

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 66 TO BE ANSWERED ON: 11.12.2018

Urea Subsidy

66 ADV. JOICE GEORGE:

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

- (a) whether the Government proposes to continue the urea subsidy scheme with timely payment of subsidy;
- (b) if so, the details thereof;
- (c) whether the Government is planning to impose Aadhaar based distribution system for fertilizers like urea, potash etc;
- (d) if so, the details thereof along with the steps taken in this regard;
- (e) whether this new Aadhaar based distribution scheme is implemented to reduce the use of chemical fertilizers; and
- (f) if so, the details thereof?

ANSWER

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

(RAO INDERJIT SINGH)

(a) & (b): With the approval of the CCEA, vide notification dated 17th April, 2018, it has been decided to continue the Urea Subsidy Scheme from 2017-18 to 2019-20 at a total estimated cost of Rs.1,64,935Crore or subsidy expenditure for the scheme on actual basis since national roll out of DBT entails 100 % payment to fertilizer companies on sale of fertilizers to farmers at subsidized rates. The continuation of the urea subsidy scheme ensures that adequate quantity of urea is made available to the farmers at statutory controlled price.

(c) to (f): Vide notification dated 17th April, 2018, it has been decided to implement the Direct Benefit Transfer (DBT) for disbursement of fertilizer subsidy and the modified procedure for release of fertilizer subsidy with the introduction of DBT system. Under the DBT system, 100% subsidy on various fertilizer grades is continued to be released to the fertilizer companies on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidized fertilizers to farmers/buyers is made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries are identified through Aadhaar Card, KCC, Voter Identity Card etc. The implementation of DBT in Fertilizer Sector is to facilitate endpoint transaction visibility in sale of fertilizers and thereby reduce diversion of fertilizers and plug the leakages.
