

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1454  
TO BE ANSWERED ON : 20.09.2020

BENEFITS OF SUBSIDY TO FARMERS

1454. SHRI SANGAM LAL GUPTA:  
SHRI CHANDRA PRAKASH JOSHI:  
SHRI RAVINDRA KUSHWAHA:  
SHRI JOHN BARLA:  
SHRI NAYAB SINGH:  
SHRI MANOJ TIWARI:  
SHRI RAVI KISHAN:

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

- (a) whether the farmers are getting the desired benefits of subsidy on fertilizers and if so, the details thereof;
- (b) whether some companies have adopted the strategy of showing less production capacity and grab huge subsidy on the basis of percentage production;
- (c) if so, the details thereof alongwith the action taken by the Government in this regard; and
- (d) the steps taken to ensure that the poor and marginal farmers get maximum benefit of subsidy?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS

(SHRI D V SADANAND GOWDA)

(a) & (d): 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 neem coating and taxes as applicable) and the MRP of 50 kg bag of Urea is Rs. 268 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea

manufacturer/importer by the Government of India. Accordingly, all farmers are being supplied urea at the subsidized rates.

The Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual basis, is provided on subsidised P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government.

Accordingly, any farmer who is buying these fertilizers is getting benefits of subsidy.

Further, 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.

(b) & (c): At present, payment of subsidy is not linked with the production capacity.

\*\*\*\*\*