

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3762 TO BE ANSWERED ON: 11.08.2023

Fertilizer Subsidy Policy

**3762: SHRI PATEL HASMUKHBHAI SOMABHAI:
SHRI RATANSINH MAGANSINH RATHOD:**

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

- (a) whether the Fertilizer Subsidy Policy and Pricing matters including need to continue Urea Subsidy Scheme has been implemented across the country;
- (b) if so, the details thereof; and
- (c) the details of beneficiaries of such scheme in the State of Gujarat, district wise?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

(SHRI BHAGWANTH KHUBA)

(a) to (c): The Cabinet Committee on Economic Affairs (CCEA) on 28th June, 2023 approved a unique package of innovative schemes for farmers with a total outlay of Rs. 3,70,128.54 crore.

The package includes the Continuation of the existing urea subsidy scheme upto 31st March, 2025 (FY 2022-23 to 2024-25) at a total estimated outlay of Rs 3,68,676.70 crore (the actual expenditure may vary based on the prices of natural gas and other inputs used for the production of Urea).

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 (including farmers of Gujarat) are beneficiaries of this scheme and are being supplied urea at the subsidized rates.

The CCEA in its above-mentioned meeting has also approved the “PM Programme for Restoration, Awareness Generation, Nourishment, and Amelioration of Mother-Earth (PM-PRANAM)”. The initiative aims to support the mass movement started by States/UTs to save the health of Mother Earth by promoting sustainable and balanced use of fertilizers, adopting alternate fertilizers, promoting organic farming and implementing resource conservation technologies. Under the said scheme, 50% of the fertilizer subsidy saved by a State/UT in a particular financial year by way of reduction in consumption of chemical fertilizers (Urea, DAP, NPK, MOP) compared to previous 3 years’ average consumption, will be passed on to that State/UT as Grant.

Further, the CCEA has also approved the Market Development Assistance (MDA) @ Rs. 1500/MT to promote organic fertilizers, i.e., manure produced at plants under GOBARdhan initiative covering different Biogas/CBG support schemes/programmes of stakeholder Ministries/Departments such as Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of MoPNG, ‘Waste to Energy’ programme of MNRE, Swachh Bharat Mission (Rural) of DDWS, etc. with total outlay of Rs. 1451.84 Crore (FY 2023-24 to 2025-26), which includes a corpus of Rs. 360 Crore for research gap funding, etc.

Further, Government has implemented Nutrient Based Subsidy Policy w.e.f. 01.04.2010 all over the country. As per Cabinet’s approval dated 19.01.2022 the scheme is to continue till 2025-26.

Under the NBS Policy, a fixed rate of subsidy (in Rs. per Kg basis) is announced on nutrients namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S) by the Government on annual/bi-annual basis. The per kg subsidy rates on the nutrient N, P, K, S is converted into per Tonne subsidy on the various P&K fertilizers covered under NBS Policy. Any variant of the fertilizers covered under the subsidy scheme with micronutrients namely Boron and Zinc, is eligible for a separate per tonne subsidy to encourage their application along with primary nutrients.

At present 25 grades of P&K fertilizers namely DAP, MAP, TSP, MOP, Ammonium Sulphate, SSP, PDM and 18 grades of NPKS complex fertilizers are covered under the NBS Policy.

Under the NBS regime, MRP of P&K fertilizers has been left open and fertilizer manufacturers/marketers are allowed to fix the MRP at reasonable rates.
