

27

**STANDING COMMITTEE ON
PETROLEUM & CHEMICALS
(1995-96)**

TENTH LOK SABHA

FERTILISERS EDUCATION POLICY & PROJECTS

**MINISTRY OF CHEMICALS & FERTILISERS
(DEPARTMENT OF FERTILISERS)**

TWENTY-SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1996/Phalgun, 1917 (Saka)

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CORRIGENDA

Twenty Seventh Report of Standing Committee on Petroleum & Chemicals (1995-96)

<u>Page No.</u>	<u>Para No.</u>	<u>Line</u>	<u>For</u>	<u>Repeal</u>
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4.	1.7	3	farmers	farmers
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FERTILISERS**
(DEPARTMENT OF FERTILISERS)



Presented to Lok Sabha on 12 March, 1996
Laid in Rajya Sabha on 12 March, 1996

LOK SABHA SECRETARIAT
NEW DELHI

March, 1996/Phalguna, 1917 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON
PETROLEUM & CHEMICALS**

(1995-96)

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*Expired on 8th February, 1996.

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SECRETARIAT

- 1. Dr. Ashok Pandey — *Additional Secretary*
- 2. Shri G.C. Malhotra — *Joint Secretary*
- 3. Shri G.R. Juneja — *Deputy Secretary*
- 4. Shri Brahm Dutt — *Under Secretary*

* Ceased to be Member of the Committee consequent upon their appointment as Ministers in the Council of Ministers w.e.f. 19th September, 1995.

INTRODUCTION

1. the Chairman, Standing Committee on Petroleum & Chemicals (1995-96) having been authorised to submit the Report on their behalf present this Twenty-seventh Report on 'Fertilizer Education Policy and Projects' (Ministry of Chemicals & Fertilizers, Department of Fertilizers).

2. The Committee took evidence of representatives of National Fertilizers Limited (NFL) and Madras Fertilizers Limited (MFL) on 24th January, 1996 and those of representatives of (i) Rashtriya Chemicals & Fertilizers Limited (RCF), (ii) Fertilizers & Travancore Company Limited (FACT), (iii) Pyrites Phosphates & Chemicals Limited (PPCL) and (iv) Paradeep Phosphates Ltd. (PPL) on 25th January, 1996. The Committee also took evidence of representatives of Ministry of Chemicals and Fertilizers (Department of Fertilizers) on 16th February, 1996.

3. The Committee considered and adopted the Report at their sitting held on 7th March, 1996.

4. The Committee wish to express their thanks to the officers of the various PSUs and Ministry of Chemicals & Fertilizers (Deptt. of Fertilizers) who appeared and placed their considered views before the Committee on the subject.

NEW DELHI;
March 8, 1996

Phalguna 18, 1917 (Saka)

SRIBALLAV PANIGRAHI,
*Chairman,
Standing Committee on
Petroleum & Chemicals.*

PART-I

BACKGROUND ANALYSIS

CHAPTER I

FARMERS' EDUCATION PROGRAMMES

The Deptt. of Fertilizer (DOF) in the Ministry of Chemicals & Fertilizers is *inter-alia* entrusted with the responsibility of planning of fertiliser production, arrangements for movement and distribution of Fertilizers in terms of allocations made by the Deptt. of Agriculture & cooperation, arrangement of subsidy for indigenous and imported fertilizers including determination of retention price and cost of imported fertilisers and administrative responsibility for public enterprises and cooperatives under the control of the Department.

1.2 The following Public Sector Undertakings (PSUs) and Cooperative under the Department of Fertilisers are carrying out agricultural extension work with emphasis on education of farmers in scientific application of fertilisers:—

Name of Organisation	PSU/ Coop	Category of Fertilisers produced and promoted
(i) National Fertilisers Ltd. (NFL)	PSU	Nitrogenous
(ii) Hindustan Fertilisers Ltd. (HFC)	"	"
(iii) Fertiliser Corporating Ltd. (FCI)	"	"
(iv) Krishak Bharti Cooperative Ltd. (KRIBHCO)	Coop	"
(v) Rashtriya Chemicals & Fertilisers Ltd. (RCF)	PSU	Nitrogenous & Phosphatic
(vi) Fertiliser & Chemicals Transcore Ltd. (FACT)	"	"
(vii) Indian Farmers' Fertilisers Cooperative Ltd. (IFFCO)	Coop	"
(viii) Madras Fertilisers Ltd. (MFL)	PSU	Nitrogenous & Phosphatic
(ix) Pyrites & Phosphates Chemicals Ltd. (PPCL)	"	Phosphatic
(x) Paradeep Phosphate Ltd. (PPL)	"	Complex

1.3 Besides, some of these PSUs/Cooperatives have also implemented Fertiliser Education Projects with foreign assistance.

1.4 Explaining the role of DOF as also its PSUs/Cooperatives in regard to educating the farmers, the Department in a note stated:

"It is submitted that while it will be ensured that the undertakings under the administrative control of this Department lay greater emphasis on Farmers Education Programmes, the Undertakings can at best play a supplementary role in the promotion of agricultural education and extension. Agricultural Extension and Farmers Education Programmes are the primary concern of the Department of Agriculture in the State Governments. The Ministry of Agriculture has a nodal responsibility in this domain at the level of the Central Government. This Department will endeavour to assist the State Governments, Ministry of Agriculture in the Government of India and the agricultural universities and research institutions in creating greater awareness about the balanced use of fertilisers for sustained agricultural growth and productivity amelioration".

1.5 The promotional activities undertaken by the PSUs/Cooperatives include Farmer's Meetings, Demonstration, Crop Melas, Soil Testing etc. The following statement shows number of activities undertaken by PSUs/Cooperatives during 1994-95:—

	IFFCO	KRIBHCO	RCF	MFL	FCI	PPL	FACT	PPCL	NFL	HFC
1. Two Plot/Field Demonstration	1125	240	336	7	—	54	—	70	50	11.33ha
2. Block Demonstration	278	—	47	3	44	40	—	—	—	—
3. Farmers Meetings/Group Discussions	209	460	1536	20	—	72	251	28	232	2459
4. Field Days	764	227	313	2	46	—	—	5	58	—
5. Crop Seminars	167	52	63	7	—	1	349	4	22	—
6. Critical Input	14513	34	—	3	—	—	—	—	—	—
7. Seed Multiplication Programme [ha.]	4268	1700	—	—	—	—	—	—	—	43.73ha
8. Village Adoption	505	41	5	3	—	2	2	5	—	544
9. Soil Samples analysed	44329	33015	28000	5057	—	75	37004	—	25000	11598
10. Dealers/Sales Point pers. Training	893	299	33	—	1	11	69	5	2	—
11. Farmers Training & Visit Programme	911	20	51	3	7	—	218	16	4	75
12. Exhibition/Kisan Mela	123	66	161	1	1	3	51	11	32	—
13. Sales-cum-Service Centre	175	62	5	—	—	—	110	—	1	—
14. Production of Crop Film	8	—	1	—	—	—	—	—	—	—

1.6 During the course of examination of some of the PSUs on the subject viz. NFL, MFL, FACT, RCF, PPCL and PPL, the Committee pointed out the taking into the size and volume of business the promotional activities undertaken by their PSUs were too meagre. The Committee further pointed out that NFL which was being the largest producer of Nitrogenous Fertilisers in the country and wanted to know whether a PSU of the stature of NFL should not play a leading role in extending more and more help to farmers. NFL in a written note stated:

"NFL played the role of leader, especially in the matter of providing Farm Advisory Services, facilities of farm equipments & welfare activities, in their home market comprising the State of Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir and Madhya Pradesh, besides the UTs of Delhi and Chandigarh. The company has two major Urea Expansions in hand at Vijaipur in Madhya Pradesh and Nangal in Punjab. Bulk of the additional production obtained from these new expansions shall flow to the States of Andhra Pradesh, Bihar, Orissa and West Bengal from Vijaipur and Uttar Pradesh from Panipat. The Company is in the process of preparing appropriate plans to undertake Farmers Education Programmes in a befitting manner in the new territories".

