

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

UNSTARRED QUESTION NO:1810

ANSWERED ON:01.12.2011

SUBSIDY OF FERTILIZERS

Choudhary Shri Harish; Ram Shri Purnmasi; Rao Shri Sambasiva Rayapati; Semmalai Shri S. ; Singh Rajkumari Ratna; Singh Shri Sushil Kumar

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

- (a) whether there has been a steep increase in the fertilizers subsidy during the last three years and the current year;
- (b) if so, the year-wise details thereof;
- (c) whether the farmers have not been benefited even after increasing the amount of the subsidy;
- (d) if so, the reaction of the Government in this regard; and
- (e) the corrective measures taken by the Government thereon?

Answer

THE MINISTER OF STATE (INDEPENDENT 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) No Madam, there has not been a steep increase in fertilizer subsidy during the last 3 years and the current year.
- b) Details of budgeted subsidy for the last 3 years and current year are given below:-

YEAR	INDIGENEOUS P&K	IMPORTED UREA	IMPORTED P&K	INDIGENEOUS UREA	TOTAL
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2008-09	32957.10	12971.38	32597.50	20968.74	99494.72
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2009-10	16000.00	6999.63	23452.06	17580.25	64031.94
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2010-11	20650.00	9255.95	20850.00	15080.73	65836.68
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2011-12	14343.00	15075.00	9663.87	14508.00	53589.87
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(c): 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.

(d): The Government is taking every step to ensure that subsidized fertilizers are made available to the farmer at all times, whenever he needs it.

(e): 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 to the 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).

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.