

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

UNSTARRED QUESTION NO:223

ANSWERED ON:22.11.2012

DIRECT CASH TRANSFER OF FERTILIZER SUBSIDY TO FARMERS

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

- (a) whether the Government proposes to amend the procedure for release of fertilizer subsidy and introduce Mobile Fertilizer Monitoring System for all fertilizers in the country;
- (b) if so, the details in this regard;
- (c) the salient features thereof;
- (d) whether the Government has made consultations with various stakeholders before the finalization of new provisions;
- (e) if so, the details thereof; and
- (f) the extent to which the farmers are likely to be benefited by the new procedure and system in the country?

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) to (c): Yes, Madam. The Government has amended the procedure for release of fertilizer subsidy and has introduced the m-Fertilizer Monitoring System (m-FMS). This ICT enabled project on phased direct transfer of subsidy is currently in the m-FMS Phase-I consolidation stage wherein all retailers are acknowledging receipt of fertilizers. About 1.93 lakh dealers are registered in the m-FMS. With effect from 1st November, 2012, a portion of the fertilizer subsidy (5-15%) is being released to the companies only on the basis of retailer acknowledgement of receipt of fertilizer. With this, information on availability of fertilizers at the last point of sale to the farmers will be ensured.

The Department is also working on the next Phase (Phase IIIA) of the project, wherein the buyer of fertilizer will be identified through either Aadhar Number & Kisan Credit Card or Core Banking Bank Account. The retailer is expected to inform the m-FMS system about the sale of fertilizer to individual farmers and will capture details thereof for which a Point of Sale (PoS) device or internet will be used for reporting in the system. Additionally, as an incentive to the retailer to acknowledge receipt of fertilizers in the m-FMS system, the decision has been taken to increase the retailer margin by Rs. 50 PMT (Rs. 2.50 per 50 KG bag) of fertilizers. This is being effected through increase in MRP by Rs. 50 PMT (Rs. 2.50 per 50 KG bag) for all grades of fertilizers. This will be paid only to those retailers who acknowledge the receipt of fertilizers in the m-FMS.

The Department has also identified 11 districts across 10 States to implement pilot for the next phase of information visibility on sale to farmers which includes.

- (i) Nawanshahar, Punjab,
- (ii) East Godavari, Andhra Pradesh,
- (iii) Tumkur, Karnataka,
- (iv) Mysore, Karnataka,
- (v) Sonapat, Haryana,
- (vi) Bilaspur, Himachal Pradesh,
- (vii) Wardha, Maharashtra,
- (viii) Dhalai, Tripura,
- (ix) Hoshangabad, Madhya Pradesh,

(x) Ajmer, Rajasthan, and

(xi) Madurai, Tamil Nadu.

(d) & (e): Yes Madam, inter-ministerial consultations were done and the fertilizer industry and State Governments were also consulted before formulation of the new provisions.

(f) : The procedure mentioned above will ensure the availability of fertilizers at the last point of sales to the farmer. The farmer can see the stock received by the neighborhood retailers in the mfms.nic.in