

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1009

ANSWERED ON:27.02.2006

FERTILIZER SUBSIDY TO FARMERS

Patil Shri Balasaheb Vikhe;Rao Shri Sambasiva Rayapati;Saradgi Shri Iqbal Ahmed

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

- (a) whether the Government proposes to introduce any scheme for providing fertilizer subsidy in cash to farmers directly;
- (b) if so, whether at present subsidy is routed through industry;
- (c) if so, whether this decision was on recommendations of the Working Group on new pricing scheme for Urea;
- (d) if so, the details thereof;
- (e) whether the panel proposed that said scheme to be implemented in three districts as pilot project and it could be extended to more districts across the country after examining outcome; and
- (f) if so, the concrete action taken/being taken for implementing the scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (f): Working Group, constituted under the chairmanship of Dr. Y.K. Alagh to review the effectiveness of Stage-I and II of New Pricing Scheme (NPS) for urea units and to formulate a policy for Stage-III of NPS commencing from 1.4.2006, has inter alia recommended that a scheme for disbursement of subsidy directly to farmers in three selected districts where reliable land records are available may be formulated on an experimental basis. At present, the benefit of subsidy on fertilizers to farmers is routed through the fertilizer industry as a difference between the cost of production of fertilizers as assessed by the Government and the maximum retail price of fertilizers statutorily notified/indicated by the Government.

The recommendations of the Working Group are being examined by the Government.