

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 1299 TO BE ANSWERED ON : 11.03.2025

Reforming the fertiliser sector

1299. DR. SIKANDER KUMAR:

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

- (a) whether Government has given the extension to one-time special package to ensure sustainable availability of Di-Ammonium Phosphate (DAP) at affordable prices to the farmers;
- (b) if so, the details thereof;
- (c) the details of implementation along with budget sanctioned for the above one time package; and
- (d) the innovative measures taken by Government in order to maintain price stability to focus on farmer's welfare and to ensure essential agricultural inputs across the country?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SMT. ANUPRIYA PATEL)**

(a) & (b): In wake of recent geopolitical crisis which led to major disruption in supply of fertilizers, pro-active steps were taken in Kharif 2024 to ensure smooth availability of P&K fertilizers to the farmers. In July 2024, the Government took immediate measures to ensure regular imports through a one-time special package on DAP beyond the NBS rates for the period from 01.04.2024 till 31.12.2024 @ 3,500 per MT which has now been extended till 31.03.2025 to ensure sustainable availability of DAP at affordable price to the farmers.

(c): Under the provision of special package on DAP, as an interim measure, Rs. 3,000 per MT is paid to fertilizer companies on actual PoS sales. The balance Rs. 500 per MT is paid after scrutiny of the bills / claims furnished by the companies which are duly audited by their Statutory Auditors. For the period 01.04.2024 till 31.12.2024, the budgetary allocation for one-time special package on DAP beyond the NBS rates was Rs. 2,625 crores. The payment for extended duration of special package on DAP from 01.01.2025 till 31.03.2025 is to made from the budgetary allocation for NBS scheme for Rabi 2024-25 which is 24,475.53 crores. So far, total payment under the extension of one-time special package of DAP from 01.01.2025 onwards is Rs. 152.52 Cr. (as on 28.02.2025)

(d): Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP) irrespective of the cost of production. The subsidized MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes 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 are being supplied urea at the subsidized rates.

In case of Phosphatic and Potassic (P&K) fertilizers, Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 1.4.2010. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided to manufacturer / importer on subsidized P&K fertilizers depending on their nutrient content i.e. Nitrogen (N), Phosphorus (P), Potassium (K) and Sulphur (S) to improve availability of fertilizers to farmers. The Government monitors international prices of key fertilizers and raw materials and fluctuations, if any, are subsumed while fixing NBS rates for P&K fertilizers annually / bi-annually. In addition, in order to ensure smooth availability of fertilizers at affordable prices to farmers, Government has provided special packages on DAP over and above the NBS subsidy rates on need basis so that Maximum Retail Price (MRP) of the fertilizers remains stable and market volatility are subsumed. In 2024-25, the Government has approved one-time special package on DAP beyond the NBS rates on actual PoS (Point of Sale) sale of DAP for the period from 01.04.2024 till 31.12.2024 @ ₹ 3500 per MT to the P&K fertilizer companies which has later been extended till 31.03.2025 to ensure sustainable availability of DAP at affordable prices to the farmers and support the agriculture sector and related activities and strengthen food security scenario in the country.

Further, the Government has approved Market Development Assistance (MDA) @ Rs. 1500/MT to promote organic fertilizers viz., FOM/LFOM/PROM produced at plants under GOBARdhan initiative covering different Biogas/CBG support schemes / programmes of stakeholder Ministries/Department such as Sustainable Alternative Towards Affordable Transportation (SATA) scheme of MoPNG, 'Waste to Energy' programme of MNRE, Swachh Bharat Mission (Rural) of DDWS, etc with total outlay of Rs. 1451.84 crores (FY 2023-24 to 2025-26), which includes a corpus of Rs. 360 crores for research gap funding etc.

Bio-fertilizers are promoted under Paramparagat Krishi Vikash Yojana (PKVY) and Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) schemes. Under PKVY, States/UTs are provided financial assistance of Rs. 31,500/ha in total in 3 years in the organic clusters out of which, Rs. 15,000/ha is provided directly to farmers through DBT for on-farm and off-farm organic inputs, Rs. 4,500/ha for marketing, packaging, branding, value addition etc., Rs. 3,000/ha for certification and residue analysis and Rs. 9,000/ha for training and capacity building. Under MOVCDNER, assistance of Rs. 46,500/ha in total in 3 years is provided for creation of Farmers Producer Organization, support to farmers for organic inputs etc. Out of this, assistance @ Rs. 32,500/ ha is provided to farmers for off -farm /on –farm organic inputs including Rs. 15,000 as Direct Benefit Transfer to the farmers. Farmers can avail maximum 2ha area under both the schemes. Since 2015-16, under PKVY, 14.99 lakh ha area has been covered under organic farming by developing 52289 clusters involving 25.30 lakh farmers. Under MOVCDNER, 2 lakh ha area has been covered under organic farming by developing 434 FPOs involving 2.20 lakh farmers in North-Eastern States since 2015-16.

Also under Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), which is a Central Sector Scheme implemented by D/o Agriculture & Farmers Welfare w.e.f. 1st December, 2018, an amount of Rs. 6000/- per year is transferred in three 4-monthly installments of Rs.2000/- directly into the bank accounts of the farmers to provide financial assistance to all landholding farmer families across the country to enable them to take care of expenses related to agriculture and allied activities.
