

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1784 TO BE ANSWERED ON: 16.12.2025**

FERTILIZERS TO FARMERS AT SUBSIDIZED RATES

**1784 # SMT. SUNETRA AJIT PAWAR:**

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

- (a) the new schemes or projects being implemented by the Department of Fertilizers to ensure adequate availability of fertilizers at subsidized rates to farmers in the State of Maharashtra, particularly in Pune district;
- (b) whether Government is considering launching any special awareness campaign or subsidy programme to promote local production of neem-coated urea in Pune district and encourage balanced use of fertilizer based on soil health cards;
- (c) if so, the details thereof; and
- (d) the steps being taken to protect farmers from black marketing of fertilizers and ensure its timely supply?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

**(SMT. ANUPRIYA PATEL)**

(a) With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the Urea sector. Total 6 new Urea units have been set up under NIP-2012 which includes 4 Urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 Urea units set up by the private companies. The units set up through JVC are Ramagundam Urea unit of Ramagundam Fertilizers and Chemicals Ltd (RFCL) in Telangana and 3 Urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) at Gorakhpur in Uttar Pradesh, Sindri in Jharkhand and Barauni in Bihar, respectively. The units set up by private companies are Panagarh Urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III Urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology.

However, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield Urea plant of 12.7 LMTPA at coal gasification route has also been approved. Recently, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Assam.

In addition, the Government also notified the New Urea Policy (NUP) - 2015 on 25th May, 2015 for the existing 25 gas-based Urea units with one of the objectives of maximizing indigenous Urea production beyond RAC. The NUP-2015 has led to additional production of Urea by 20- 25 LMT as compared to the production during 2014-15 annually.

Above steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014- 15 to 306.67 LMT of Urea during 2024-25.

Under the Urea Subsidy Scheme, 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 are being supplied Urea at the subsidized rate.

Further, Government has implemented Nutrient Based Subsidy (NBS) 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/bi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content. Under NBS Scheme, MRP of P&K fertilizers is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. The NBS scheme is implemented on pan-India basis including the State of Maharashtra and no regional differentiation is made.

However, to make DAP available at affordable price of Rs. 1350 per 50 kg bag, special provisions like Rs. 3500 per MT to cover 'Other Costs' which includes costs incurred from factory gate to farm gate, advantage / disadvantage due to increase decrease in international prices, provision for GST component included in the MRP and provision for reasonable return @ 4% of net MRP (MRP-GST) have been extended to both imported and domestic DAP and imported TSP over and above NBS subsidy for Rabi 2025-26 season to keep the prices of fertilizers

(b) & (c) Currently, there is no such subsidy programme to promote local production of neem-coated Urea in Pune district of Maharashtra.

Further, the following steps are done to encourage balanced use of fertilizer based on soil health cards:

- Government promotes judicious use of fertilizer through Soil Health & Fertility scheme. The scheme is being implemented since 2014-15 to provide Soil Health Cards (SHCs) for all farm holdings, to promote balanced and integrated nutrient management for improving productivity and soil fertility.
- The diagnostic soil health assessment of farmer fields is taken up periodically so as to issue SHCs at least once in 3 years.
- Since 2014-15, 25.61 crore Soil Health Cards have been generated/distributed as on date across the country.
- Total 8302 Soil Testing Labs (1082 Static Soil Testing Labs, 163 Mobile Soil Testing Labs, 6376 Mini Soil Testing Labs and 681 Village Level Soil Testing Labs) have been established across the country.
- In addition to state soil labs above, 1020 school mini soil labs are also established in the country under school soil health programme.
- Under the scheme, Rs. 1970 Crore fund has been released so far since inception.
- 93781 farmer's trainings, 6.80 lakh demonstrations, 7425 farmer's melas/campaigns on soil health card recommendations have been organized across the country.

(d) In order to address the issues of black-marketing, hoarding, sub-standard and diversion, fertilizers are declared as an essential commodity under the Essential Commodities Act, 1955 and notified under Fertilizer Control Order, 1985. State Governments are empowered to take action against persons involved in said malpractices, as per provisions of EC Act. Any complaints received at Department of Fertilizers level regarding these malpractices is sent to concerned State Government to take appropriate action under Essential Commodities Act, 1955 and Fertilizer Control Order, 1985.

In this regard, it is submitted that the Ministry of Agriculture and Farmers Welfare monitor the enforcement action taken by the State Government against the cases of Black marketing, Hoarding, Sub-standard and Diversion on weekly basis. During the period April 2025 to 05<sup>th</sup> December 2025, 3,51,312 raids have been conducted across the country with 13,124 show cause notices issued, 5,928 licenses suspended/cancelled, and 661 FIRs registered against defaulters.

Further, following steps are taken by the Government every season for ensuring timely and adequate availability of fertilizers in the country:

(i) Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise & month-wise requirement of fertilizers.

(ii) On the basis of requirement projected by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

(iii) The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web-based monitoring system called integrated Fertilizer Management System (iFMS).

(iv) The State Governments are regularly advised to coordinate with manufacturers and importers for streamlining the supplies through timely placement of indents.

However, the assessment and distribution of fertilizers within the State at district level is done by the concerned State government.

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