

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

STARRED QUESTION NO:221

ANSWERED ON:01.08.2017

Aadhaar-enabled Fertilizer Distribution System

Owaisi Shri Asaduddin

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

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

(a)whether the Government has announced Aadhaar-enabled Fertilizer Distribution System (AeFDS) in 16 districts in March, 2016 with addition of three more districts subsequently in the system and if so, the details thereof;

(b)whether AeFDS has made manufacturers, whole sellers and retailers accountable and if so, the details and the outcome thereof;

(c)whether it is a fact that over 3000 retailers have quit the sale of fertilizers linked to Aadhaar in many States and if so, the details thereof and the reasons therefor; and

(d)the extent to which the new system has restricted the diversion of fertilizer to non-agriculture activities and the steps taken or being taken to meet demand of fertilizers through retailers during peak season?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND PARLIAMENTARY AFFAIRS

(ANANTH KUMAR

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(a) to (d): A statement is laid on the table of the House.

Statement referred to in part (a) to (d) of Lok Sabha Starred Question No. 221* to be answered on 01.08.2017 regarding Aadhaar-enabled Fertilizer Distribution System

(a): Yes, Madam, The details of pilot districts and the status of implementation of Aadhaar-enabled Fertilizer Distribution System or Direct Benefit Transfer (DBT) are given in the Annexure.

(b): Yes, Madam. Under the proposed fertilizer DBT system, 100% subsidy on various fertilizer grades shall be released to the fertilizer companies, on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidised fertilizers to farmers/buyers will be made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries will be identified through Aadhaar Card, KCC, Voter Identity Card etc. The expected outcome of the DBT System is as under:

i. Creation of Aadhaar seeded database of beneficiaries.

ii. Integration between Soil Health Card Data and DBT would lead to optimal use of nutrients and subsidy savings.

iii. Linking of actual sales to subsidy payments will facilitate a more transparent and faster tracking of funds along the value chain i.e. from manufacturers to beneficiaries.

iv. Diversion of fertilizers is expected to be minimized.

v. Overcharging by retailers will reduce as each fertilizer purchase by farmers will be supported by a receipt generated through PoS machines indicating MRP.

(c): A study conducted by NITI Aayog through M/s Microsave in six pilot districts revealed that 31 retailers in Pali district, 51 in Hoshangabad, 1 in Rangareddy, 131 in Krishna, 35 in Una and 50 retailers in West Godavari have left the system due to improved tracking of fertilizers and reduction in diversion of fertilizers. However, no State Government has reported any difficulties in availability of fertilizers.

(d): The NITI Aayog study in the six pilot district revealed that diversion of fertilizers has reduced. However, the extent of diversion due to non-agriculture activities has not been studied. To ensure availability of fertilizers in adequate quantity to the farmers following steps are taken by the government:

- (i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system also called as Integrated Fertilizer Management System (iFMS);
- (ii) 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.
- (iii) Regular Weekly Video Conference is conducted jointly by Department of Agriculture, Cooperation and Farmers Welfare, Department of Fertilizers and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.
- (iv) The gap in the demand and domestic production of fertilizer is met through imports.