

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

UNSTARRED QUESTION NO:3436
ANSWERED ON:13.12.2012
ILLEGAL DIVERSION OF SUBSIDIZED FERTILIZERS
Danve Shri Raosaheb Patil

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

- (a) Whether the Government is aware about illegal diversion of subsidized fertilizers and fertilizer mixtures sold in market at higher/free market rates;
- (b) If so, the details thereof and the reasons therefor;
- (c) whether that such consumption, breaks the subsidy chain and farmers' expenses;
- (d) if so, whether the expenses incurred by the Government for subsidy on fertilizers to compensate the farmers' expenditure actually fulfil the target;
- (e) if so, the details thereof; and
- (f) the future plan of the Government thereon?

Answer

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) to (e): There are some reports of alleged diversion of subsidized fertilizer; however, these have not been confirmed by any of the State government.

Following steps have been taken by Government to address the issue of diversion of subsidized fertilizers:-

- (i) Permissions are given in a fair and transparent manner for import of urea for industrial use to the companies engaged in sales of urea for other than agricultural use.
 - (ii) State Governments are fully empowered under Fertilizer Control Order (FCO), 1985 to take preventive/punitive actions against the companies indulging in diversion of urea meant for agricultural use for industrial use.
 - (iii) Department of Fertilizers has, from time to time, written to State Governments to activate the enforcement agencies under their jurisdiction against diversion of subsidized fertilizers. In addition, Department has also written to Ministry of Home Affairs for sensitizing the State Governments on this issue.
 - iv) Department of Fertilizers, through weekly video conference with representatives of State Governments, has been sensitizing and advising the States for strict action against such offenders. Since urea import is canalized & domestic urea is controlled by Government, the genuine needs of industrial urea are essential to be met otherwise they will be forced to use urea meant for agriculture. Permissions to import and sell urea for industrial use are given to encourage industrial users to buy urea without subsidy so that Government subsidy can be saved.
- (f): Government of India will continue to advise/ sensitize the State Governments for taking all necessary steps to stop the alleged diversion of fertilizers.