

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

UNSTARRED QUESTION NO:4215
ANSWERED ON:06.09.2012
SUBSIDY ON FERTILIZERS
Patel Shri R.K. Singh

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

- (a) whether the share of Government in the fertilizer company like IFFCO, fully owned by the Government and getting the subsidy on fertilizers has come down to 18 per cent during the last several years;
- (b) if so, whether the Government has formulated any rules/guidelines with regard to providing the subsidy given on fertilizers directly to the farmers in order to protect their interests;
- (c) if so, the details thereof and the time by which the Government is likely to implement the same; and
- (d) if not, the reasons therefor ?

Answer

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

(a): Out of the Two Fertilizer Multi-state cooperatives namely Indian Farmers Fertilizer Cooperative Limited (IFFCO) and Krishak Bharati Cooperative Limited (KRIBHCO), only IFFCO had repatriated its entire Government of India equity during the year 2002-04, after amending its bye-laws as per the Multi State Cooperative Societies Act 2002.

(c) to (d): In order to facilitate the vision of transferring the subsidy directly to the intended beneficiaries, the Union 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, Unique Identity Authority of India (UIDAI). The interim report submitted by the taskforce in June 2011, recommended a phased approach for direct disbursement of fertilizer subsidy to the intended beneficiaries.

The Dept. of Fertilizers is following a phased approach to achieve direct transfer of fertilizer subsidy. The first phase of the project focuses on the information visibility of fertilizer availability at the last point of sale. The existing Fertilizer Monitoring System (FMS- www.urvarak.co.in) that tracks availability at the district level is being extended, through the mobile Fertilizer Monitoring System (m-FMS- www.mfms.nic.in) to the last point of the retailer to track the movement and availability. With this, all stakeholders across fertilizer supply chain shall report daily dispatch, receipts and stock updates. This will increase transparency across the supply chain. The implementation of Phase I has already started and is expected to be completed in 2012. In the subsequent phases of the project, the mechanism to transfer subsidy directly to the intended beneficiaries (farmers) will be formulated and implemented once the implementation of Phase I is stabilized.