

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

LOK SABHA

**STARRED QUESTION NO. 179 TO BE ANSWERED ON: 02.08.2024**

**NUTRIENT BASED SUBSIDY (NBS) SCHEME**

179\*. SMT. DAGGUBATI PURANDESWARI:  
SHRI NARESH GANPAT MHASKE:

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

- (a) the objective and key components of the Nutrient Based Subsidy (NBS) scheme;
- (b) the total amount of subsidy disbursed under the NBS scheme during the last five years, year-wise and nutrient-wise;
- (c) the data on impact of the NBS scheme on fertilizer usage patterns and agricultural productivity; and
- (d) the measures taken/proposed to be taken by the Government to ensure the effective implementation and monitoring of the NBS scheme across the country?

**ANSWER**

MINISTER OF CHEMICALS & FERTILIZERS AND HEALTH & FAMILY WELFARE  
**(SHRI JAGAT PRAKASH NADDA)**

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(a) to (d): A statement is laid on the table of the House.

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**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 179\* FOR 02.08.2024 REGARDING “NUTRIENT BASED SUBSIDY (NBS) SCHEME” Tabled BY SMT. DAGGUBATI PURANDESWARI & SHri NARESH GANPAT MHASKE:**

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**(a):** The main objectives of Nutrient Based Subsidy (NBS) Scheme under implementation w.e.f. 01.04.2010 are as under:

- i. To promote balanced use of fertilizers.
- ii. To improve timely availability of fertilizers to farmers at affordable prices.
- iii. To encourage competition among fertilizer companies.
- iv. To encourage introduction of new and innovative fertilizers.
- v. To rationalize fertilizer subsidy.

The key components of NBS scheme are as under:

- i. **Nutrient-Based Subsidy:** The subsidy is provided based on the actual nutrients contained in the fertilizers (Nitrogen, Phosphorus, Potassium and Sulphur) to encourage the use of fertilizers specific to the nutrient requirements of the soil and crops.
- ii. **Timely availability at affordable price:** The NBS scheme provides subsidized fertilizers to farmers by making them timely available and at affordable price.

**(b):** Under the NBS Scheme, 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 the NBS Policy. The details of total amount of subsidy disbursed under the NBS scheme during the last five years is as under:

(In Rs. Cr.)

<b>Product Group</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25 as on 22.07.2024</b>
<b>P&amp;K Fertilizers</b>	26335	37303.74	52726.25	86122.23	65199.57	11720.04

**(c):** A study conducted on impact of NBS policy in 2020 has shown that use of Phosphatic & Potassic (P&K) fertilizers helped in improving productivity in the farm land and multi-nutrient deficiency of the soil. The consumption of NPK fertilizers rose from 281.22 LMT in 2010-11 to 290.39 LMT in 2019-20. As per the report, there is a substantial increase in production of major crops since inception of NBS scheme. Foodgrain yield per hectare increased from 1930 Kg/hectare in 2010-11 to 2233 Kg/hectare in 2017-18, an increase of 16% over a period of 7 years.

**(d):** In order to ensure smooth availability of P&K fertilizers at affordable rates to farmers, following measures are taken by the Government for effective implementation and monitoring of the NBS scheme across the country:

- i. Department of Fertilizers (DoF) in consultation with Department of Agriculture and Farmers' Welfare (DA&FW) assesses the requirement of fertilizers in upcoming seasons and ensures the timely availability of fertilizers which is taken into consideration at the time of fixation of NBS subsidy rates for Kharif and Rabi seasons.
- ii. The MRPs/Sale price of P&K fertilizers is monitored through Integrated Fertilizer Management System (iFMS) portal.
- iii. Permission is granted to the fertilizer companies for increasing their manufacturing capacity and for induction of new P&K companies & their fertilizer products under NBS, with a view to boost manufacturing and make country self-reliant in fertilizer production. Any gap between production of fertilizers and demand is fulfilled through import of P&K fertilizers.
- iv. In order to boost indigenous production of P&K fertilizers, Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer, has been notified under Nutrient based subsidy (NBS) regime w.e.f 13.10.2021. Further, freight subsidy on Single Super Phosphate (SSP), which is an indigenously manufactured fertilizer, has been made applicable to promote SSP usage for providing Phosphatic or "P" nutrient to the soil.
- v. In order to keep MRPs of P&K fertilizers at reasonable level and affordable for farmers, the Government issued guidelines dated 15.11.2019 & 18.01.2024 for evaluation of reasonableness of MRP's of Phosphatic & Potassic (P&K) fertilizers by P&K fertilizer companies under the Nutrient Based Subsidy (NBS) Scheme.
- vi. Further, in order to facilitate availability of raw materials/intermediates required for indigenous production of P&K fertilizers, Ortho-phosphoric Acid used is exempted from Quality Control Order (QCO) Standards.

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