

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1639+ TO BE ANSWERED ON 02.07.2019

Fertilizer Subsidy to Farmers

1639+.SHRIDHARAMBIR SINGH:

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

- (a) the details of subsidies made available by the Government for various fertilizers during each of the last three years and the current year, State/Union Territory-wise and fertilizer-wise;
- (b) whether poor and marginal farmers are not getting the benefits of subsidies provided for fertilizers and if so, the reaction of the Government thereto;
- (c) whether the Government proposes to make available the subsidies pertaining to fertilizers directly in the accounts of farmers through Direct Benefit Transfer Scheme; and
- (d) if so, the time by which final decision is likely to be taken by the Government in this regard?

ANSWER

MINISTER OF CHEMICALS AND FERTILIZERS

(D. V. SADANANDA GOWDA)

(a) : The fertilizer-wise subsidy made available by the Government on various fertilizers during each of the last three years and the current year 2019-20 as on 26.06.2019 is enclosed in **Annexure-1**. The State/UT-wise subsidy paid figures are not available as the subsidy is paid to fertilizers companies.

(b) : No, Sir. Urea is being provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of Urea is Rs. 242 per bag (exclusive of charges towards neam-coating and taxes as applicable) and the MRP of 50 kg bag of Urea is Rs. 268 per bag (exclusive of charges towards neam-coating and taxes as applicable). The difference between the delivered cost of Fertilizers at farm gate and net market realization by the urea units is given as subsidy to the Urea manufacturer/Importer by the Govt. of India. Accordingly, farmers are getting Urea at affordable MRP because of the subsidy provided by the Government.

As far as Phosphatic and Potassic fertilizers is concerned, Government of India is implementing Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for P&K fertilizers. Under the said scheme, a fixed amount of subsidy decided on annual basis, is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending upon its Nutrient content. This subsidy is given by Govt. of India to the P&K fertilizer companies which are therefore able to provide P&K fertilizers to the farmers at a subsidized MRP which is lower than it would have been, if no subsidy had been given. Accordingly, any farmer who is procuring these fertilizers at MRP, is availing the benefit of subsidy.

(c) & (d): Sir, under the fertilizer DBT system, 100% subsidy on various fertilizer grades is released to the fertilizer companies, instead of the buyers on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidised 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, Kisan Credit Card (KCC), Voter Identity Card etc.

Annexure I

Details of Fertilizers subsidy made available by the Government on various fertilizers during the last three years (2016-17 to 2018-19) and current year 2019-20 as on 26.06.2019

(Rupees in crores)

Year	Indigenous Urea	Imported Urea	Indigenous P&K	City Compost	Imported P&K	Gross Subsidy
2016-17	40000.00	11256.59	11842.88	0.55	6999.99	70100.01
2017-18	36973.70	9980.00	14337.00	7.26	7900.00	69197.96
2018-19	32189.50	17155.36	14820.35	10.00	9260.00	73435.21
2019-20 (As on 26.06.2019)	17940.38	1736.40	4718.98	7.33	4793.73	29196.82
