

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1787 TO BE ANSWERED ON: 19.12.2023**

**Subsidy provided on fertilizers**

**1787: SHRI DEEPAK PRAKASH:**

Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state:

- (a) whether farmers are getting the desired benefits of subsidy given on fertilizers due to neem coating of urea, if so, the details thereof; and
- (b) the steps taken by Government to ensure maximum benefit of fertilizer subsidy to the poor and marginal farmers?

**ANSWER**

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

**(SHRI BHAGWANTH KHUBA)**

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(a) & (b): Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers (including poor and marginal farmers) are being supplied urea at the subsidized rates.

Further, the Government has implemented Nutrient Based Subsidy Policy w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/semi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. Accordingly, all farmers (including poor and marginal farmers) buying these fertilizers get the benefit of subsidy.

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