

Direct Benefit Transfer in Fertilizer Sector

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Union Minister of State for Chemicals and Fertilizers, Shipping, Road Transport & Highways, Shri Mansukh L. Mandaviya, in a written reply in Rajya Sabha today, said that the Direct Benefit Transfer (DBT) being implemented in fertilizer subsidy payment is slightly different from the normal DBT being implemented in LPG subsidy. The Minister informed that under the DBT in fertilizer sector, the subsidy will be released to the fertilizer companies instead of the beneficiaries, after the sale is made by the retailers to the beneficiaries.

Shri Mandaviya further explained that at present direct transfer of subsidy to beneficiaries like in LPG cannot be introduced in fertilizer sector as the beneficiaries and their entitlement is not clearly defined. Multiple subsidized products, urea and 21 grades of Phosphatic & Potassic fertilizers have different subsidy rates. The subsidy rate in respect of urea varies from company to company due to different production processes, energy efficiencies of plants, vintage etc. As the amount of subsidy in some fertilizers, particularly urea is more than double the MRP, it will be a huge financial burden on the farmers to pay the MRP and subsidy upfront and receive the subsidy amount subsequently, he added.

The Minister informed that the pilot project to introduce DBT in Fertilizer Sector has been undertaken in 16 districts as given below:

Sl. No.	District	State
1.	Una	Himachal Pradesh
2.	Kishanganj	Bihar
3.	Hoshangabad	Madhya Pradesh
4.	Karnal	Haryana
5.	Kurukshetra	
6.	Kannur	Kerala
7.	Nasik	Maharashtra
8.	Raigarh	
9.	Tumkur	Karnataka
10.	Rangareddy	Telengana
11.	Krishna	Andhra Pradesh
12.	West Godavari	
13.	Maldah	West Bengal
14.	South 24 paraganas	
15.	Narmada	Gujarat
16.	Pali	Rajasthan

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