

- (i) Under National Project on Organic Farming (NPOF) financial assistance is provided as credit linked back ended subsidy through NABARD for setting up of fruit/vegetable waste/ agro-waste compost unit @33% of the total cost of project upto Rs. 60.00 lakh per unit.
  - (ii) Under National Horticulture Mission (NHM) financial assistance is provided for setting up vermi-compost production units @50% of the cost subject to a maximum of Rs. 30,000/- per beneficiary.
- (4) Financial assistance is also provided to farmers under National Project for Management of Soil Health and Fertility for promotion of Integrated Nutrient Management (INM).

**Implementation of nutrient-based subsidy scheme**

37. SHRI DEVENDER GOUD T.: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the aims and objectives of the Nutrient-based Subsidy Scheme;
- (b) whether all objectives have been achieved;
- (c) if not, whether any study has been conducted or proposed to be conducted to study about the implementation of the scheme;
- (d) if so, the details thereof;
- (e) whether in light of the enormous hike in prices of non-urea fertilizers, Government is planning to revert back to previous system of fixed MRP; and
- (f) if so, whether there is any move in that direction?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Nutrient Based Subsidy (NBS) Policy has been implemented in continuation of the erstwhile Concession Scheme. In implementation of the Concession Scheme, the following shortcomings were observed:

- (i) Marginal response of agricultural productivity to additional fertilizer usage in the country had fallen sharply, leading to near stagnation in agricultural productivity and consequently agricultural production.

- (ii.) The fertilizer sector worked in a highly regulated environment with cost of production and selling prices being determined by the Government, due to which fertilizer industry suffered from low profitability as a result this sector could not attract investments.
- (iii.) The innovation in fertilizer sector also suffered, as very few product we introduced by fertilizer companies, since they get out priced by subsidized fertilizers.
- (iv.) The industry had no incentive to focus on farmers leading to poor farm extension services, which were necessary to educate farmers about the modern fertilizer application techniques, soil health and promote soil test based application of soil and crop specific fertilizers.
- (v.) Subsidy implication was very high.

To overcome above deficiencies, a Nutrient Based Subsidy Scheme has been implemented with the expectation that it will promote balanced fertilization of soil, which will lead to increased agricultural productivity and consequently better returns to the farmers. The decontrolled scenario is also expected to promote competition leading to efficiencies in production and import. In the long run, the policy is expected to stabilise demand and supply situation and also contain the subsidy outgo.

(b) to (d) The proposal to conduct study about the implementation of the NBS Scheme is under consideration in the Department.

(e) and (f) At present there is no proposal under consideration to revert back to the previous concession scheme.

#### **Pricing of essential medicines**

38. SHRI C. M. RAMESH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government has taken any final decision on pricing of essential medicines after the apex court of the country asked it not to alter the existing pricing system of essential medicines; and

(b) if so, the details thereof?