1.7 In reply to another query about removing the present imbalance in use of NPK fertilizers in the country and undertaking more and more promotional activities to educate the farmers, NFL in a written note stated:

"Much though per bag cost of fertilizer material plays a crucial role in the decision making process at the level of the farmers, efforts of NFL staff in the field are always oriented towards educating farmers that cheaper alternatives available to the farmers in the market are not always in the best interest of production and productivity. A pointed effort is also made to contain the growing luxury consumption of Nitrogen *vis-a-vis* Phosphates at the farmers level because of the comparative cheaper per bag price of Nitrogenous Fertiliser."

1.8 During the course of evidence of the representative of MFL, the Committee pointed out that MFL was a Urea and Complex fertilizers producing company and as such it was more important for MFL to impart education to farmers emphasising the need for using balanced use of fertilisers. CMD, MFL stated:

"We recognised the importance of farmer's education had extension efforts and within our limited means we are Providing it".

1.9 When asked further whether promotional programmes undertaken by MFL should not be substantially enhanced terms, number and amount in coming years in view of the present imbalance in use of NPK fertilisers in the country, MFL in a written note informed:—

“Yes, but it should be done by both Industry and Central and state Govts. Further, unless efforts are taken to arrest the widening price gap between Urea and ‘P’ & ‘K’ fertilisers, any number of programmes implemented will not bear results. As long as Urea price is low on account of huge subsidy and the prices of ‘P’ & ‘K’ sources are raising every season due to factors outside the control of the industry, farmers will be tempted to use more Urea than to apply all the NPK materials. Hence, the imbalance in NPK consumption will continue to be there. However, MFL has been consistently making efforts by organising many Educational programmes to improve balance fertiliser use and also Biofertiliser use for all crops”.

1.10 On the same subject CMD, FACT, also stated during evidence:—

“The real matter of concern is what the Chairman has pointed out, that is the imbalance. At this rate, our Mother Earth will become not good for cultivation if this imbalance continues. We have been noticing this at least for the last two years and are trying to propagate more of nitrogen in the southern States and more of phosphates in the northern States. For example, the Indo-Ganges belt has now gone in more for urea because of its cheapness but it is not good at all in the longer run.

Similarly, another problem is that at least seventy to seventy-five per cent fertiliser is phosphatic and it is getting sold in the southern States and the urea has to come in from the factories in the southern States as well as from North. So, the only way to get over this is to educate the farmer properly. We have realized this and our thrust now would be to bring down the imbalance by educating the farmer more. After all, the decision is resting with the farmer, he being the land owner. They should know what would be good for the soil. This is a national question. Though we have a surplus situation on the foodgrains front, the imbalance in the fertilizer will not help in the future years. So, we understand our responsibility in this and we give more thrust to it”.

1.11 Asked about the views of PPL in regard to adequacy of their promotional activities, PPL in a note stated:—

“We agree that substantial educational programmes to spend a large amount on these activities due to fund constraints should be substantially enhanced. However PPL can not afford to spend a large amount on these activities”.

1.12 Regarding the imbalance use of fertilisers. PPL informed the Committee:—

"The imbalance in fertilisers is not only due to inadequate attention to education of the farmers in regard to optimal dosage of different fertilizers nutrients farmers but there are other reasons too. Another such reason is that the phosphatic have fertilisers become very expensive for farmers".

1.13 During the course of examination of Department of Fertilisers, the Committee pointed out that the promotional activities undertaken by PSUs are too less and should be suitably enhanced keeping in view the imbalance in use of fertilisers. The Secretary, Fertilisers informed the Committee:

"Fertilisers play a very very important role in ensuring the productivity in agriculture. Productivity in agriculture is crucial for the development of the nation and its industry. It goes hand in hand with rural credit mechanism, agricultural prices and other inputs. Actually in this country about 143 million hectares of land are under cultivation. Out of this, about 64 million hectares are under irrigation. High yielding varieties of seeds are covering about 74 million hectares. The cultivating families are around 90 million and there is a large number of small and marginal farmers. Our endeavour from the Department of Fertilizers has been always to ensure that the production, the indigenous capability of fertilizers, the strength of the country is built, so that we are self-reliant in fertilisers especially in the nitrogen phosphate for which we had to depend on important raw materials. We are making all efforts towards that. We are aware that apart from the manufacturing role although this subject is with the Department of Agriculture it is equally our responsibility from the point of view of fertiliser promotion to play an active role on fertiliser education and to make the farmers conscious in the use of balance fertilisers. Our companies are engaged in commercial production".

1.14 As regards for correcting the imbalance in use of fertilisers the Secretary, Fertilisers further informed:

"We are very clear about balanced use of fertiliser. Now, the farmer's purchasing power is to be increased. In a way, the small farmers are also entrepreneurs and they are engaged in the business of producing agricultural produce. What he wants is only some money as advance".

1.15 He further added:

“We fully share this concern but it is necessary to point out that this imbalance is arising as a result of the wide disparity in the nutrient prices and that is the only way to correct it. Fertiliser extension and farmers education have only a supplementary role here. It can assist in the education of the farmers but then the logic that is before the farmers is that of the relative prices of the different nutrients”.

1.16 The Committee further pointed out that presently targets etc. relating to promotional activities did not form part of Memorandum of Understanding signed by various PSUs with the Ministry and enquired whether the Government would consider to incorporate promotional activities/farmers educational programmes in MOUs from now onwards. The Secretary, Fertiliser stated before the Committee:

“On the question of MOU, I would like to make a submission. MOU is provided by the Department of Public Enterprises; it is purely on commercial terms; there is no provision in the MOU for other things. What we are doing is, we are getting the direction and guidance of this Committee. We will be issuing advice to all the companies and we will be discussing it. This is my first task. They must start in a larger way. They must come and play a part in PSUs and Cooperatives”.

1.17 The Committee further pointed out that even the annual targets were not fixed for the providing activities to be undertaken by various PSUs/Cooperatives. The DOF in a note stated:

“PSUs/Cooperatives under the administrative control of this Department have been advised to set targets for the promotional activities to be undertaken by them under the Farmers Education Programme at the beginning of every financial year keeping in view their specific commercial interests and the requirement of their marketing zones. They have also been advised to get these schemes and the targets for different activities approved by their respective Board of Directors before the beginning of every financial year”.

1.18 From the further details furnished to the Committee it was noted that the instructions to various PSUs/Cooperatives were issued on 27th February, 1996.

