

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 5558 TO BE ANSWERED ON 27.03.2026

Distribution of Fertilizers Subsidy in Uttar Pradesh

†5558. Mrs Ruchi Vira:

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

- (a) whether the Government has reviewed the effectiveness and reach of fertilizer subsidy distribution, particularly with reference to marginal farmers, sharecroppers and members of cooperative societies who rely on subsidies to control cost of cultivation in Bijnor District, Uttar Pradesh, if so, the details thereof;
- (b) the details of digital systems and verification processes implemented by the Government to link subsidy distribution with Point-of-Sale authentication, transaction verification and beneficiary identification;
- (c) the nature of coordination maintained by the Government with banks, agricultural departments and local institutions to resolve farmers grievances regarding authentication failures, payment delays and subsidies; and
- (d) whether the Government has evaluated that reforms in subsidy distribution have led to tangible improvements in transparency and affordability in the country, if so, the details thereof?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SMT. ANUPRIYA PATEL)**

(a): Under 'DBT in Fertilizers' system, 100% subsidy on various fertilizer grades is released to the fertilizer manufacturer/importer, on actual sales to the beneficiaries based on Aadhaar authentication through PoS devices installed at each retail shop.

All farmers including marginal farmers are being supplied fertilizers at the subsidized rates. Fertilizer companies generate/ submit weekly subsidy claims based on PoS-recorded sales, which are processed in a chronological manner on a First-In-First-Out (FIFO) basis, subject to completeness of claims, with a view to ensuring effective monitoring, timely settlement and efficient fund management.

Marginal farmers, sharecroppers and members of cooperative societies are already availing benefits of subsidized fertilizers from the Government of India through DBT system which is monitored by the State of Uttar Pradesh as per FCO, 1985.

(b): The Direct Benefit Transfer in Fertilizers is being implemented through the digital platform called 'Integrated Fertilizers Management System'. The DBT PoS application runs on Point of Sale (PoS) device which has inbuilt L-1 fingerprint scanner. At the time of PoS sale, at first the Company and product quantity to be sold is selected at PoS level. The buyer is then authenticated via Aadhaar based authentication and fertilizer is sold to the farmer by the retailer. The sold quantity is mapped with the respective Units of Fertilizer Companies. A single DBT Bill on weekly basis is generated on the basis of PoS sale incurred across the Nation with respect of each Unit of a Fertilizer Company.

(c): The weekly DBT bills are processed and approved on iFMS for payment to respective fertilizer companies through PFMS. Department of Fertilizers has deployed a State-level Coordinator for each State to oversee the operational management of implementation of DBT in Fertilizers including coordination and resolution of technical issues with the help of stakeholders viz. State Governments, Fertilizer Companies and PoS vendors.

Coordination between Government of India and State Governments including the State of Uttar Pradesh is maintained by the following steps every season to ensure adequate and timely availability of fertilizers across the country:

(i) Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise & month-wise requirement of fertilizers

(ii) On the basis of requirement projected by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability

(iii) The movement of all major subsidized fertilizers is monitored throughout the country by the online web-based monitoring system called integrated Fertilizer Monitoring System (iFMS)

(iv) The State Governments are regularly advised to coordinate with manufacturers and importers for streamlining the supplies through timely placement of indents.

(v) Regular Weekly Video Conference is conducted jointly by DA&FW and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.

(d): Under DBT in Fertilizers, to ensure transparency, the invoice is delivered to the farmer via SMS, containing details of purchased quantity of fertilizers, net MRP payable by the farmer and the subsidy borne by the Government of India. To ensure affordability of fertilizers, Department of Fertilizers implements Urea Pricing Policy (UPP) for Neem Coated Urea and Nutrient Based Subsidy (NBS) for NPKS fertilizers, which are evaluated from time to time.
