

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

UNSTARRED QUESTION NO:2849
ANSWERED ON:19.03.2007
TRANSPORTATION OF FERTILIZERS
Saradgi Shri Iqbal Ahmed

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

- (a) whether the State Agriculture Ministers' Conference was held in January 2007 in New Delhi;
- (b) if so, the outcome thereof;
- (c) whether the Government of Karnataka has requested to the Union Government to ease the transportation situation with regard to the movement of fertilizers; and
- (d) if so, the reaction of the Union Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a)&(b): Yes, Sir. Resolutions adopted during the first State Agriculture Minister's Conference on issue relating to fertilizer sector is at Annexure.

(c) & (d): Yes, Sir. The Government of Karnataka has requested to the Union Government to ease the transportation situation like completion of Gadag-Bagalkot railway line, stabilizing new Mangalore Hassan BG route, providing infrastructure/ upgrading certain locations of various railway stations of Karnataka and availability of rakes etc. The Ministry of Railways have informed as under:

(i) Conversion of Gadag-Bagalkot section is targeted for completion during 2007-08;

(ii) Mangalore-Hassan line passes through Ghat section where slopes have been cut recently. There have been some slope failure during monsoon and action is being taken to stabilize slopes whenever considered necessary. Wagons were made available as and when the demands were made at Mangalore port and will be assured in future also;

(iii) Hassan: All necessary infrastructure is available for handling both inward and outward traffic smoothly;

(iv) Bangarupet: All infrastructures is available at Bangarupet goods shed for dealing with inward and outward traffic in train loads. Goods traffic are being handled smoothly at this station.

Annexure

RESOLUTIONS ADOPTED DURING THE FIRST STATE AGRICULTURE MINISTERS' CONFERENCE ON ISSUES RELATING TO FERTILIZER SECTOR

The First Conference of the State Agriculture Ministers on issues relating to fertilizer sector was held on 29.1.2007 with Shri Ram Vilas Paswan, Hon'ble Union Minister of Chemicals & Fertilizers and Steel in the Chair. The conference was attended by 12 State Agriculture Ministers and officials from 24 State governments, Members of the Consultative Committee of Parliament attached to the Ministry of Chemicals & Fertilizers and Steel, representatives of line Ministries/ Departments in the Government of India concerned with the fertilizer sector, CMDs/MDs/ representatives of fertilizer manufacturing and trading companies as well as Secretary and other officials of Department of Fertilizers (DOF).

The State Ministers appreciated the initiative taken by the Union Minister of Chemicals & Fertilizers in taking this Conference. They also desired that such a Conference be convened twice a year before the onset of Kharif and Rabi.

On the basis of the discussions held, the following resolutions were adopted:

All State governments should ensure realistic assessment of demand for fertilizer products based on area under crop, under irrigation and cropping pattern. The assessment should be developed from each block and aggregated into district wise demand and further consolidated into the States seasonal demand.

The demand for fertilizers for the season should thereafter be worked out in consultation with lead fertilizer companies and major

suppliers of fertilizers in each State on a district wise, month wise and company wise format.

Gaps, if any, between assessed demand and availability in respect of urea would be met through timely imports on government account which will be distributed through the lead fertilizer companies.

Gaps, if any, between demand and availability of de-controlled P&K fertilizers (DAP/MOP/Complexes/SSP) would be identified by each State government in consultation with the fertilizer manufacturers/ suppliers.

Keeping in view the experience, the Conference favoured canalization of import of DAP & MOP and requested the DOF to take necessary action.

To facilitate distribution of de-controlled fertilizers, each State government should identify at least one State Institutional Agency which would be empowered to import the required quantities of de-controlled fertilizers for meeting its requirement. The responsibility for fully meeting the requirement of de-controlled fertilizers in any State would be with the concerned State government. Buffer stocking of de-controlled fertilizers by the DOF would be made only to meet any emergent requirement and not to cover any gap between assessed demand and availability under the `supply plan` for that season.

To ensure equitable distribution of fertilizers, each State government would review the existing dealership net work so as to ensure that the distribution chain is spread evenly throughout the State upto the Block level. Wherever required, fertilizer companies would be required to strengthen the distribution chain by arranging for appointment of additional wholesalers/ distributors/ retailers by 31st March 2007. Adequate representation will be given to persons belonging to Scheduled Caste/Tribe and other weaker sections in such distribution network.

The distribution network in each State should be monitored vigorously to prevent any instance of hoarding and black marketing and wherever required necessary penalties, as provided under the FCO, should be strictly enforced.

Fertilizer companies should arrange, by 31.3.2007, for a primary stock point in each district in which they are marketing fertilizer products with a view towards ensuring sufficient supply to each block in the country.

Lead fertilizer companies should maintain a primary stock point in each district of the State by 31.3.2007.

Fertilizer companies shall perform and supply fertilizers as per the `supply plan`. Subsidy will be paid to the fertilizer companies only on reaching the fertilizer to the primary stock point.

The DOF will arrange for pre-positioning of urea at the level of 75% of each months requirement from Kharif, `07 onwards as against the current practice of 33%.

The DOF will also arrange for buffer stock of urea upto 5% of the seasonal requirement. The buffer stocks will be pre-positioned in each of the major agriculture states through the lead fertilizer units. The minimum buffer in such major states will be 50,000 MTs.

State governments will conduct a thorough review of the physical infrastructure by way of godowns etc. which could help to facilitate storage and distribution of fertilizers in the State.

State governments in consultation with the Railways will also review the designated rake points and physical infrastructure at the rake sidings with a view to identify short-comings requiring modification/ improvement.

The DOF will work towards ensuring adequate compensation to the fertilizer manufacturers/ suppliers to meet their distribution costs. Towards this end, reimbursement of primary and secondary freight component would be made on a realistic basis for both nitrogenous as well as phosphatic and pottassic fertilizer.

The Conference favoured the introduction of the web-based Fertilizer Monitoring System and decided that all concerned including the fertilizer companies and the State/District officials would be required to enter data on a real-time basis.

The DOF will arrange for dissemination of knowledge and information to the fertilizer companies as well as representatives of State governments regarding operationalisation of the FMS through a series of regional conferences to be held in February, 2007 to conclude with an All India Conference for District Agriculture Officers in March/April, 2007.

The Department of Fertilizers should expedite the process of revival of closed fertilizers plants, keeping in view the likely availability of gas in the country. Efforts should also be made for the setting up of new fertilizers units.

The Department of Fertilizers should arrange for opening of regional offices of facilitate the monitoring of availability of fertilizers as also addressing other issue relating to the fertilizers sector.

In addition to the focus on availability of fertilizers, the quality aspect of fertilizers supplied should be ensured.