CHAPTER II

FUNDS FOR PROMOTIONAL/FARMERS' FERTILIZER EDUCATION PROGRAMMES

The following table shows the amount spent for promotional activities by the PSUs/Cooperative *vis-a-vis* their annual turnover for the year 1994-95 and amount earmarked for 1995-96:—

PSU/Cooperative	Annual Turnover (Rs. in crores) (1994-95)	Exp. on promotional activities (Rs. in lakhs) (1994-95)	Amount earmarked for (1995-96)
1. IFFCO	1500.00	763.00*	861.00
2. KRIBHCO	587.00	228.00	353.16
3. NFL	1443.91	28.03	75.50
4. MFL	645.00	54.08	90.00
5. RCF	1341.47	72.84	150.00
6. FACT	1036.16	80.00	100.00
7. PPCL	250.22	8.09	7.50
8. PPL	872.06	30.00	41.00
9. FCI	324.62	0.42	2.00
10. HFC	122.97	—	50.50

2.2 During the course of the evidence of the representatives of PSUs, Committee pointed out that the expenditure incurred by most of the PSUs/Cooperatives (except IFFCO & KRIBHCO) was too meagre. Asked about the reasons/difficulty in not enhancing their budgets the CMD, NFL admitted before the Committee:—

“Sir, to be frank, the type of things which perhaps the hon. Chairman has in his mind, to that magnitude we are not going into the details”.

2.3 When pointed out further that the expenditure on promotional activities should bear some relation with the turnover/profits of the respective PSUs, the witness stated:—

“We agree that as useful Members of the society, particularly the companies which are under the Government need to do something for the welfare of the farmers in order to improve, what is called, the use of fertilizers or efficient use of fertilizers. There is nothing wrong if

*Includes Rs. 258.27 lakhs for farm forestry integrated rural development and cooperative education fund from NCUI.

a Central Government undertaking spends a part of its profit for this purpose. It may not be possible for the loss making companies to do so but the profit making companies should take interest for the development of the farmers”.

2.4 In this connection CMD, MFL submitted that MFL had suffered due to less demand of its products Viz. P&K fertilizers after their decontrol in 1992. He however stated that inspite of losses they were spending on promotional activities. He added:—

“We recognised the improtance of farmer's education and extension efforts and within our limited means we are providing it. We are also supplementing our own production because our production facilities are limited. We are supplementing it by trading activitiy in potassic fertilizers. We are importing MOP, a part of which we are utilizing in the manufacture of complex grade fertilizers or 17:17:17. It is higly rated in the Southern region, which is the traditional marketing zone. In addition to that, we are also selling MOP for direct application”.

2.5 The witness further informed that there was need for common approach particularly the organisations dealing in complex fertilizers. Elaborating it further, he stated:—

“Every company likes to sell one's own product. In the field of fertilizer marketing we have seen a lot of duplication of resources & duplication of efforts. To avoid this type of wastage, they decide to explore the commonality of interest so that effort is not duplicated. The resources so economised can be put to fertilizer promotion effort. But, then it seems that this might not be feasible because everybody is trying to promote his own product in no preference to others' products. Some kind of propaganda is necessary. People have to be told why Vijay brand which is produced by MFL is preferable to others. Then, in that case the development of a common strategy becomes very difficult. There should be some self-abnegation on the part of the competitors so that they may work together for a common cause”.

2.6 CMD, FACT elaborating the views of his company for allocating more funds for promotional activities stated:—

“From next year onwards, we will allocate more money in the Budget so that the programmes can be done with more emphasis. This is all the more needed becuae they will be given further impetus”.

2.7 "In reply to a further query the witness stated:—

"Sir, it is a fact that there is a commonality of interest insofar as the producers of potassium and phosphatic fertilizers are concerned. But, it is also a fact that there is a lot of competition, today when there is a demand compression. Not everybody is able to place one's production in the market to the extent one would like to. Therefore, there is a lot of competition and everyone is stepping on each other's toes. So far, we had thought of some kind of synergy and exploitation of the synergy in this area and we had a wide ranging interaction with the Fertiliser Association of India. It was found that the commonalities can be exploited only to a very limited extent. However, in compliance of the direction of this Committee—you would recall that in the earlier meeting of the Committee—you had instructed about adopting a coordinated approach in the promotion of fertilizers in education and extension effort".

2.8 When asked about the steps taken by PPL in raising in quantum funds for promotional activities, CMD PPL stated:—

"For 1995-96, we have provided Rs. 41 lakhs for promotional activities. And earlier, it was Rs. 30 lakh. So, we are slowly increasing it year after. That is still not sufficient. We are concentrating in the eastern part of our country, that is in States like Orissa, W. Bengal and Bihar. But we have not spent much amount. There is a justification for spending much more. We have constraints due to non-availability of funds".

2.9 However the CMD, PPL submitted before the Committee that funds for promotional activities should be pooled together and should be monitored through one agency in a given area or State which would avoid duplicity of efforts in regard to undertaking promotional activities.

He submitted:—

"However, for all the promotional activities and farmers' education, there can be a Central nodal agency which can be provided funds for promotional activities to avoid overlapping of same activities. For example, the total sale of fertilizers may be 15 million tonnes of nutrients. One that, Government levy cess of five to ten rupees PMT and distribute State-wise on the basis of needs. Otherwise, on the other hand each losing company may also not give any attention to promotional aspect whereas cash-rich company may not give attention to these activities because they are more concerned as to how to make more and more profits. Companies are paying less attention to promotional schemes

whereas it is very very important from country's point of view."

2.10 He further added:—

"The funds so collected should be allotted to an agency in that particular State so that they carry out the promotional activities in one or two States. There are 13-15 companies which are manufacturing phosphatic fertilizers. That is the way how we can improve balanced fertilizer application. I can tell you very frankly that such approach has never been followed.

PPL wants to improve the promotional activities and farmers' education in Orissa, Bihar and Bengal. We are ready to spend Rs. 1 crore in a year. But my suggestion is that it should be through a consolidated fund. That fund should be utilised for the country as a whole. Otherwise, the same activities will be done by everybody. For example, I am also distributing the pamphlets to the farmers about how much quantity they should use. The same thing is done by others. This overlapping can be reduced if it is done by one organisation."

2.11 During the course of evidence of representatives of DOF the Committee pointed out that the amount spent by PSUs for promotional activities was too low which was even agreed to by MDs of NFL, RCF, FACT and PPL. Asked whether it did not call for higher allocation, the Secretary, Fertilizers stated:—

"I am very clear in my mind that the public sector companies have a social obligation. The Committee on Public Undertakings of the Parliament have made it very clear that these companies have a social obligation and they have to discharge it. So, a good investment is to invest in the human beings. Seventy five per cent of our farmers are marginal farmers with less than 2 hectares of land holding. They are able to cultivate barely enough for themselves.

I am equally clear that the Government must make arrangements for creating awareness. Education is the basic thing. There is no question of saying that these companies should not invest more in this field. They will have to do it and the Board will have to tell them about it. I cannot fix a percentage for them because they are autonomous. We are certainly going to benefit from your guidance on this and we will definitely give them a clear view. As far as I am concerned, in the quarterly review meeting, I will take up this issue.

