

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

STARRED QUESTION NO:179

ANSWERED ON:23.08.2007

DIRECT SUBSIDY TO FARMERS

Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

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

- (a) whether the Ministry of Finance has made a proposal for the payment of fertilizer subsidy directly to the farmers instead of fertilizer companies;
- (b) if so, the date of receipt of such a proposal in the Ministry of Chemicals and Fertilizers and the action taken thereon;
- (c) whether the Fertilizer Advisory Forum has rejected the suggestion of the Finance Ministry;
- (d) if so, the details thereof and the reasons therefore;
- (e) whether the said Forum has been set up by the Union Government;
- (f) if so, the total number of representatives and the criteria adopted for selection for these representatives; and
- (g) the details of the representations received in the Forum so far and the status of their disposal?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (g) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) to (g) OF LOK SABHA STARRED QUESTION NO. 179 TO BE ANSWERED ON 23-8-2007.

(a)&(b): In the Budget 2007-08, the Government has announced that an alternative method of delivering the subsidy directly to the farmer needs to be explored and that the fertilizer industry has agreed to work with the Department of Fertilizers to conduct a study and find a solution. Accordingly, the Fertilizer Association of India (FAI) has commissioned a study by the Tata Consultancy Services (TCS) on alternative mechanisms for delivery of subsidy to the farmer.

A Group of Ministers has been formed to look into sustainable use of fertilizers and pertinent subsidy and pricing issues. The issue relating to alternative mechanism for release of subsidy to farmers is also under consideration of GOM.

(c)&(d): The Fertilizer Advisory Forum has unanimously resolved to continue the present arrangement of disbursement of fertilizer subsidy due to the apprehensions expressed by various members regarding the impact of direct subsidy to farmers on the prices of fertilizers, quantum of subsidized fertilizers and administrative inconvenience that the common farmers will face.

(e)&(f): Yes, Sir. The list of members of this Forum is placed at Annexure. The representatives of farmers and dealers are nominated by Department of Fertilizers and concerned State Government. The representatives of fertilizer manufacturing industry are nominated by the concerned industry.

(g): The members of the Forum expressed their views during the meeting both orally and through representations, which were considered in the meeting and final resolutions based on discussions on various issues raised by the members were adopted by the Forum. Some of the members also submitted representations regarding demand and availability of fertilizers in their areas. These are being dealt with in accordance with the demand-supply plan for Kharif and inputs from the State Governments.

Annexure

Members of Fertilizers Advisory Forum (FAF) as per Resolution of the Constitution of FAF

1. Hon'ble Minister for Chemicals & Fertilizers - Chairman

2. Hon'ble Minister of State for Chemicals & Fertilizer

3. Agriculture Minister of all States/UTs
4. Secretary, Department of Fertilizers
5. Secretary, Department of Agriculture & Cooperation
6. Joint Secretary (INM), Department of Agriculture & Cooperation
7. Joint Secretary (Fertilizers), Department of Fertilizers
8. Joint Secretary (A&M), Deptt. of Fertilizers - Member Secretary
9. Chief Executives, Apex Marketing Federations of States
10. MDs/CMDs of all fertilizer producing Companies/Coop. Societies
11. Two representatives of farmers to be nominated by Department of Fertilizers for each State.
12. Two representatives of dealers from each State
13. Two representatives for each Fertilizers manufacturing industry.
14. Two officials of State Govt. at the level of Secretary and Director Agriculture