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Title: The Minister of State of the Ministry of Statistics and Programme implementation and Minister of State of the Ministry of Chemicals and Fertilizers laid a statement regarding status of implementation of the recommendations contained in the 28<sup>th</sup> Report (2011-12) of the Standing Committee on Chemicals and Fertilizers on 'Production, Demand and Availability of Fertilizers and its Distribution', pertaining to the Department of Fertilizers, Ministry of Chemicals and Fertilizers.

THE MINISTER OF STATE OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): Madam, I am laying the statement on the status of implementation of recommendations contained in the twenty eighth report (2011-2012) of the Standing Committee on Chemicals & Fertilizers in terms of Direction 73-A of the Hon'ble Speaker, Lok Sabha Bulletin Pt.II dated September 01, 2004.

The Department of Fertilizers (DOF) comes under the Ministry of Chemicals & Fertilizers. The main objective of the Department is to ensure adequate and timely availability of fertilizers for maximizing agricultural production in the country and to promote and assist indigenous industries in the fertilizer sector and to plan and arrange import and distribution of fertilizers.

The main activities of DOF include planning, promotion and development of the fertilizer industry, programming and monitoring of production, pricing, import and supply of fertilizers and management of financial resources for subsidizing indigenous and imported fertilizers to make fertilizers available at reasonable price to the farmers. The Department disburses subsidy payments to manufactures/importers of fertilizers under the concession scheme.

In addition, the activities of DoF also include the administrative control of the following Public Sector Undertakings and cooperatives in the fertilizers sector:

- (i) National Fertilizers Limited (NFL)
- (ii) Rashtriya .Chemicals & Fertilizers Ltd. (RCF)
- (iii) Madras Fertilizers Limited (MFL)
- (iv) Fertilizers and Chemicals Travancore Ltd. (FACT)
- (v) Brahmaputra Valley Fertilizers Co. Ltd. (BVFCL)
- (vi) Projects & Development India Ltd. (PDIL)
- (vii) F C I Aravali Gypsum Minerals India Ltd. (FAGMIL)
- (viii) Fertilizer Corporation of India Ltd. (FCI)

(ix) Hindustan Fertilizers Corporation Ltd. (HFCL)

(x) Krishak Bharti Co-operative Ltd. (KRIBHCO)

All the 8 plants of FCIL and HFCL are currently closed. The Government has decided to revive these units of these two PSUs.

The office of the Executive Director, Fertilizers Industry Coordination Committee (FICC) also works under the DOF. This office administers the Retention Price Scheme for Nitrogenous Fertilizers and various incentive schemes to augment the indigenous production of nitrogenous fertilizers.

The Standing Committee on Chemicals and Fertilizers discussed with the representatives of Department of Fertilizers on the subjects of production, demand and availability of fertilizers and its distribution and presented the 28<sup>th</sup> report to the Lok Sabha/Rajya Sabha on 24<sup>th</sup> / 28<sup>th</sup> August, 2012 respectively. The report contained 14 recommendations which are summarized below:-

(i) The Committee felt that the momentum in acceleration of production of food grains has to be maintained so as to feed the growing population of the country.

(ii) The Committee recommended that since the report on the review of the fertilizer policy has been submitted by the Committee under the Chairmanship of Dr. Soumitra Chaudhary, Member of Planning Commission and it is now under the

consideration of Department of Fertilizers, the finalization of New Investment Policy should be done as soon as possible to facilitate more investments in the fertilizer sector.

(iii) The Committee was of the view that the Department, should make all out efforts to revamp and revive the closed fertilizer units and recommended that Government should provide managerial and technical support, feedback and adequate infrastructure specially ensuring the availability of gas.

(iv) The Committee recommended that the Department of Fertilizers should make efforts to fix the price of gas reasonably for fertilizer sector and ensure the availability of gas in order to attract fresh investments in the fertilizer sector.

(v) The Committee desired that in order to reduce the dependence on import of SSP, the Government should make arrangement for procurement of raw materials and intermediates in time and recommended that periodic and timely revision on concessional part of SSP under NBS should be done so as to make SSP units more viable and fully productive.

(vi) The Committee recommended that Department of Fertilizers should take up the issue of increased use of bio-fertilizers with Ministry of Agriculture so as to provide incentive to farmers and other manufacturers producing bio-fertilizers which would encourage the use of bio-fertilizers.

(vii) The Committee recommended that an integrated plan should be drawn to identify the hurdles in the way of increased consumption of fertilizers and it also desired that the Department should perform the role of facilitator in this task.

(viii) The Committee recommended that Department of Fertilizers should closely monitor the implementation of the NBS policy for its success and fruitful results and also recommended that the Department should take steps for implementation of this policy which is likely to increase quality and fertility of the soil and agriculture productivity as well as attaining self-sufficiency of fertilizer in the country. The Committee further recommended that the dream of direct subsidy to farmers should be fulfilled in a time bound manner and expect that the scheme will be implemented by the targeted timeframe.

(ix) The Committee recommended that the Government should encourage initiatives by the Indian companies to establish joint venture projects with other countries having rich resources of raw material and explore the possibilities of new joint ventures which would help in making available assured sources of supply of raw materials to fertilizers.

(x) The Committee recommended that the Department should ensure timely availability of fertilizer to the farmers and the farmers should not suffer for want of fertilizer. It also recommended that adequate steps should be taken for procuring facilities for the dealers for lifting of fertilizer from the companies to the retail outlets and then to farmers. It also observed that farmers were , paying exorbitant prices especially in the North Eastern States for fertilizer even if the fertilizer are available in surplus. The Committee desired that the Department should look into the matter and take necessary steps in this regard.

(xi) The Committee recommended involvement of Cooperative Societies in the process of data collection in respect of demand of fertilizer before the sowing

season so that farmers do not feel any scarcity of fertilizer during sowing/application period. It was further of the view that some device should be explored in consultation with State Governments to check black marketing of fertilizer. It was also of the view that fertilizer companies should have some control in checking malpractices by canceling of dealerships of individuals involved in black marketing and hoarding of fertilizer so as to deter individuals to indulge in such activities.

(xii) The committee recommended setting up of more fertilizers testing laboratories in the country to ensure quality control of fertilizer in use and State Governments should be asked for financial and technical assistance in this regard.

(xiii) The committee recommended the Department to take adequate steps to address the problem of unfair pricing at the international level and to take other friendly countries into confidence to negotiate price of raw material for fertilizer in the international market at reasonable prices.

(xiv) The Committee was of the view that the Department should ensure that the movement of fertilizer from ports to in land be carried out without undue hassles and hindrances and it desired that the Government should devise a foolproof mechanism for proper and equitable distribution of fertilizer in all parts of the country especially in remote and hilly and in accessible areas.

All the recommendations, of the Standing Committee contained on the 28<sup>th</sup> report of 2011-2012, have been received and considered in the Department of Fertilizers. The Action Taken replies to these recommendations have been sent to the Committee.