

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1702 TO BE ANSWERED ON: 06.03.2018

Direct Benefit Transfer

1702. SHRI M. CHANDRAKASI:

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

- (a) the details regarding the progress of and feedback on Direct Benefit Transfer (DBT) system introduced in fertilizer distribution in the country;
- (b) whether it is fact that procedural (Aadhaar) formalities in the DBT system has hampered timely distribution of fertilizers in some States where DBT system was introduced and if so, details, thereof;
- (c) the steps taken to address the issue; and
- (d) whether it is feasible to introduce DBT system for providing fertilizer subsidy to farmers and if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICAL AND FERTILIZERS

(RAO INDERJIT SINGH)

(a): The Government has introduced Direct Benefit Transfer (DBT) system for fertilizer subsidy in a phase-wise manner across all States/UTs. Under the fertilizer DBT system, 100% subsidy on various fertilizer grades shall be released/is being 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 is being made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries are being identified through Aadhaar Card, KCC, Voter Identity Card, etc.

Implementation of the DBT Scheme requires deployment of PoS devices at every retailer shop, training of retailers & wholesalers for operating PoS device. Across the country, Lead Fertilizer Supplier (LFS) has conducted 4630 training sessions till date, as a part of ongoing PoS deployment and as a precursor to nation-wide rollout of DBT. Approximately 1.8 lakh retailers were sensitized during the introductory training sessions conducted by LFS. The schedule for phase-wise roll out of DBT is tabulated below:

S. No	Name of States / UT's	GO Live Timeline
1	NCT of Delhi live on DBT in fertilizers	1st September, 2017
2	Mizoram, Daman & Diu, Dadra Nagar Haveli, Manipur, Nagaland, Goa, Puducherry,	1st October, 2017
3	Rajasthan, Uttarakhand, Maharashtra, Andaman & Nicobar Islands, Assam, Tripura.	1st November, 2017
4	AP, Haryana, Punjab, Chhattisgarh and MP	1st December, 2017
5	Kerala, Bihar, Karnataka, Jharkhand, Telangana, and TN	1st January, 2018
6	UP, Gujarat, WB, Odisha and Himachal Pradesh	1st February, 2018
7	Jammu & Kashmir	1st March, 2018

(b): No, Madam. The sale of all subsidised fertilizers to farmers/buyers is being made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries are being identified through Aadhaar Card, KCC, Voter Identity Card etc. In case, any beneficiary is not having Aadhaar Card, he/she is still being sold the fertilizer at subsidised cost on production of Kisan Credit Card or Voter Identity Card, along with his Aadhaar Enrolment number.

(c): Does not arise in view of (b) above.

(d): The Government has introduced Direct Benefit Transfer (DBT) system for fertilizer subsidy in a phase-wise manner across all States/UTs. Under the DBT scheme, the subsidy will be released to the fertilizer companies, instead of beneficiaries, after the sale is made by the retailers to the beneficiaries. At present, direct transfer of subsidy to beneficiaries like in LPG cannot be introduced in the fertilizer sector as the beneficiaries and their entitlements are not clearly defined. Multiple subsidized products, urea and 21 grades of Phosphatic & Potassic fertilizers have different subsidy rates. In the case of urea subsidy varies from company to company due to different production processes, energy efficiencies of plants, vintage etc. Amount of subsidy in some fertilizers particularly Urea is more than double the MRP. It will be a huge financial burden on the farmers' pocket, to pay the MRP and subsidy upfront and receive the subsidy amount in his bank account subsequently. However, Niti Aayog has recently set up a committee for indepth analysis of the issue and to recommend a model that could be used for direct transfer of subsidy to the farmers.