The Ministry of Agriculture must play the lead role in it. I will request the agriculture sector to play the leadership role by coming into this field. The private sector companies also must play a very

significant role because marketing is for everybody. We are giving a lot of support to the fertilizer companies. Therefore, the least that they can do is to give some allocation and increase their budgets for this purpose. If they do not do it they will be out of business."

2.12 When asked about the views of the DOF for fixing some percentage of turnover or profits, DOF in a written note stated:—

"Although there can thus be no linkage between the turn over or profits of a PSU/Cooperative with the expenditure on Farmers Education Programme, the Department is aware of the need for PSUs to increase their allocation in this regard".

2.13 The Committee further wanted to know whether DOF ever asked PSUs to raise funds for promotional activities. The Secretary, Fertilizer stated:—

"I will have a dialogue with them. We will issue a direction from the Government that they have to increase the allocation. But they have to consider it in their Board Meetings. We will review it in the quarterly review meeting".

2.14 Subsequently in a written note furnished to the Committee, DOF stated:—

"They have advised companies to pay more attention to promotional activities involving agricultural extension programmes. The response to our advice for greater emphasis on extension and farmers education is expected to be reflected in the outlay for these activities in 1996-97. The instructions sent to CMD's/MD's of PSUs and cooperative on 27.2.1996 *inter-alia* include that the Government has decided to accept the above recommendation of the Standing Committee. You are therefore, advised to:—

- (a) fix specific target for the above mentioned promotional activities like educating the farmers about the need for balanced application of fertilizer nutrients, Farmers Meetings Demonstrations, Crop Melas, Soil Testing, Farmers Training, Seminars and any other activities compatible with the specific marketing needs and the requirements of your Board of Directors before the beginning of each financial year under intimation to this Department;
- (b) Send a half yearly progress report enumerating the actual achievements against these targets by 31st October of each year and the final report within one month of the close of each financial year to this Department;

- (c) review the budget provision for promotional activities for 1996-97 to ensure that the financial provisions are commensurate with the physical targets.”

2.15 In reply to a further query the Secretary, Fertilizers informed the Committee that in addition to Cooperatives/PSUs he was in touch with private sector companies for asking them to undertake activities for educating the farmers and related matters.

CHAPTER III

AREAS COVERED BY FERTILIZER COMPANIES

The areas covered by the PSUs/Cooperatives under their fertilizer education projects are as under:—

S.No.	Name of the Company/ Cooperatives	States Covered	No. of Districts
1.	F.C.I.	Bihar	4
2.	P.P.L.	Entire Marketing Territory in 10 States <i>i.e.</i> A.P., Bihar, Orissa, West Bengal, U.P., Punjab, Haryana, M.P., Maharashtra, Rajasthan	—
3.	M.F.L.	3 States <i>i.e.</i> A.P., Karnataka, Tamil Nadu	—
4.	F.A.C.T.	Andhra Pradesh	—
		Kerala	19
		Karnataka	14
		Tamil Nadu	19
		Pondicherry	—
5.	R.C.F.	Maharashtra	5
		Andhra Pradesh	1
		Karnataka	1
6.	P.P.C.L.	Uttar Pradesh	4
		Bihar	2
7.	N.F.L.	Entire Marketing Territory of 10 States and 2 Union Territories	—
8.	H.F.C.	Orissa, West Bengal, M.P. U.P., Bihar, Assam and North-Eastern States	60
9.	IFFCO	Entire Marketing area spread over 17 States and 2 Union Territories	—

3.2 The farmers educational programmes/promotional activities are carried out by PSUs/Cooperatives through their Agro-Service Centres/Farmers Service Centres/Kendras in their marketing areas. The following statement shows Agro-Service Centres/Krishi Vigyan Kendras/Farmers Service Centres opened by different PSUs/Cooperatives:—

PSUs/Cooperatives	No. of Agro-Service Centres	No. of Krishi Vigyan Kendras
1	2	3
(i) RCF	34	—
(ii) FACT	108	62

1	2	3
(iii) PPCL	12	—
(iv) NFL	6	—
(v) MFL	—	—
(vi) PPL	—	—
(vii) IFFCO	174	—
(viii) KRIBHCO	66	—

3.3 During the course of examination of various PSUs it came out that even though these Kendras were performing well, no specific study has been made by any of the PSU to know the impact of these Kendras in their respective areas.

3.4 Admittedly there was overlapping of activities carried out by different PSUs. Some of the PSU like PPCL submitted before the Committee that its present strength of Farmers Service Centres was not adequate.

3.5 The Standing Committee in their 13th Report on IFFCO and KRIBHCO' had pointed out that the Farmers' Service Centres/Kendras were crowded in selected fertile areas. In pursuance of the Committee's recommendation, DOF informed in September, 1995 that they had initiated a study to take stock of the existing farmers service centres set up by different PSUs/Cooperatives to identify deficit areas requiring further support for promotional activities.

The terms of reference of the study are as follows:

- (i) List of the existing Farmers Service Centres (FSCs) run by the different PSU/Cooperative Societies may be compiled alongwith relevant details like area covered etc.
- (ii) Identification of deficit areas where new FSCs could be set up.
- (iii) Estimated expenditure involved in setting up FSCs in the deficit areas of the country and the ability of different PSUs/Cooperatives to share this expenditure within their resource constraints.
- (iv) Companywise annual phasing of expenditure on setting up of new FSCs including the basis for prioritisation.
- (v) Whether FAI could be asked to coordinate the promotional activities of different organisations including cooperatives and FIs?

3.6 As regards the progress in the matter, DOF informed:

"This study has been assigned to IFFCO. It is expected that the study would be completed by the end of June, 1996,

Dr. V. Kumar, Marketing Director of IFFCO is carrying out this study. Based on the findings of the study, conclusions will be drawn regarding:

- (i) Adequacy of the promotional activities to be undertaken by PSUs/Multi-State Cooperatives under the Farmers Education Programme in 1996-97; and
- (ii) Identification of deficit areas for setting up new farming service centre."

3.7 The Committee wanted to know whether pooling of funds/resources of PSUs for promotional activities and earmarking of areas to specific PSUs would not be a better coordinated approach for promotional activities which would also be beneficial for the farmers. DOF in a written note stated:—

"Each PSU/Cooperative designs its Farmers Education Programmes in accordance with its marketing requirements. PSUs/Cooperatives concentrate their marketing activities in certain specified areas. The content of Farmers Education Programmes has to take into account the product mix of the Fertilizer Undertakings sponsoring them as well as local variations based on agro-climatic factors and farming practices. In view of this, it is preferable to allow inhibited expression to innovativeness at the field level in the design of these programmes. Earmarking of areas to specific PSUs may not necessarily result in synergies because of the difficulty in making the allotted areas co-terminus with the core marketing areas of the companies. The intensity of competition among the Undertakings particularly in respect of decontrolled fertilizers and during the time of demand depression, also detracts from the feasibility of a pooling arrangement."

