

# Fertilizer Newscast

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## Launch of DBT (Phase-II)

The government of India has launched the second phase of the Direct Benefit Transfer of the fertilizer subsidy (DBT 2.0). The aim of the first phase (which was implemented pan India March 2018 onwards) was to release the subsidy to fertilizer companies on the basis of the actual sales made by the retailer to the beneficiaries (farmers). **The second phase of DBT will explore the feasibility of direct cash transfer to farmer's accounts.** The government has earmarked INR 0.8 lakh crore to be given as the fertilizer subsidy during FY20.

The new initiatives to be introduced under DBT 2.0 are as follows:

**Introduction of DBT Dashboards:** The dashboard will help facilitate accurate information gathering and decision-making w.r.t. the position of requirement/supply/availability of various fertilizers at National, State and District levels. It will also provide various reports regarding the fertilizer stock position at ports, plants, in states, at district levels; proportionate requirement for the season and availability of stocks at various levels; top 20 buyers; frequent buyers; retailers not selling fertilizers etc.

The reports will facilitate real-time monitoring of the availability and sale of fertilizers within each State/UT.

**PoS 3.0 Software:** The new software under DBT 2.0 will be multi-lingual and will provide Aadhar virtual ID option for registration, login and sale. It will also have a provision for area-specific, crop-specific recommendations based on the Soil Health Card (SHC) data.

Further it will capture sale to farmers, mixture manufacturers and plant association separately.

**Desktop PoS Version:** Keeping in view the various operational challenges viz. limited PoS vendors, rush of sales during the peak season etc. the department will also introduce a multilingual desktop version of PoS software as an alternative or added facility to PoS devices. The Desktop software will be more robust and secure as the application is developed and handled directly from the central HQ team at DoF.

Till date (June 2019), 671 Lakh Metric tonnes (LMT) of Fertilizers has been sold through the PoS devices.

## CARE Ratings Outlook

Initially DBT was introduced to reduce pilferages and ease the working capital requirements of fertilizer manufacturers. We believe the implementation of the second phase should also streamline the system and bring about more transparency especially during the payment of subsidies.

DBT 2.0 also aims to bring about the much needed digitalisation in the fertilizer sector.

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