

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO.198 TO BE ANSWERED ON 02.12.2025

Evaluation and implementation of urea subsidy policy

198. Shri K.R. Suresh Reddy:

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

- (a) the total expenditure incurred under the Urea Subsidy Scheme in the last five financial years, year-wise and State-wise;
- (b) whether Government has conducted any evaluation or audit of the implementation of the urea subsidy policy, particularly regarding subsidy leakages, efficiency of disbursal and actual benefit to farmers;
- (c) whether the Ministry is aware of any irregularities or inefficiencies in the scheme, including delays in subsidy disbursal to manufacturers;
- (d) if so, the action taken by Government in response to such findings; and
- (e) the steps taken to reform the policy framework to ensure greater transparency, timely delivery, and digitised monitoring of urea distribution and subsidy?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): The details of total expenditure incurred under the Urea Subsidy Scheme in the last five financial years are as follows:

Financial Year	Indigenous Urea	Import of Urea	Grand Total
2020-21	68807.41	25049.62	93857.03
2021-22	54619.72	50250.40	104870.12
2022-23	127311.10	41365.60	168676.70
2023-24	102027.00	28193.94	130220.94
2024-25	103319.50	21000.00	124319.50
Grand Total	456084.73	165859.56	621944.29

(b): The Third-Party Evaluation of the Urea Subsidy Scheme conducted in 2020 by the Centre for Market Research & Social Development Pvt. Ltd. (CMSD), highlighted that the scheme contributed to increased indigenous production of urea, improved the energy efficiency of manufacturing units in line with global standards, and supported the establishment or revival of new urea plants. It was also found that most farmers were able to access their full requirement of good-quality urea, which in turn increased crop yields and reduced cultivation costs. Additionally, the scheme helped to lower the burden of urea imports to some extent. Based on these outcomes, the study recommended that there is the necessity for the continuation of Urea Subsidy Scheme to help the urea industries, farmers, and the agriculture sector.

(c): No, Sir.

(d): Question does not arise.

(e): Under 'DBT in Fertilizers' system, 100% subsidy on various fertilizer grades is released to the fertilizer companies (not directly to the farmers), on actual sales to the beneficiaries based on Aadhar authentication through POS devices installed at each retail shop. All farmers are being supplied fertilizers at the subsidized rates on no-denial basis. Fertilizer companies generate weekly subsidy claims based on actual sales through PoS devices, and these claims, duly completed in all respect are processed and settled by the Department on a First-In-First-Out (FIFO) basis, in the sequence in which duly completed claims are received in the Department, which is a dynamic process.