3.8 The Committee also desired to know whether specific directions from Government in the matter will not help in coordinating and increasing the promotional activities. DOF in a written note stated:

"This Department will monitor the implementation of activities under the Farmers Education Programme to provide the necessary policy inputs, resolve conflicts and promote the application of phosphate and potassic fertilizers"

Foreign Assisted Fertilizer Education Projects

3.9 Apart from their own resources the following PSUs/Cooperatives

Name of Project	Implementing Agency	Year of Completion
1	2	3
I. Indo-British Fertilizer Education Project (Rs. 22.01 crores)	HFC	Phase I 1981-87 Phase II 1987-93
II. Rainfed Farming Project (ODA) in Western India (Rs. 19.05 crores)	KRIBHCO	Under Implementation (1.1.93 to 31.12.97)
III. Rainfed Farming Project in Eastern India (ODA)	HFC/KRIBHCO	HFC implemented this project from 1989 to 1995. KRIBHCO is implementing this project from 1.4.1995. The outlay for five year project is \$ 8.591 Million.
IV. Indo-EEC Fertilizer Education Project (About Rs. 6 crores)	FACT RCF NFL PPCL	Phase I completed in 1988 Phase II completed in 1993.

3.10 During the course of examination of PSUs which implemented these programmes, the Committee enquired whether any assessment or evaluation was done by any independent agency or funding agency to know the results/impact of these projects. PSL's in their written notes informed the Committee that funding agencies had appointed independent agency to evaluate the performance of these projects. The projects were highly appreciable by the evaluation agencies.

3.11 During the evidence of the representatives of DOF the Committee wanted to know whether the DOF agreed with the views of the evaluating agencies:

"We generally agree with the assessment made by evaluating agencies."

3.12 In this connection representative of DOF stated during evidence:

"Sir, in each of these foreign aided projects, there has been concurrent as well as post-completion evaluation. It has been a very elaborate exercise in all the foreign funded projects. They employ consultants to undertake this exercise. As you had observed, the overall outcome, the overall evaluation has been

positive. Of course, certain deficiencies have been pointed out. The Ministry has also participated in this exercise of evaluation."

3.13 However, from one of the evaluation reports regarding INDO-EEC Phase II programme, the Committee find the following lacunae:

- (i) Objectives should have been more clearly defined to focus on improvements to the incomes of small and marginal farmers through raised agricultural productivity.
- (ii) Capital expenditure—Particularly on construction and vehicles—should have been excluded or kept to a minimum.
- (iii) Extension methodology should have been amplified and rationalized; with greater emphasis on demonstrations.
- (iv) The projects should have tried to introduce more sustainable methods of soils sampling and analysis, particularly by encouraging rough-and-ready testing at farmer level.
- (v) All or more social activities should have been excluded as being irrelevant to the main Project objectives."

3.14 Another project viz. Indo-British Fertilizer Education and Extension Project (ODA funding) costing Rs. 55 crores is yet to be approved by funding agency.

3.15 When asked by the Committee whether the Ministry pursued for the approval of the proposed Indo-British Fertilizer Projects, DOF in a written note stated:—

"ODA of UK has not agreed to consider the Indo-British Fertilizer Project for financial assistance because it does not get into their RNR Sector Strategy for India."

CHAPTER IV

COORDINATION WITH OTHER ORGANISATIONS

The DOF has informed the Committee that the Fertilizer Projects implemented/being implemented by the Public Sector fertilizer companies/cooperatives are being executed by the respective companies in coordination with Department of Fertilizer. Close liaison is maintained with the agriculture departments of the State and district level during the implementation of the project.

4.2 During the course of examination, the Committee wanted to know from the representatives of NFL/RCE/PPCL/FACT etc. about the system of coordination with other Public Sector Undertakings/Cooperatives/State agencies which are undertaking farmers education/promotional/training programmes, the NFL in a written note had informed:

"Each Public Sector Undertaking undertakes its own set of Farmers Education/Promotional/Training Programmes. Department of Fertilizers co-ordinates with various Public Sector Undertaking/Cooperatives/State Agencies. NFL coordinates with the State Agricultural Department and State Agricultural Universities for implementation of its own programmes."

4.3 RCE/FACT have stated that they have got close liaison with State Agricultural Department from Taluka level to State level in their primary market, i.e. Maharashtra, Karnataka & Andhra Pradesh and in secondary market from district level to State level. They have close association with all Agricultural Universities in all the States.

4.4 PPCL in a written note has informed the Committee:

"PPCL, is having co-ordination with other PSU's/Cooperatives/States Agencies which are undertaking farmers education/promotional/training programmes under a common forum like the Fertilizer Association of India and its Regional Offices, Deptt. of Fertilizers, State Deptt. of Agriculture in their meetings, individual meetings, House Journals etc."

4.5 PPL on the other hand has informed the Committee in a written note:

"In the present system, each PSU carries out its promotional programmes independently. Hence, the above do not require any coordination with the other PSUs/Cooperatives/State Agencies."

4.6 Whereas MFL has stated in a written note:

"No joint effort is made with other Public Sector Undertakings for

carrying out Educational Programmes. During the current year FAI has coordinated with all fertilizer industries to carry out a common logo and message for the promotion of balanced fertilizer use. MFL fully participated in the scheme to bring out mass media materials with a common logo and message in regional languages."

4.7 During the course of examination of representatives of NFL and MD, NFL also stated before the Committee:

"I like to submit in this connection, although we do not have a formal coordinating agency to undertake this work in a real manner, in the States and district headquarters, Deputy Commissioners and Collectors also advise us on this matter."

4.8 Explaining further the CMD, MFL informed the Committee:

"Primarily, this is a State function. There is an organisation at structure in the State Government which goes down to the village level and which is involved in the extension effort, maintenance of nutrient balance, etc. Restoration of nutrients balance is one of the priority areas. Likewise, the effort at the Central level is coordinated by the Agriculture Ministry. They have their field and research organisation and they have an elaborate arrangement to get the required feedback. All this is done by the Ministry of Agriculture. As you have rightly observed, fertiliser manufacturers have only a peripheral interest in this. They have to market their products and promote the application of fertilisers. They have also to contribute their mite to this national effort of balanced fertilisation which is primarily the responsibility of the State Government and is overseen by the Ministry of Agriculture."

4.9 In this connection DOF in a written note stated:

"A district is the basic geographic unit for development, administration, coordination dovetailing of development programmes of different departments and agencies is best done by the district administrations at the local level. The field functionaries of companies/cooperatives are being instructed to work in close cooperation with the district authorities, which are amply qualified to coordinate the promotional activities of various agencies."

4.10 During the course of examination of the representative of DOF, the Secretary, Fertilizers also stated:

"As a nodal Agency, Agriculture Ministry is responsible for this. I will have a meeting with Agriculture Secretary."

4.11 When asked further whether there was any coordination problem, the witness stated:

"There is no such problem here in our case."

