

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 340 TO BE ANSWERED ON : 06.02.2024

Potential malpractices in fertiliser supply chain

340: SMT. VANDANACHAVAN:

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

- (a) whether, according to the 49th Action taken report of the Standing Committee, the dealers'/distribution margin in the sale of Urea is Rs. 354 per Metric Tonne while the Retailers' Margin is Rs. 50 per Metric Tonne and whether, in light of this, Government has taken any measure to prevent potential malpractices;
- (b) whether Government has any plans to review this huge margin between the dealer and retailer, if so, the details thereof; and;
- (c) the reasons for the lack of action on this margin despite being regularly raised by the Standing Committee on Chemicals and Fertilizers?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)

(a) & (b): Vide Notification dated 28th March, 2018, the Dealer/ Distribution Margin for sale of Urea (both Indigenous and Imported) was revised to Rs. 354/MT w.e.f. 1st April, 2018 for sale of Urea through Private Trade as well as Institutional Agencies. This Dealer/ Distribution Margin is paid to Dealers on the quantity sold through POS Devices only.

Further, after introduction of modified procedure for release of Fertilizer Subsidy with introduction of Mobile Fertilizer Monitoring System (m-FMS) for all fertilizers from supplies of the month of November, 2012, an incentive of Rs. 50/MT (termed Retailer margin) was given to the retailers for acknowledging the receipt of fertilizers in m-FMS system. Subsequently, on introduction of DBT system in March, 2018, the cost towards purchase of Bio-metric scanners/ POS devices installed at retail point including their maintenance cost, is also met by the fertilizer companies from the incentive/retailer margin of Rs. 50/MT.

(c): Accordingly, as per details given in (a) & (b) above, dealer/distribution margin is being given.
