

Govt incurs huge subsidy burden for fertilizers: Gowda

By TIOL News Service

NEW DELHI, DEC 14, 2019: UREA

is being provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of Urea is Rs. 242 per bag (exclusive of charges towards neem-coating and taxes as applicable) and the MRP of 50 kg bag of Urea is Rs. 268 per bag (exclusive of charges towards neem-coating and taxes as applicable). The difference between the delivered cost of Fertilizers at farm gate and net market realization by the urea units is given as subsidy to the Urea manufacturer/Importer by the Govt. of India. Accordingly, farmers are getting Urea at affordable MRP because of the subsidy provided by the Government.

As far as Phosphatic and Potassic fertilizers are concerned, the Government has implemented Nutrient Based Subsidy Policy w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) fertilizers. Under the said policy, a fixed amount of subsidy decided on annual basis, is provided on each grade of subsidized P&K fertilizers depending on their Nutrient content. As the P&K fertilizers are decontrolled, the Maximum Retail Price (MRP) is fixed by Companies as per market dynamics at reasonable level. The MRP printed on each bag of these fertilizers, is inclusive of subsidy given by the Government of India. Accordingly, any farmer who is procuring these fertilizers at MRP is availing the benefit of subsidy.

This information was given in a written reply by the Union Minister of Chemicals & Fertilizers, Mr. D.V.Sadananda Gowda, in Rajya Sabha on Friday.