CHAPTER V

PROMOTIONAL SCHEMES UNDER MINISTRY OF AGRICULTURE

The Committee also enquired from M/o Agriculture about their projects/schemes on fertiliser education. The Ministry of Agriculture in a detailed note furnished to the Committee stated that they are implementing the following projects for promoting fertilisers consumption and for creating awareness about balanced and efficient use of fertilisers:

(a) Concession on sale of Decontrolled Fertilisers:

5.2 In order to cushion the impact of increase in prices of decontrolled P & K fertilisers, a scheme for providing concession on these fertilisers was taken up during 1992-93. Under this scheme a concession of Rs. 1000/- per tonne on DAP and on MOP and proportionately on other P & K fertilisers was provided. During 1993-94 this concession was withdrawn from imported DAP and was extended to SSP at the rate of Rs. 340/- per tonne. On other products the rate of concession remained the same. During 1992-93 and 1993-94 the scheme was implemented through respective State Governments for which detailed guidelines were issued to them. However, during 1994-95 the concession was made available directly to the manufacturers on receipt of reports of sales to the farmers verified by the State Govts. The same pattern to continuing during the current year. The funds released under this scheme for sale of decontrolled fertilisers for concession to the farmers are as follows:

(Rs. in crores)

Year	
1992-93	339.73
1993-94	517.34
1994-95	514.02

(b) Balanced and Integrated Use of Fertilisers:

5.3 The objective of the scheme is to promote balanced use of NPK fertilisers alongwith organic manure, compost, green manure and bio-fertilisers with added emphasis on the use of micro nutrients in high

fertiliser consuming areas. The outlay for the scheme during 8th Plan is Rs. 26 crores. The scheme has the following components:

- (i) Strengthening of soil, seed, fertilizer, bio-fertiliser labs.
- (ii) Demonstration and Training on use of micro nutrients (other than Zinc).
- (iii) Training on bio-composting.
- (iv) Setting up of compost units.
- (v) Awards to Panchayats and farmers on organic farming/sustainable Agriculture.

5.4 The expenditure incurred under the scheme during the 8th Plan is as follows:

Year	(Rs. in lakhs)
1992-93	150
1993-94	205
1994-95	475

(c) *National Project on Development of Fertiliser Use in Low Consumption and Rainfed Areas:*

5.5 The fertiliser consumption at present is mainly restricted to irrigated areas with very little consumption in rainfed areas. Department of Agriculture and Cooperation started a Centrally Sponsored Scheme during 1994-95 to increase the integrated use of fertilisers alongwith organic manure in rainfed areas. The outlay of the scheme during 8th Plan is Rs. 10.2 crores. The scheme has the following components:—

- (i) Supply of small fertiliser bags to farmers.
- (ii) Demonstration on Integrated Nutrient Supply System.
- (iii) Demonstration on improved methods of compost making.
- (iv) Assistance for production of green manure seed.

During 1994-95 funds amounting to Rs. 129.2 lakhs were released to the State Governments.

(b) *National Project on Development and Use of Bio-fertiliser:—*

5.6 Bio-fertilisers are renewable source of nitrogen. DAC is implementing the National Project on Development and Use of Bio-fertilisers to produce, distribute and promote use of bio-fertilisers. The outlay for the scheme during the 8th Plan is Rs. 8 crores.

5.7 To implement this project a National Centre at Ghaziabad and 6 Regional Centres one each at Bangalore, Bhubaneswar, Hissar, Imphal Jabalpur and Nagpur have been established from this, there is a provision under the scheme to extend financial support upto Rs. 13 lakhs per unit for setting up of bio-fertiliser production units and Rs. 1.5 lakhs for setting up of Blue Green Algae (BGA) Centres.

5.8 Expenditure incurred under the scheme is as follows:

Year	(Rs. in lakhs)
1992-93	125
1993-94	145
1994-95	210

(e) *Technology Mission on Oilseeds and Pulses Programmes i.e. Oilseed Production Programme (OPP) and National Pulses Development Project (NPDP):—*

5.9 Under these programmes the component relating to fertilisers includes distribution of micronutrients and gypsum as source of Sulphur to the farmers at the subsidised rates. In addition distribution of rhizobium culture and phosphate solubilizing bacteria (PSB) are also supplied to the farmers at concessional rates.

5.10 Frontline demonstrations are being conducted by the Scientists of ICAR on judicious use of fertilisers for pulses and oilseeds and the block demonstrations are organised by the State Departments of Agriculture in which use of fertilisers is demonstrated. In addition training programmes for the benefit of farmers are also organised to educate them on balanced use of fertilizers in case of oilseeds and pulses.

(f) *National Watershed Development Project on Rainfed Areas (NWDPA):—*

5.11 Agro-chemicals are costly and often un-available to resource-poor farmers and as such they are encouraged to adopt organic resources which are cheap, easily manageable and involve no risk factor when compared to agro-chemicals. Under the scheme on NWDPA organic farming is being promoted through Integrated Nutrient Management Programme for which extensive training is given to the field functionaries as well as farmers of the watershed areas.

PART-II

RECOMMENDATIONS/CONCLUSIONS OF THE COMMITTEE

1. Farmer's education and related agricultural extension work falls within the jurisdiction of Ministry of Agriculture. However, 8 fertilizer producing companies in public sector and 2 in cooperative sector (where majority of paid up capital is held by the Government) under the administrative control of Deptt. of Fertilizers also carry-out agricultural extension work out of their own resources with emphasis on education of farmers in scientific application of fertilizers. These Public Sector Undertakings/Cooperatives are IFFCO, KRIBHCO, NFL, MFL, RCF, FACT, PPCL, PPL, FCI and HFC. Some of these PSUs/Cooperatives have also implemented Fertilizer Education Projects with foreign assistance. The prominent activities undertaken by the PSUs/Cooperative include farmers' meetings, demonstrations, crop melas/seminars, soil testing training programmes etc.

The Committee's examination of the subject has revealed that this area has not been given due importance as it should have been given by the fertilizer producing companies keeping in view the needs of the farming community of the Country. The Committee's recommendations/conclusions are set out in the succeeding paragraphs.

2. The Committee regret to note that 10 fertilizer producing PSUs/Cooperatives under the administrative control of the DOF hardly allocate their funds to farmers education programmes. For instance, during the year 1994-95, out of the total spending of about Rs. 10 crores by all units, Rs. 5 crores was spent by IFFCO and Rs. 2.28 crores by KRIBHCO thus leaving a meagre sum of less than Rs. 3 crores for remaining 7 units. Not to speak of sick units the HFC & FCI, big profit making units like NFL are ending a meagre amount of Rs. 28 lakhs annually. This Committee's view is a gross negligence on the part of public sector Undertakings which besides commercial functions, have to achieve social obligations. CMDs of some of the PSUs agreed to the suggestion of the Committee that there was need to enhance budget for these activities and even some percentage of their profits could be earmarked for the purpose. Secretary, Deptt. of Fertilizers was also can did in his admission before the Committee that the matter was being taken up with seriousness only after the Committee's deliberation over the issue and even though it may not be feasible to fix a percentage of the turnover or profits, cocenred PSU's as also the units in private sector would be asked to considerably raise the funds for farmers related programmes. Subsequently the Ministry has issued instructions to PSUs/Cooperatives to enhance their allocations for this purpose. The Committee would like the

Ministry to pursue this matter with all concerned agencies for ensuring the implementation of their guidelines.

