

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

UNSTARRED QUESTION NO:1013

ANSWERED ON:16.08.2012

DIRECT FERTILIZER SUBSIDY TO FARMERS

Badal Harsimrat Kaur;Muttamwar Shri Vilas Baburao;Sarvey Shri Sathyanarayana;Sharma Shri Jagdish

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

- (a) whether the delivery mechanism for fertilizers subsidy has changed in the recent past;
- (b) if so, the details thereof;
- (c) whether the Government proposes to provide subsidy directly to farmers instead of providing the same to the fertilizer companies;
- (e) if so, whether the Union Government has received any suggestions from the state Governments/people in this regard;
- (e) if so, the reaction of the Union Government thereon;
- (f) whether the Union Government has effected any curtailment of subsidies through the fertilizer companies; and
- (g) if so, the details thereof?

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) & (b): No, Madam. There has been no change in the delivery mechanism for fertilizers subsidy in the recent past.

(c): Yes, the Government proposes to provide subsidy directly to farmers instead of providing the same to the fertilizer companies. This will be implemented in a phased manner.

(d): Yes. The Union Government has had discussions with the State Governments and received suggestions from the State Government of Punjab. The State Govt. of Punjab had suggested that the proposal to provide subsidy directly to farmers may be implemented on a pilot basis to resolve certain issues and difficulties that may come up in implementation, including inter-alia additional financial burden on farmers and state agencies on account of initial higher investment as well as interest burden, huge logistical exercise in release of subsidy to crores of individual farmers as also the issue of addressing the subsidy payment to tenant farmers.

(e): The Union Government proposes to consult all stakeholders, including all State Governments before implementing the direct transfer of fertilizer subsidy to farmers.

(f) & (g): No, Madam, the Union Government has not effected any curtailment of subsidies through the fertilizer companies.