

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 367 TO BE ANSWERED ON: 19.11.2019

Opposition to Direct Cash Transfer for Fertilizer Subsidy

367. SHRI SYED IMTIAZ JALEEL:
SHRI ASADUDDIN OWAISI:

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

- (a) whether nearly 64 per cent of the farmers are against introduction of Direct Cash Transfer (DCT) for fertilizers subsidy;
- (b) if so, the reasons therefor;
- (c) whether NITI Aayog has conducted any survey in this regard;
- (d) if so, the details thereof;
- (e) whether under DCT scheme, farmers need to pay market price to buy fertilizers;
- (f) if so, whether DCT scheme is likely to increase financial burden on farmers as they have to buy fertilizers at market price; and
- (g) if so, the decision taken or being taken by the Government in the wake of farmers' views in this regard?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS

(D. V. SADANANDA GOWDA)

(a) to (g): The Department of fertilizers has implemented Direct Benefit Transfer (DBT) System across all States/UTs w.e.f. March, 2018. Under the DBT system, 100% subsidy on various fertilizer grades is released to the fertilizer companies, on the basis of actual sales made by the retailers to the beneficiaries through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries are identified through Aadhaar Card, Kisan Credit Card, Voter Identity Card etc. In the present model, Fertilizers are being sold at subsidized rates.

Further, NITI Aayog set up a Committee to suggest a model for direct benefit transfer of subsidy to the beneficiaries' account (DCT). This committee has submitted a Draft report which has been sent to all concerned for their comments. NITI Aayog has also conducted an evaluation study of DBT in Fertilizers, through M/s Microsave and in the report published by M/s Microsave, it has been mentioned that only 36.4 % of the farmers would prefer DCT in Fertilizer subsidy, if given a choice.

The study by M/s. Microsave is a sample study, which is not a comprehensive one covering adequate number of potential beneficiaries. Hence, not much reliance can be placed on this finding.