3. The facts and figures have compelled the Committee to observe that there is lack of foresightedness on the part of Government in regard to correcting the imbalance in use of NPK. The Government provides annual subsidy for urea of the order of about Rs. 3,000 crores at production stage and about Rs. 1650 crores on import and adhoc-subsidy for P&K fertilizer (around Rs. 500 crores annually). As compared to quantum of subsidy the Government allocation for the farmer's education programmes is very very low. For instance out of the total budget Rs. 26 crores for balanced and integrated use of fertilizers under Ministry of Agriculture for the purpose for the entire 8th Five Year Plan, the Government has spent only Rs. 7.25 crores during the first three years of the Plan. In Committee's view the allocation for a scheme like balanced and integrated use of fertilizer is too meagre and funds should be raised adequately, as the programme will help to educate the farmers in scientific way. This will help in correcting the imbalance in use of NPK fertilizers. Besides in the long run it will also help in reducing the subsidy element.

4. After going into the details of spending by PSUs etc. on farmers' education programmes, the Committee are constrained to note that the activities undertaken by the concerned organisations are hardly adequate to meet the farmers requirements. Admittedly no targets were fixed for different types of promotional activities. It is only recently i.e. in February, 1996, when the Ministry has asked PSUs to fix targets for these activities. The Committee would like all PSUs to take a cue from IFFCO's efforts in this regard. The Committee would like the Government that like all other activities, specific targets should be fixed for all types of farmers' education programmes and these should be reviewed and monitored by the Ministry.

5. Admittedly the farmers' education programmes/schemes do not form part of MOU signed by the Government with respective PSUs. The Committee would like the Government to examine this issue for getting these schemes a part of MOUs for regular monitoring.

6. The Committee's examination of the farmers fertilizer education programme has revealed that there is hardly any coordination between the PSUs. There is overlapping in the areas covered by the PSUs and there may be areas which are not covered by any of the PSU at all. The Farmer's related activities are carried out by PSUs through Farmers Service Centres/ Kendras etc. In this context the Committee in their 13th Report on 'IFFCO & KRIBHCO' had pointed out that Farmer's Service Centres/Kendras were crowded in selected fertile areas. In pursuance of Committee's

recommendation, the Deptt. of Fertilizer has asked IFFCO to initiate a study to take stock of existing farmers service centres set up by different PSUs/Cooperatives to identify deficit areas requiring further support for promotional activities. This study is expected to be completed by June, 1996. The Committee would like the Government/IFFCO to complete this study within the stipulated time. Needless to emphasize that action would be taken to set up new centres or upgrade the existing ones in deficit areas.

7. The Committee have been informed that some of the PSUs have successfully implemented foreign assisted fertilizer education projects. The important ones being Indo-Britain Fertilizer Education project costing Rs. 22 crores (implemented by HFC) and Indo-EEC fertilizer education project costing Rs. 6 crores and implemented by FACT, RCF, NFL and PPCL. The only current foreign aided project is ODA funded Rainfed Farming Project which is being implemented by HFC/KRIBHCO. PSUs, as also the Ministry, informed the Committee that these projects were quite useful for the farmers of the related areas. Another project viz. Indo-British Fertilizer Education and Extension project (ODA funding) costing Rs. 55 crores is yet to approved by funding agency. Keeping in view of the quantum of money and the likely benefits of the projects, the Committee recommended that the matter may be pursued at the highest level in the Government to get the approval of the funding agency.

8. The Committee have been informed that each PSU carries out promotional activities independently and there was no scope of coordination with other agencies. Apart from PSUs/Cooperatives under Department of Fertilizers, Ministry of Agriculture and State Governments also carry out farmers' fertilizer education related programmes. Secretary, Fertilizers, informed the Committee that he would hold coordination meetings with Agriculture Secretary for achieving better results in this key area. The Committee would like the Government to coordinate the activities of all agencies for meaningful deployment of the funds and infrastructure. This step will ensure maximum benefit to farmers across the country with the funds and infrastructure at the disposal of the Government.

9. Some of the PSUs have suggested that it would be better if all funds are pooled together and different PSUs are given specific areas for carrying out promotional activities. The Committee find some merit in the suggestion. They, therefore, would like the Government to examine pros and cons of the suggestion before taking a decision in the matter.

10. During the course of examination, CMDs of some of the PSUs submitted before the Committee that any number of promotional programmes implemented would not produce results in correcting the present imbalance in fertilizer use, as long as urea price is low on account of huge subsidy and prices of decontrolled fertiliser viz. P&K continue to increase every season. Due to this farmers are tempted to use more and more urea. This situation calls for review of the existing pricing policy for

fertilizers. The Committee, therefore, would like the Government to examine the pricing policy afresh and apprise the Committee about the decision taken in this regard.

NEW DELHI;

March 8, 1996

Phalguna 18, 1917(Saka)

SRIBALLAV PANIGRAHI,

***Chairman,
Standing Committee on
Petroleum & Chemicals.***

APPENDIX
MINUTES OF THE SITTINGS OF THE COMMITTEE
MINUTES

Nineteenth Sitting

24.1.1996

The Committee sat from 1500 hrs. to 1630 hrs.

PRESENT

Shri Sriballav Panigrahi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Barelal Jatav
3. Dr. Ravi Mallu
4. Shri Sant Ram Singla
5. Shri C.P. Mudalagiriappa
6. Shri V.S. Vijayaraghavan
7. Shri Kashiram Rana
8. Shri Hari Kishore Singh
9. Shri Uddhab Barman
10. Dr. Asim Bala
11. Shri Muhiram Saikia

Rajya Sabha

12. Shri Mohd. Masud Khan
13. Shri Bhagaban Majhi
14. Shri Jagdish Prasad Mathur
15. Shri Ramji Lal
16. Shri Balbir Singh
17. Shri Dineshbhai Trivedi

REPRESENTATIVES OF NATIONAL FERTILIZERS LTD.

1. Shri C.K. Ramakrishnan — *Managing Director*
2. Shri D.S. Kanwar — *Executive Director*
(Mktg. & P.A.)
3. Shri D.N. Mathur — *Group Manager (Mktg.)*

REPRESENTATIVES OF MADRAS FERTILIZERS LTD.

1. Shri K.K. Jaswal — *Acting CMD, MFL*
2. Shri P. Krishna Rao — *Executive Director (Mktg.)*

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------|
| 1. Shri G.C. Malhotra | — | <i>Joint Secretary</i> |
| 2. Shri G.R. Juncja | — | <i>Deputy Secretary</i> |
| 3. Shri Brahm Dutt | — | <i>Under Secretary</i> |

The Committee took evidence of the representatives of National Fertilizers Ltd. (NFL) and Madras Fertilizers Ltd. (MFL) together in connection with examination of 'Fertilizer Education Policy and Projects'.

2. The main aspects that came up for discussions include progress of various Fertilizers Education Projects/promotional activities including soil testing, field demonstrations, etc. undertaken by NFL and MFL respectively. Members also raised supplementaries on the present status of projects, paucity of funds, scope of enhancing activities both in financial and physical terms keeping in view their profits, etc. in the coming years in the marketing areas of NFLT & MFL.

3. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES

Twentieth Sitting

25.1.1996

The Committee sat from 1030 hrs. to 12.45 hrs.

