

300 retailers quit as sale of fertiliser linked to Aadhaar

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New Delhi: Nearly 300 fertiliser retailers across six districts in Madhya Pradesh, Himachal Pradesh, Rajasthan, Telangana and Andhra Pradesh have not renewed their licences after the linking of Aadhaar for availing subsidy benefits removed fake beneficiaries from several welfare schemes, a survey showed.

The survey by consulting firm MicroSave, conducted for government think tank Niti Aayog, has found that the introduction of Mobile Fertiliser Management System (MFMS) application and the Aadhaar-enabled Fertiliser Distribution System (AeFDS) has ushered in transparency and has made manufacturers, wholesalers and retailers accountable.

These measures have also helped reduce diversion of fertiliser for non-agriculture purposes. It said 31 retailers in Pali (Rajasthan), 51 in Hoshangabad (MP), one in Rangareddy (Telangana), 131 in Krishna and 50 in West Godavari (Andhra Pradesh) and 35 in Una (Himachal Pradesh) did not connect to the MFMS system after the new systems were put in place.

"This data and anecdotal evidence suggests that retailers relying on pilferage might have left the system



Aadhaar-enabled fertiliser distribution system has ushered in transparency and has made manufacturers, wholesalers and retailers accountable

because of increased accountability and transparency," the report said.

The government announced pilots for AeFDS in March last year in 16 districts and another three districts were included in January. AeFDS is a modified subsidy payment system under the direct benefit transfer scheme where fertiliser companies are paid subsidy only after retailers have sold fertiliser to farmers. Aadhaar authentication is done through point of sale (PoS) machines. The government is taking measures to reduce the huge fertiliser subsidy which is estimated at Rs 70,000 crore in the 2017-18 budget.

While the report highlighted the positive impact of the new system, it also flag-

ged how fertiliser retailers may not be able to handle the pressure during peak sowing season if they had to do Aadhaar-based sale of subsidised fertiliser.

"Fertiliser retailers are worried that transactions authenticated through PoS may not be feasible during the upcoming peak Kharif season due to high transaction time. Assuming five minutes per transaction and 10 hours of operation, retailers can only handle 120 transactions in a day, which is insufficient to handle the rush of 300-500 farmers per day during peak periods," the report said, adding that it was likely that retailers would resort to higher "adjusted transactions" to handle the peak load.