

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 967 TO BE ANSWERED ON : 24.07.2018

Nutrient Based Subsidy

967. KUMARI SHOBHA KARANDLAJE:

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

- (a) whether the Government has given approval for continuation of Nutrient Based Subsidy (NBS) and city compost scheme till 2019-20 recently;
- (b) if so, the total expenditure likely to be incurred for continuation of both the schemes;
- (c) the objectives of continuation of both the schemes;
- (d) whether the subsidy on P&K fertilizers is being governed by NBS scheme and if so, the details thereof; and
- (e) whether the Market Development Assistance (MDA) on City Compost is being governed by City Compost Scheme and if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(RAO INDERJIT SINGH)

(a) & (b): Yes Madam, Government has decided to continue Nutrient Based Subsidy (NBS) and City Compost Scheme till 2019-20. As per approval of CCEA, the total expenditure likely to be incurred for continuation of NBS and City Compost Scheme is Rs. 61,792 crores or subsidy expenditure for the scheme on actual basis since national rollout of DBT entails 100% payment of subsidy to fertilizer companies on sale of fertilizers to farmers at subsidized rates.

(c): Objectives of continuation of NBS Scheme are as under:

- i. To promote balanced use of fertilizers.
- ii. To reduce subsidy burden on the Government.
- iii. To improve availability of fertilizers to farmers.
- iv. To encourage competition among fertilizer companies

Objectives of continuation of City Compost Schemes are as under:

- i. To support SWACHH BHARAT MISSION.
- ii. To provide City Compost at subsidized rates to farmers.

(d): The Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual basis, is provided on subsidised 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.

(e): The Government of India approved a policy on promotion of City Compost which has been duly notified by the Department of Fertilizers on 10.2.2016 wherein Market Development Assistance (MDA) of Rs. 1500/MT in the form of subsidy has been provided for scaling up production and consumption of city compost.
