

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA
UNSTARRED QUESTION NO. 2736 TO BE ANSWERED ON 17.03.2026

Direct benefit transfer of fertilizer subsidy

2736. Dr. Vikramjit Singh Sahney:

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

- (a) whether Government is considering implementation of Direct Benefit Transfer (DBT) of fertilizer subsidy directly to farmers;
- (b) if so, the details thereof, including the proposed roadmap and timeline for rollout;
- (c) the steps taken to address shortages of Di-Ammonium Phosphate (DAP) in the country; and
- (d) the measures taken to correct the imbalanced NPK consumption ratio and promote balanced use of fertilizers?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) & (b): The Pan India roll out of implementation of Direct Benefit Transfer (DBT) mechanism in Fertilizers has been completed in 2018. Under 'DBT in Fertilizers' system, 100% subsidy on various fertilizer grades is released to the fertilizer companies, on actual sales to the beneficiaries based on Aadhaar authentication through Point of Sale (PoS) devices installed at each retail shop. Accordingly, Farmers receive the benefit of subsidized fertilizers 'in kind' at concessional MRP.

(c): The Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/manufacture these fertilizers as per their business dynamics. However, to make DAP which is a key fertilizer, 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 over and above NBS subsidy for Rabi 2025-26 season to keep the prices of DAP stable. Furthermore, for ensuring adequate availability of good quality fertilizers to the farmers, Fertilizer Control Order (FCO), 1985 has laid down fertilizer-wise detailed specifications. Any fertilizer, not meeting the said specifications, cannot be sold in the country for agricultural purpose. Clause 19 of FCO strictly prohibits the sale or manufacture of fertilizers which are not of prescribed standards. Any sale of substandard/ fake/ adulterated fertilizers is punishable under Essential Commodities Act, 1955. The State Governments are the enforcement agencies and are adequately empowered to enforce the provisions of FCO. DA&FW in consultation with the State Governments regularly monitors the enforcement actions taken by State Governments against the cases of Black marketing, Hoarding, Sub-standard and Diversion on weekly basis.

(d): The NBS framework facilitates the availability of various P&K fertilizer grades, thereby providing farmers with options to apply nutrients in balanced proportions based on crop and soil requirements. The Government reviews NBS rates annually/ bi-annually and provide an additional subsidy of Rs. 500/MT and Rs. 300/MT for fortification of any notified P&K fertilizers with Zinc micro-nutrient & Boron micro-nutrient respectively to promote balanced nutrient use. Further, The Cabinet Committee on Economic Affairs (CCEA), on June 28, 2023, approved the "PM Programme for Restoration, Awareness Generation, Nourishment, and Amelioration of Mother-Earth (PM-PRANAM). The initiative aims to support the mass movement initiated by States and Union Territories (UTs) to preserve the health of Mother Earth through the promotion of sustainable and balanced fertilizer use, adoption of alternative fertilizers, promotion of organic farming, and implementation of resource conservation technologies. All States/UTs are covered under the PM-PRANAM scheme. Under the PM-PRANAM scheme, there is a provision to provide incentives to States/UTs for reduction of consumption of chemical fertilizers (Urea, DAP, NPK, MOP) in a given financial year, compared to the average consumption over the previous three years, equivalent to 50% of the fertilizer subsidy saved. Of the total grant, 95% will be allocated to the State, while the remaining 5% will be utilized for monitoring, IEC, research, capacity building and reward purposes.

In addition to this, Kisan Sangoshthis are conducted by the fertilizer companies for extensive field interaction with farmers, local farmer cooperatives, panchayats etc. 24 Fertilizer Marketing Companies (FMCs) conducted 17,108 Camps/ Kisan Sangoshthis across the Country during February 2025 to February 2026 . This initiative focuses on critical areas such as balanced use of fertilizers, integrated nutrient management (INM), promotion of organic farming, and soil health improvement. The Government is regularly coordinating with State and Union Territory Governments to support and promote their efforts under this scheme.
