

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1916
ANSWERED ON:03.08.2000
SUPPLY OF FERTILISERS TO FARMERS
ALI MOHMAD NAIK

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Union Government are supplying controlled fertilisers to the farmers by paying the actual cost of production to the manufacturers and reimbursing the primary cost of transport i.e. freight from the plant/port to the nearest railway station and secondary cost of transportation from railway station to the block headquarters;
- (b) if so, whether Union Government are aware that the secondary freight rate fixed for hilly States was far less than that of actual freight;
- (c) if so, the reasons therefor;
- (d) whether the Union Government have decided to reimburse the transportation charges from railway station Jammu to the block headquarter as per actual freight from March, 1997;
- (e) if so, the reasons that reimbursement claim of urea are not received by the Government of Jammu and Kashmir and no decision is taken to give reimbursement prior to March, 1997.
- (f) Whether the Government propose to declare that transportation of fertilisers would be fully subsidized to Government of Jammu and Kashmir; and
- (g) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILISERS (SHRI RAMESH BAIS)

(a) to (c): Yes Sir. Urea is the only fertiliser which is under price, movement and distribution control of the Government of India. The Government of India has been paying the differential between the retention price of each manufacturing unit which includes cost of production with return on networth and maximum retail price of urea as subsidy under retention price cum subsidy scheme. Besides, the cost of distribution of urea is reimbursed on normative cum actual basis under Equated Freight Scheme consisting of primary freight - applicable from production point to railhead and from railhead to warehouse or godowns - and secondary freight - from warehouse or godowns to block headquarters.

The Secondary Freight rates for seven hill States including Jammu & Kashmir were last revised with effect from 25.8.1992. Further revision of secondary freight is proposed to be done with 7th Pricing Policy revision.

(d) to (g): Yes Sir. Special Freight Reimbursement Scheme (SFRS) in lieu of Equated Freight Scheme (EFS) has been made effective in the State with effect from 1.4.1997. The scheme is given prospective effect. The cost of transportation of urea before 1.4.1997 was reimbursed under EFS which was in force till then.