidy for indigenous and imported P and K fertilizers has been announced for 2010-11 based on the prevailing prices and price trends of fertilizers in the International market. Subsidy for indigenous urea is provided based on the New Price Scheme-III. The prices of imported fertilizers have not registered any substantial change in the International market in the period April, 2010–July, 2010. Further marginal decrease in prices, if any, has been offset by the adverse/US\$ exchange rate.

(e) and (f) There are reports of smuggling of fertilizers from India to neighbouring countries. However, these have not been confirmed by the State Governments. The State Governments have been advised by the Department of Fertilizers to keep a vigil and to check smuggling of fertilizers, if any, from India to neighbouring countries through land and sea routes.

Similarly Union Home Ministry has also alerted Border guarding forces viz., Border Security Force (BSF), Indo-Tibetan Border Police (ITBP), Assam Rifles and Sashastra Seema Bal and Coast Guard to maintain strict vigilance on the borders to curb smuggling, if any, of fertilizers. Further Union Home Secretary has also addressed to Chief Secretaries of Government of Arunachal Pradesh, Assam, Bihar, Gujarat, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Tripura, Uttar Pradesh, Uttarakhand and West Bengal to sensitize the authorities concerned to curb the smuggling, if any, of fertilizers into the neighboring countries.

(g) The Government is promoting integrated Nutrient Management involving use of bio fertilizers and organic manures in conjunction with chemical fertilizers, Under National Project on Organic Farming 25% credit linked back-ended subsidy upto Rs. 40 lakh is provided to private entrepreneurs for establishment of bio fertilizers production units through National Bank for Agriculture and Rural Development (NABARD) and National Cooperative Development Corporation (NCDC).

**Statement**

*Cumulative requirement, availability and sales of fertilizers during Kharif'10 (April'10 to July'10)*

(Fig. in 000'MTs)

States	Urea			DAP+NPK			MOP		
	Requirement	Availability*	Sales*	Requirement	Availability*	Sales*	Requirement	Availability	Sales
1	2	3	4	5	6	7	8	9	10
Andhra Pradesh	655.00	753.12	678.33	865.00	1087.74	1042.57	125.00	111.23	89.24
Karnataka	405.00	468.29	460.02	897.10	964.97	923.19	166.20	142.37	127.84
Kerala	55.75	52.94	50.25	107.70	103.35	96.29	60.20	64.24	59.75
Tamil Nadu	275.00	236.90	236.03	239.00	245.40	237.75	182.00	107.44	102.70
Gujarat	565.00	590.14	585.79	499.50	509.61	479.21	70.00	59.62	56.33
Madhya Pradesh	417.60	419.58	409.14	490.40	506.52	466.89	37.10	60.14	47.17
Chhattisgarh	430.25	273.48	269.68	288.17	250.05	241.56	72.00	45.65	41.67
Maharashtra	880.00	913.08	905.93	1312.40	1309.42	1287.03	205.00	191.73	172.17
Rajasthan	327.00	301.76	271.18	234.30	240.19	234.02	17.50	18.23	11.97
Haryana	585.00	565.18	550.44	217.00	313.61	296.46	21.00	26.02	21.69
Punjab	950.00	1044.97	1036.08	350.00	313.05	298.78	36.00	38.15	24.67

1	2	3	4	5	6	7	8	9	10
Himachal Pradesh	30.00	29.07	28.88	8.00	6.52	6.47	0.35	0.00	0.00
Jammu and Kashmir	66.92	71.93	89.19	43.45	31.56	28.31	14.53	0.94	0.93
Uttar Pradesh	1810.00	1610.65	1363.52	1005.00	955.13	889.81	90.00	61.25	35.61
Uttarakhand	92.00	90.18	84.13	35.35	45.97	39.59	4.50	1.77	1.53
Bihar	490.00	424.26	384.47	260.00	195.29	171.76	65.00	48.01	37.71
Jharkhand	73.00	56.40	49.94	76.50	41.88	37.20	7.00	3.61	3.61
Orissa	155.00	129.44	110.49	215.00	221.39	198.73	62.00	50.36	42.46
West Bengal	240.10	307.34	267.97	369.59	359.64	337.81	80.97	68.25	61.35
Assam	79.20	123.23	118.04	15.16	15.23	11.96	39.60	26.37	25.45
ALL INDIA	8648.03	8480.74	7947.19	7561.45	7729.58	7341.69	1370.05	1126.60	965.26

\*Includes sales of 5.88 LMT of UREA stock pre-positioned during March'10 against requirement of Kharif'10.

\*Includes sales of 8.78 LMT of DAP+NPK stock pre-positioned during March'10 against requirement of Kharif'10.