Q94

With reference to chemical fertilizers in India, consider the following statements: 1. At present, the retail price of chemical fertilizers is market-driven and not administered by the Government. 2. Ammonia, which is an input of urea, is produced from natural gas. 3. Sulphur, which is a raw material for phosphoric acid fertilizer, is a by-product of oil refineries. Which of the statements given above is/are correct? (a) 1 only (b) 2 and 3 only (c) 2 only (d) 1, 2 and 3 Official key: B.

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Explanation

(a)

1 only. Urea (and nutrient-based subsidy) is still administered, not a free retail market.

(b) Official key

2 and 3 only. Ammonia for urea from natural gas; sulphur for phosphoric acid as a refinery by-product. Fertiliser MRP is not fully market-driven.

(c)

2 only. Under-counts sulphur.

(d)

All three. Statement 1 fails.

Summary

Official key is (b) 2 and 3 only. Urea's ammonia is gas-based; sulphur for phosphate fertiliser is a refinery by-product. Retail fertiliser prices are not left to the market - urea is controlled and others are subsidised under NBS.

Related possible facts

These can be asked in a future Prelims paper.

NBS
Nutrient Based Subsidy on P and K.

Urea MRP
Still an administered retail price.