

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

STARRED QUESTION NO:210  
ANSWERED ON:22.07.2014  
DISTRIBUTION OF FERTILIZERS  
Kothapalli Smt. Geetha

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

- (a) Whether the subsidized fertilizers is reportedly being diverted and used for non-agriculture purposes and if so, the details thereof including the steps taken to check the diversion of fertilizers;
- (b) The agencies/companies in public and private sector which are involved in the distribution of fertilizers to the farmers including the marketing strategy and distribution network for the purpose; and
- (c) Whether any mechanism exists to monitor the movement and distribution of fertilizers to the farmers as per their demand in adequate quantity and at right price and if so, the details thereof?

**Answer**

MINISTER OF CHEMICALS AND FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) OF THE LOK SABHA STARRED QUESTION 210 TO BE ANSWERED ON 22.07.2014 REGARDING "DISTRIBUTION OF FERTILIZERS".

(a): There had been some reports regarding alleged diversion of subsidized chemical fertilizers for non-agriculture purpose in the past. However, there is no report from any State Governments/UTs during this year so far. The number of cases reported by State Governments/UTs as per Annexure 'A' in 2011-12, 2012-13 and 2013-14 were 7, 3 and 2 respectively.

In this context, it is stated that the State Governments are adequately empowered to take preventive/punitive actions for violation of any of the provisions of Fertilizer Control Order, (FCO) 1985, under Essential Commodities Act, 1955. Diversion of subsidized fertilizer is a violation of FCO. State Government can initiate penal action including prosecution of offenders. The offender who is convicted can be sentenced up to seven years of imprisonment under Essential Commodity Act (ECA), besides cancellation of authorization letter.

Department of Fertilizers, through various correspondences, has advised/sensitized the State Governments for gearing up enforcement agencies under their jurisdiction and to take appropriate action against the offenders, if any.

Further, Department of Fertilizers and Department of Agriculture & Cooperation through weekly video conference with representatives of State Governments have been sensitizing and advising the State Governments for keeping strict vigil on diversion of subsidized fertilizers. This matter, amongst others, was also highlighted during Zonal Conferences on Agriculture inputs for Kharif and Rabi 2013-14 seasons, in which representatives from all the states were present.

Apart from the above, Department of Fertilizers is providing permissions to all industrial users/traders in a fair and transparent manner for import of urea for industrial use/other than agriculture purpose.

(b): Fertilizer companies (public/private sector) are developing their marketing strategy on the basis of their commercial consideration inter-alia, keeping in view the demand and requirement of fertilizers in particular zones/areas. The company-wise number of registered retailers are attached at Annexure-B.

(c): The following steps are being taken by the Government to monitor the movement and distribution of fertilizers to the farmers in adequate quantity and right price/MRP:-

(i) The month-wise demand is assessed and projected by the Department of Agriculture & Co-operation (DAC) in consultation with the State Governments before commencement of each cropping season.

(ii) On the basis of month-wise & state-wise projection given by DAC, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through following system:

(a) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring

system ([www.urvarak.co.in](http://www.urvarak.co.in)) also called as Fertilizer Monitoring System (FMS);

(b) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.

(c) Regular Weekly Video Conference is conducted jointly by Department of Agriculture & Cooperation (DAC), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.

(d) The gap in the demand and domestic production of fertilizer is met through imports.