

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

UNSTARRED QUESTION NO:843  
ANSWERED ON:04.08.2011  
SUBSIDY ON FERTILIZERS  
Reddy Shri Modugula Venugopala

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

- (a) whether the Government is satisfied with the arrangements for administration of fertilizers subsidy under the subsidy regime ;
- (b) if not, the reasons therefor;
- (c) whether the Twelfth Finance Commission had recommended developing of a n alternative instrument for release of fertilizer subsidy;
- (d) if so, the details thereof;
- (e) whether the recommendation of the Finance Commission has been accepted by the Government in this regard; and
- (f) if so, the steps taken by the Government to implement the same?

**Answer**

MINISTER OF STATE (INDEPENEDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS(SHRI SRIKANT KUMAR JENA)

(a)& (b): Yes.

(c)& (d) :

# The Twelfth Finance Commission has not given any specific recommendation regarding instrument for release of fertilizer subsidy.

# Regarding fertilizer subsidy, the Twelfth Finance Commission in its report only observed that: "There is a clear need to develop an alternative instrument so that the volume of subsidy is small and its benefits better targeted. The present mechanism needs to phased out as soon as possible." (para 3.17).

(e) & (f): Since the twelfth Finance commission has not given any specific recommendations per se, therefore, question of any steps by the Government to implement the same does not arise.