

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**STARRED QUESTION NO. \*490 TO BE ANSWERED ON 27.03.2026**

**Disbursal of Fertilizer Subsidy in Tamil Nadu**

**\*490.** SHRI Sasikanth Senthil:

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

- (a) the total fertilizer subsidy disbursed to farmers in the State of Tamil Nadu during the last three years;
- (b) whether the Government has made any assessment regarding the impact of global price volatility on fertiliser availability, if so, the details thereof; and
- (c) the measures being taken to ensure uninterrupted supply of fertilizers to delta and Northern districts of Tamil Nadu, district-wise including Thiruvallur?

**ANSWER**

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

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

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**STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO. 490 FOR 27.03.2026 REGARDING “DISBURSAL OF FERTILIZER SUBSIDY IN TAMIL NADU” TABLED BY SHRI SASIKANTH SENTHIL:**

**(a):** 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 Aadhar authentication through PoS devices installed at each retail shop. All farmers including those in the state of Tamil Nadu are being supplied fertilizers at the subsidized rates on no-denial basis. The details of the total amount disbursed towards fertilizer subsidy by the Government during the last three years i.e. 2022-23 to 2024-25 are as follows:

<i>(Figures in Rs. Crore)</i>					
Financial Year	Subsidy Scheme				Total
	Indigenous P&K	Indigenous Urea	Imported P&K	Imported Urea	
2022-23	50089.67	127311.10	36032.56	41365.60	<b>254798.93</b>
2023-24	36270.00	102027.00	28929.57	28193.94	<b>195420.51</b>
2024-25	34010.00	103319.50	18800.00	21000.00	<b>177129.50</b>

**(b):** The Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under NBS policy, MRP of P&K fertilizers are decontrolled and companies are free to fix MRP as per their business dynamics at a reasonable level. The Government monitors international prices of key fertilizers and raw materials and fluctuations, if any, are subsumed while fixing NBS rates for P&K fertilizers annually / bi-annually to ensure affordable supply of P&K fertilizers to the farmers. Further, 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 and imported TSP over and above the NBS subsidy for Kharif 2025 and Rabi 2025-26 seasons.

With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7<sup>th</sup> October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector. Total 6 new urea units have been set up under NIP-2012 which includes 4 urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 urea units set up by the private companies. The units set up through JVC are Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd (RFCL) in Telangana and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar, respectively. The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III urea unit of

Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology. Therefore, these units have together added urea production capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA during 2023-24. Further, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield Urea plant of 12.7 LMTPA at coal gasification route has also been approved. Recently, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Assam namely Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCCL).

In addition, the Government also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production beyond RAC. The NUP-2015 has led to additional production of urea by 20-25 LMT as compared to the production during 2014-15 annually.

Above steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24. During 2024-25, 306.67 LMT of Urea was produced in the country.

**(c):** The distribution of fertilizers within the State at the district level is carried out by the concerned State Government. The Government of Tamil Nadu has informed that continuous measures have been taken to ensure uninterrupted supply of fertilizers to the Delta and Northern districts, including Thiruvallur. The details are as follows:

- i. The State is receiving fertilizers as per the allocation made by the Government of India, and the overall availability in Tamil Nadu has remained higher than the assessed requirement during the Rabi 2025–26 season.
- ii. Advance indents are placed and additional allocations are sought during peak seasons (Samba season) to avoid shortages in Delta districts.
- iii. Priority allocation is given to Delta districts considering intensive paddy cultivation.
- iv. Steps are being taken to enhance fertilizer distribution through Primary Agricultural Cooperative Credit Societies (PACCS) to ensure availability at subsidized rates.
- v. Stocks are pre-positioned in advance through Tamil Nadu Cooperative Marketing Federation (TANFED) and Thanjavur Cooperative Marketing Federation (TCMF) to facilitate timely distribution.
- vi. Daily monitoring of stock position is carried out at the State, district, and block levels.

- vii. Districts, including Thiruvallur, have been instructed to maintain buffer stocks, ensure timely movement from rake points/godowns, and prevent local shortages through intra-district redistribution.
- viii. 100% sale of fertilizers through Point of Sale (PoS) devices under the Direct Benefit Transfer (DBT) system ensures transparency and real-time tracking.
- ix. The Integrated Fertilizer Management System (iFMS) is being utilized to monitor stock movement and identify potential shortages.
- x. Continuous coordination is maintained with district officials and fertilizer companies to ensure timely movement and availability of stocks across districts.
- xi. Stocks are pre-positioned prior to peak demand periods in both Delta and Northern districts.
- xii. Weekly review meetings are conducted with district officials and fertilizer companies to ensure adequate availability of fertilizer stocks.

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