

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

UNSTARRED QUESTION NO:3581

ANSWERED ON:15.12.2011

SUBSIDY TO CONSUMERS ON FERTILIZERS

Hegde Shri Anant Kumar;Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether the Government had adopted the policy of giving subsidy to consumers on fertilizers through retail sellers;
- (b) if so, the facts in this regard and the date alongwith the level at which this policy was adopted;
- (c) whether the Department concerned has opposed this policy; and
- (d) if so, the facts in this regard and the justification thereof?

**Answer**

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

(a) & (b) : The mandate of the DOF is to provide fertilizers at affordable price to the farmers. The benefit of the subsidized fertilizers to the farmer is that he is able to buy fertilizers at affordable rates.

The Government is taking every step to ensure that subsidized fertilizers are made available to the farmer at all times, whenever he needs it. In order to facilitate the long cherished goal of direct subsidy to the farmer, the Government had set up a Task Force on direct subsidy in the case of Fertilizers, LPG & Kerosene in the month of February 2011, under the chairmanship of Shri Nandan Nilekani, Chairman, UIDAI. The Task Force has submitted its Interim Report on 5th July 2011 to the Finance Minister. The report can be viewed at the Finance Ministry's website ([finmin.nic.in](http://finmin.nic.in)).

Briefly, the Task Force has recommended a phased approach to the objective of giving subsidy to the intended beneficiaries. The NIC has been mandated with the task of developing the software, and the fertilizer companies are assisting in the implementation of the same.

In Phase I, Fertilizer availability at the farm gate will be visible to all stakeholders through a transparent portal. It is expected that the portal will be in place by the end of this year. The following are the advantages that will accrue from this transparency portal:

# Information on the availability of fertilizers at the nearby retailer, from whom the farmer buys will be made available daily, on a real-time basis. With this, the tracking of the movement of fertilizers, from the production/import to its availability at the last point (farm gate) can be monitored, thereby assisting all the stakeholders in ensuring that the subsidized fertilizers are reaching the intended beneficiary.

# In Phase II, an interim stage, it is expected that subsidy will be transferred after retailers (last point in supply chain) receives the fertilizers. In Phase III, subsidy will be transferred to intended beneficiaries once the AADHAAR numbers are given to the beneficiaries and AADHAAR enabled payment bridges are in place.

(c) & (d): No Madam. The Department of Fertilizers has not opposed this policy.