

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS  
LOK SABHA

UNSTARRED QUESTION NO. 13 TO BE ANSWERED ON: 02.02.2021

Fertilizer Subsidy

13. SHRI DIBYENDU ADHIKARI:

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

- (a) whether it is a fact that in the Budget 2020-21, the subsidy on fertilizers has been reduced by Rs. 9,534 crore against the Budget 2019-20;
- (b) if so, the reasons therefor;
- (c) whether it is also a fact that the Government has allotted a paltry amount of Rs. 12.5 crore to promote the use of organic and biological sources of nutrients; and
- (d) whether the subsidy has been reduced to promote and/or support organic farming and if so, the reasons behind a mere allocation therein?

ANSWER

MINISTER OF CHEMICALS & FERTILIZER  
(SHRI D.V. SADANANDA GOWDA)

(a) & (b): Yes, Department of Fertilizers was allocated BE of Rs.83515.00 crore in the financial year 2019-20 against the projected demand of Rs. 100633.43 crore and Rs.73975.00 crore against the projected demand of Rs. 100349.50 crore for the financial year 2020-21. Funds allocation is detailed in **Annexure – A**.

(c) & (d): For the promotion of organic farming and use of organic & biological sources of nutrient, government is providing financial assistance to farmers for inputs (on farm and off farm) in the following flagship schemes:

- **Paramparagat Krishi Vikas Yojana (PKVY):** Assistance of Rs. 50,000 per hectare/ 3 years is given, out of which Rs. 31,000 (62%) is provided to the farmers directly through DBT for inputs (bio-fertilizers, bio pesticides, vermin compost, botanical extracts, etc. including organic/ biological sources of nutrients) production/ procurement, post harvest management etc.
- **Mission Organic Value Chain Development for North Eastern Region (MOVCDNER):** Farmers are given assistance of Rs. 25000/ha/3 years for both on-farm and off-farm organic inputs, and seeds/ plant material. Implemented in the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, from 2015-16 till now.

The details of funds allocated for the PKVY and MOVCDNER schemes allocated from 2015-16 till date is detailed in the **Annexure – B**.

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Annexure-A

The details of allocation during 2019-20 and 2020-21 are as follows:

		(Rs. In Crore)		
		BE 2019-20	RE 2019-20	BE 2020-21
<b>A</b>	<b>REVENUE SECTION</b>			
	<b>1. Sectt. Proper (MH 3451)</b>	<b>38.94</b>	<b>37.09</b>	<b>35.94</b>
	Salary	25.32	23.47	24.87
	Non-Salary	13.62	13.62	11.07
	<b>2. Nutrient Based Subsidy Policy (MH 2401)</b>	<b>26367.00</b>	<b>26368.85</b>	<b>23504.00</b>
	(a). Payment for Indigenous P&K Fertilizers	15906.00	15906.00	14179.00
	(b). Payment for Imported P&K Fertilizers	10429.00	10429.00	9296.00
	(c). Payment for City Compost	32.00	33.85	29.00
	<b>3. Urea Subsidy (MH 2852)</b>	<b>57109.00</b>	<b>57109.00</b>	<b>50435.00</b>
	(a). Payment for Indigenous Urea	43050.00	43050.00	38375.00
	(b). Payment for Urea Freight Subsidy	0.00	0.00	0.00
	(c). Payment for Import of Urea			
	Gross	14049.00	14049.00	12050.00
	Recovery (-)	3480.00	3480.00	2630.00
	Net	10569.00	10569.00	9420.00
	(d). Direct Benefit Transfer (DBT) in fertilizers Subsidy			
	Office Expenses	1.00	1.00	1.00
	Professional Expenses	9.00	9.00	9.00
	Waiver of Loan and interest in r/o Fertilizer PSUs write off/loses			
	<b>Total Subsidy (Gross)</b>	<b>83476.00</b>	<b>83477.85</b>	<b>73939.00</b>
	<b>Total Subsidy (Net)</b>	<b>79996.00</b>	<b>79997.85</b>	<b>71309.00</b>
	<b>4. Assistance to PSUs</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>
	(a) Write off of loans, Interest and penal interest on GOI loan outstanding against HFCL, FCI, MFL, PDIL and FACT (MH 3475)	0.01	0.01	0.01
	<b>Total : (REVENUE SECTION) Gross</b>	<b>83514.95</b>	<b>83514.95</b>	<b>73974.95</b>
	<b>Net</b>	<b>80034.95</b>	<b>80034.95</b>	<b>71344.95</b>

<b>B.</b>	<b>CAPITAL SECTION</b>			
	<b>5. Loans for Fertilizers Industries</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
	(a). Hindustan Fertilizers Corporation Ltd.- HFCL-(MH 6855)	0.01	0.01	0.01
	(b) Fertilizers Corporation of India Ltd.- FCIL- (MH 6855)	0.01	0.01	0.01
	(c). Pyrites, Phosphates & Chemicals Ltd.-PPCL- (MH 6855)	0.01	0.01	0.01
	(d). Brahmputra Valley Fer. Corp. Ltd.- BVFCL- (MH 6855)	0.01	0.01	0.01
	(e). Hindustan Urvarak and Rasayan Ltd.- HURL- (MH 6855)	0.01	0.01	0.01
	<b>TOTAL (CAPITAL SECTION)</b>			
	<b>Gross</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
	<b>Net</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
	<b>TOTAL- DEPARTMENT OF FERTILIZERS (Gross)</b>	<b>83515.00</b>	<b>83515.00</b>	<b>73975.00</b>



**1. Paramparagat Krishi Vikas Yojana (PKVY) : The fund allocated from 2015-16 till date is as :**

Physical and Financial Progress of the PKVY scheme:

- I. Phase I: Total amount allocated for the scheme during 2015-16 to 2017-18 is Rs. 947 crore and fund released Rs. 727.20 crore. During this period 237820 hectares of land has been converted into organic farming land and 5,94,550 farmers have been benefited in 11891 clusters.
- II. Phase II: Total amount allocated for the scheme during 2018-19 to 2020-21 is Rs. 1185 crore and fund released Rs. 551.40 crore. Total area covered is 3.81 lakh ha. and 9.52 lakh farmers have been mobilized in 19043 clusters.
- III. Under PKVY, total 6.19 lakh ha area covered and 15.47 lakh farmers have been benefitted in 30934 clusters in both phase.

**2. Physical and Financial Progress of the Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) scheme :**

- I. Phase I: Total amount allocated for the scheme during 2015-16 to 2017-18 is Rs. 325 crore and fund released Rs. 165.96 crore.
- II. Phase II: Total amount allocated for the scheme during 2018-19 to 2020-21 is Rs. 495 crore and fund released is Rs. 367.13 crore.
- III. As on date 169 Farmer Producer Companies (FPCs) have been formed including 83096 farmers and 79445 ha. area.
- IV. For next three year i.e. 2020-21 to 2022-23, target is to cover 1,00,000 ha. area 1,00,000 farmers and to form 200 FPCs/FPOs.

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