

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

UNSTARRED QUESTION NO:3445
ANSWERED ON:10.12.2009
FERTILIZER SUBSIDY TO FARMERS
Ahir Shri Hansraj Gangaram

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

- (a) whether the Tata Consultancy Services has submitted any study report regarding direct subsidy on fertilizers to the farmers;
- (b) if so, the main findings of the said report;
- (c) whether the Government proposes to take any initiatives in light of the above report; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (d) The Fertilizers Association of India has conducted a study through the Tata Consultancy Services (TCS) on alternative mechanisms for delivery of subsidy to the farmers. The salient features of the report of TCS are :-

- i) Direct subsidy disbursement to farmers/tillers through smart cards
- ii) Farmers and dealers need be registered at district level
- iii) The subsidy disbursement is linked to purchase of fertilizer products (or nutrients)
- iv) A district (within every state) will be the unit for provisioning/budgeting fertilizer subsidy

The report was considered in the Department and the issue was flagged for consideration in Group of Ministers (GOM), which was constituted under the Chairmanship of Agriculture Minister to look into sustainable use of fertilizers and pertinent pricing and subsidy issues. The GOM in its final recommendations has not recommended any change in the existing delivery mechanism for fertilizer subsidy through the producers.

The Government intends to move towards a Nutrient Based Subsidy regime instead of the current nutrient based pricing regime, in order to ensure balanced application of fertilizers and increase in agricultural productivity, which can consequently lead to better returns to the farmers. The proposal of Nutrient Based Subsidy regime is under consideration of Group of Ministers constituted to examine the nutrient based subsidy policy and measures for rationalization of fertilizer subsidy disbursement.