

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO. 3483 TO BE ANSWERED ON: 21.03.2025

Nutrient Based Subsidy Scheme

**3483. SHRI NARESH GANPAT MHASKE
DR. SHRIKANT EKNATH SHINDE
SHRI RAJESH VERMA
SMT. SHAMBHAVI
SHRI RAVINDRA DATTARAM WAIKAR:**

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

- (a) whether the Government has implemented the Nutrient Based Subsidy (NBS) scheme for Phosphatic & Potassic (P&K) fertilizers, and if so, the details of the subsidy rates fixed for DAP during Kharif 2024 and Rabi 2024-25;
- (b) whether there are special packages provided by the Government to ensure the availability of DAP at affordable prices to farmers, and if so, the specific details of these packages and their financial implications;
- (c) whether the Government has taken steps to promote Potash Derived from Molasses(PDM) under the NBS regime, and if so, the details of this initiative; and
- (d) whether these initiatives are expected to enhance self-sufficiency in fertilizer production in the country, and if so, the anticipated outcomes of these efforts?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) & (b): Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 01.04.2010. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided to manufacturer / importer on subsidized P&K fertilizers depending on their nutrient content i.e. Nitrogen (N), Phosphorus (P), Potassium (K) and Sulphur (S) to improve availability of fertilizers to farmers. Under NBS scheme, The P&K sector is decontrolled, fertilizer companies are allowed to fix MRP at reasonable levels which is monitored by the Government. The fertilizer companies are free to import / produce fertilizer raw materials, intermediaries and finished fertilizers as per their business dynamics. In view of price volatility in international prices of key fertilizers and raw materials, the Government has subsumed fluctuations, if any, while fixing NBS rates for P&K fertilizers annually/bi-annually. Subsidy rate fixed for DAP during Kharif 2024 (01.04.2024 to 30.09.2024) and Rabi 2024-25 (01.10.2024 to 31.03.2025) is Rs. 21676 per MT and Rs. 21911 per MT respectively.

In wake of recent geopolitical crisis which led to major disruption in supply of fertilizers, pro-active steps were taken in Kharif 2024 to ensure smooth availability of P&K fertilizers to the farmers. In July 2024, the Government took immediate measures to ensure regular imports through a one-time special package on DAP beyond the NBS rates for the period from 01.04.2024 till 31.12.2024 @ 3,500 per MT which has now been extended till 31.03.2025 to ensure sustainable availability of DAP at affordable price to the farmers. The total financial implication for the above package for the year 2024-25 is approximately Rs. 3346 crores which is to be paid from the budgetary allocation for NBS Scheme for year 2024-25.

Under the provision of special package on DAP, as an interim measure, Rs. 3,000 per MT is paid to fertilizer companies on actual PoS sales. The balance Rs. 500 per MT is paid after scrutiny of the bills / claims furnished by the companies which are duly audited by their Statutory Auditors.

(c) & (d): Government has notified Potash Derived from Molasses (PDM) under Nutrient Based Subsidy Scheme w.e.f. 13.10.2021. Government has also issued guidelines dated 12.07.2022 for induction, marketing arrangement and quality of PDM. As on date total 05 PDM granulating companies with 06 units have been inducted under NBS scheme. Further, in order to promote increased production of PDM with assured off-take by fertilizer companies, the Joint Working Group (JWG) of Department of Food & Public Distribution and Department of Fertilizers in consultation with Indian Sugar Mills Association (ISMA) & fertilizer companies decided to fix price of PDM at Rs. 4263/Ton (inclusive of bagging, loading and taxation). As a result of sustained efforts for promotion, sales of PDM stood at 3.75 LMT during 2024-25 (till 15.03.2025).