PRESENT

Shri Sriballav Panigrahi — Chairman

MEMBERS

Lok Sabha

2. **Shri Sant Ram Singla**
3. **Shri C.P. Mudalagiriappa**
4. **Shri V.S. Vijayaraghavan**
5. **Shri M. Krishnaswamy**
6. **Shri Gopi Nath Gajapathi**
7. **Shri Kashiram Rana**
8. **Shri Hari Kishore Singh**
9. **Shri Uddhab Barman**
10. **Dr. Asim Bala**
11. **Shri Pius Tirkey**
12. **Shri Muhiram Saikia**

Rajya Sabha

13. **Shri E. Balanandan**
14. **Shri Mohd. Masud Khan**
15. **Shri Bhagaban Majhi**
16. **Shri Jagdish Prasad Mathur**
17. **Shri Ramji Lal**
18. **Shri S.S. Surjewala**
19. **Shri Dineshbhai Trivedi**

REPRESENTATIVES OF RASITRIYA CHEMICALS & FERTILIZERS

1. **Shri Abraham Thomas — Chairman & Managing Director**
2. **Shri A.M. Deshmukh — Executive Director (P, F & GC)**
3. **Shri R.H. Pawar — Executive Director (M & I)**
4. **Shri R. Joshi — General Manager (Mktg.)**
5. **Shri S.K. Murgai — Chief Marketing Manager**
6. **Shri K.V. Jagtap — Dy. Marketing Manager**

REPRESENTATIVES OF FERTILISERS & CHEMICALS TRAVANCORE LTD.

1. Shri Abraham Thomas — *Chairman & Managing Director*
2. Shri P.K. Ramdas — *Director (Finance)*
3. Shri R.V.S. Mony — *Executive Director (CEW)*
4. Shri T.T. Thomas — *Executive Director (M)*
5. Shri Balagopalan — *E.A.(T) to CMD*
6. Shri K.P. Srinivasan — *Executive Director (O.P.)*
7. Shri R.S. Shanoy — *Finance Manager (CO)*

REPRESENTATIVES OF PARADEEP PHOSPHATES LTD.

1. Shri S.M. Jain — *Managing Director*
2. Shri Gurdial Singh — *General Manager (Mktg.)*
3. Shri V. Sindharam — *Dy. General Manager (Mktg.)*

REPRESENTATIVES OF PYRITES PHOSPHATES & CHEMICALS LTD.

1. Shri D.P. Khandelwal — *Chairman & Managing Director*
2. Shri P.K. Awasthi — *Executive Director (Mktg.)*
3. Dr. S.K. Saha — *Manager (Agriculture Science)*

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri G.R. Juncja — *Deputy Secretary*
3. Shri Brahm Dutt — *Under Secretary*

The Committee took evidence of the representative of (i) Rashtriya Chemicals & Fertilizers Ltd. (RCF), (ii) Fertilizers and Chemicals Travancore Ltd. (FACT), (iii) Paradeep Phosphates Ltd. (PPL) and (iv) Pyrites Phosphates & Chemicals Ltd. (PPCL) together in connection with examination of 'Fertilisers Education Policy and Projects'.

2. The main aspects that came up during the course of discussions were the progress of various Fertilizer Education Projects/Promotional activities including soil testing, field demonstration, Krishi Vigyan Kendras, etc. undertaken by RCF, FACT, PPL and PPCL with a view to educate farmers on scientific application of fertilizers in the marketing territories of the respective PSUs. Members of the Committee also raised supplementaries relating to progress of foreign assisted Projects, their sources of funds for such projects/promotional activities and their adequacy depending on financial health of individual PSUs in a big way in future. The Committee were also informed that presently companies (PPL & PPCL) producing phosphatic fertilizers were not undertaking

promotional activities in a big way due to financial constraints. CMDs of all PSUs were in conformity with the views of the Committee that there was a need to enhance budgets for promotional activities and submitted before the Committee that these activities should be done through one central agency so that funds of these Public Sector Undertakings are pooled together and disbursed uniformly throughout the country with a view to avoid multiplicity of agencies involved in promotional activities.

3. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES

Twenty-first Sitting

16.2.1996

The Committee sat from 1500 hrs. to 1545 hrs.

PRESENT

Shri Sriballav Panigrahi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Sant Ram Singla
3. Shri C. P. Mudalagiriappa
4. Shri V. S. Vijayaraghavan
5. Smt. Suryakanta Patil
6. Shri M. Krishnaswamy
7. Shri Gopi Nath Gajapathi
8. Dr. Laxminarain Pandey
9. Shri Sombhai Patel
10. Shri Hari Kishore Singh
11. Shri Ramnihore Rai
12. Shri Pius Tirkey

Rajya Sabha

13. Shri E. Balanandan
14. Shri Mohd. Masud Khan
15. Shri Pasumpon Tha. Kiruttinan
16. Shri Jagdish Prasad Mathur
17. Shri V. Narayanasamy
18. Shri Ramji Lal
19. Shri Dineshbhai Trivedi

REPRESENTATIVES OF DEPARTMENT OF FERTILIZERS

1. Shri I. Chaudhuri, — *Secretary*
2. Shri K. K. Jaswal, — *Jt. Secretary*
3. Shri D. K. Sikri, — *Jt. Secretary*
4. Shri S. Kabilan, — *Jt. Secretary*
5. Shri Saurabh Chandra, — *Director*
6. Shri Rakesh Kapoor, — *Director*

SECRETARIAT

1. Shri G. C. Malhotra—*Joint Secretary*
2. Shri G. R. Juneja—*Deputy Secretary*

3. Shri Brahm Dutt— *Under Secretary*

The Committee took evidence of the representatives of Department of Fertilizers (DOF) in connection with examination of 'Fertilizer Education Policy & Projects'.

2. The main aspects that came up for discussions include Governmental responsibility for fertilizer promotion, possibility of increasing allocations of PSUs for promotional activities proportionate to their turnovers, correcting the present imbalance in use of fertilizer and coordination among PSUs in their respective undertaking promotional programmes.

3. A verbatim record of the proceedings of the sitting has been kept.

4. *The Committee then adjourned.*

**MINUTES OF THE TWENTY-THIRD SITTING HELD ON
7TH MARCH, 1996**

The Committee sat from 1000 hrs to 1030 hrs.

PRESENT

Shri Sriballav Panigrahi—Chairman

MEMBERS

Lok Sabha

2. Dr. Ravi Mallu
3. Shri Sant Ram Singla
4. Shri C. P. Mudalagiriappa
5. Shri V. S. Vijayaraghavan
6. Shri M. Krishnaswamy
7. Shri Ramnihore Rai
8. Shri Simon Marandi
9. Shri Pius Tirkey
10. Shri Muhiram Saikia
11. Dr. Jayanta Rongpi

Rajya Sabha

12. Shri Mohd. Masud Khan
13. Shri Ramji Lal
14. Shri S. S. Surjewala
15. Shri Dineshbhai Trivedi

SECRETARIAT

Shri Brahm Dutt—Under Secretary

The Committee considered and approved the Draft Report on 'Fertilizer Education Policy and Projects' (Ministry of Chemicals & Fertilizers, Deptt. of Fertilizers).

2. The Committee also authorised the Chairman to finalise the Report after factual varification by the Department of Fertilizers and present the same to Parliament.

3. Thereafter, the Chairman thanked the Members for their valuable contribution in completing the work taken up by the Committee.

4. The Committee further placed on record their appreciation for the valuable assistance rendered to them by officials of the Lok Sabha Secretariat attached to the Committee.

The Committee then adjourned.