

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 4337
TO BE ANSWERED ON 28.03.2017

DBT Scheme

4337 SHRI BHEEMRAO B. PATIL:
DR. SANJAY JAISWAL:

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

- (a) whether the Government has asked all fertilizer companies to deploy Point of Sale (PoS) devices covering all fertilizer retail stores in the country for a nation wide rollout of the DBT scheme to check diversion of the resources meant for the needy;
- (b) if so, the details thereof along with the funds allocated/ disbursed and utilized under the scheme during each of last three years, state-wise;
- (c) whether the Government has conducted any preliminary analysis on the outcome of the Direct Benefit Transfer (DBT) pilot scheme in 16 districts as identified earlier; and
- (d) if so, the progress and success achieved so far in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT & HIGHWAYS,
SHIPPING AND CHEMICALS & FERTILIZERS AND

(SHRI MANSUKH L MANDAVIYA)

(a) Yes, Madam. The Government has asked all fertilizer companies to deploy Point of Sale (PoS) devices at all the retail points for acknowledging the receipt of fertilizers and for the purpose of issuing sale receipt to farmers.

(b) The DBT system is only a modified subsidy payment system, where fertilizer companies will be paid 100 % subsidy only after sale of fertilizers to farmers/buyers by retailers through Point of Sale (PoS) machines provided at them with identification of buyers. No specific funds are required under the scheme as the subsidy will be paid from the allocated funds under the existing subsidy schemes.

(c) & (d) Yes, Madam. NITI Aayog got a survey conducted through M/s MicroSave for the assessment on Aadhar enabled Fertilizer Distribution System (AeFDS) across 6 districts viz. Hoshangabad (M.P), Pali (Rajasthan), Una (Himachal Pradesh), Rangareddy (Telangana) and Krishna, West Godavari (Andhra Pradesh). The details of the findings are **annexed**.

Annexure pertain to Rajya Sabha Unstarred Question No. 4337 dt. 28.-03-2017

1. The assessment revealed that the fertilizer reforms such as neem coating urea and Aadhaar enabled Fertilizer Distribution System (AeFDS) have streamlined fertilizer distribution with retailers and farmers reporting no shortage of urea in the last 2 years.
2. Due to improved tracking and reduction in diversion, many retailers have left the system viz., 31 in Pali, 51 in Hoshangabad, 1 in Rangareddy; 131 in Krishna; 35 in Una; 50 in West Godavari. It is also believed that some NPK complex factories in Krishna district have closed down as they were operating on diverted subsidised urea from retailers.
3. Almost all retailers have confirmed that training on use of Point of Sale (PoS) Machines has been received and they have found it useful.
4. Overcharging has also gone down as farmers get to see printed receipts with details of MRP and the subsidy paid by the Government.
5. Most of the farmers got to know 'Aadhar' requirement only after their arrival at the retailer outlet.
6. The time taken for each transaction has improved from about 10 minutes in their previous survey to about 5 minutes which compares favourably with manual transactions.
7. The number of attempts for Aadhaar authentication was 35% in one attempt, 39% in second, 19% in third attempt and 7% in fourth or more attempts. Although 93% are able to authenticate in three attempts, retailers felt that it could be an issue during the peak period.
8. Overall 71% farmers and 64% retailers prefer AeFDS over the earlier method. Retailers also find relief in terms of less need for book keeping, automatic stock updation and other advantages.
9. Farmers' acceptance of Soil Health Card (SHCs) still seem to be low as their immediate preference was profitability of ongoing crop.
