

Fertiliser Consumption after Decontrol : Myths and Realities

A. Narayanamoorthy

It is already corroborated by studies and macro-level data that fertiliser decontrol which was introduced on August 1992 in two components, namely, Phosphate (P) and Potash (K) has reduced the consumption of fertiliser and sharply widened the NPK ratio more in an unfavourable way at all India level. However, the impact of decontrol has not been focused at state level so far. The present study analyses how the decontrol's impact varies across the states and which are the states affected largely. This study has found that the reduction of P and K fertiliser consumption is above the national average in majority of the agriculturally advanced states. The worst affected zone both in terms of P and K consumption and NPK ratio is north. Sharp reduction in P and K consumption has occurred mostly in state which has above national average in terms of gross irrigated area, groundwater area, canal irrigated area, area under food crops and cropping intensity. At the individual state level, the worst affected states are UP, Punjab and Haryana.

Introduction

Fertiliser decontrol which was introduced on August, 1992 in two components, namely, phosphate (P) and potash (K), has made drastic reduction in the consumption of fertiliser in Indian agriculture. For the first time after a long gap consumption of fertiliser recorded a negative growth because of decontrol. It has not only reduced the consumption of fertiliser - per hectare as well total - but also deteriorated the NPK ratio more in an unfavourable way even compared to the initial period of green revolution [GDI, 1993; Narayanamoorthy A., 1994a and 1995; Sinha, 1995; Tandan, 1995]. Since the consumption of fertiliser is determined by many factors, many policy makers and researchers were of the opinion, that decontrol of P and K fertiliser will not affect the consumption. But the preliminary result of the decontrol discards their belief and shows a substantial reduction in P and K consumption. However, the impact may not be the same across the states, since fertiliser consumption varies with level and sources of irrigation [Vaidyanathan, 1993], and area under food and non-food crops of the states [NCAER, 1991] etc. In this paper, a modest attempt has been made to understand the impact of decontrol across the different states in India.