

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 5575 TO BE ANSWERED ON: 27.03.2026**

**Rationalization of Fertilizer Subsidy**

**5575. PROF. SOUGATA RAY:**

**SHRI KISHORI LAL:**

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

- (a) whether the Government has increased the subsidy on fertilizers in view of rising global prices of raw materials, if so, the details thereof; and
- (b) whether the Government proposes to rationalize fertilizer subsidy to ensure benefits reach small and marginal farmers?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

**(SMT. ANUPRIYA PATEL)**

**(a) to (b):** Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP) irrespective of the cost of production. The subsidized MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes 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 are being supplied urea at the subsidized rates.

In case of Phosphatic and Potassic (P&K) fertilizers, 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). 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 to ensure

affordable supply of P&K fertilizers to the farmers. Further, to ensure affordability, 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 NBS subsidy for Kharif 2025 and Rabi 2025-26 seasons. The NBS policy is uniformly applicable across the country and fertilizers at subsidized rates are provided to all buyers including small and marginal farmers. Details of nutrient wise NBS subsidy rates for last four seasons are attached as **Annexure**.

Further, the Government has implemented Direct Benefit Transfer (DBT) in Fertilizers across all States/UTs with effect from March, 2018. Under the DBT system, the sale of subsidized fertilizers to the buyer is done on the basis of Aadhaar authentication of through Point of Sale (PoS) devices installed at Fertilizers retail shop. The subsidy is paid to the Fertilizers Companies on weekly basis on the basis of PoS sale. This is to ensure that the benefit of subsidized fertilizers reached to all farmers across the nation including small and marginal farmers.

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**Annexure**

**Annexure referred to in reply to parts (a) to (b) of Lok Sabha Unstarred Question no. 5575 for answering on 27.03.2026**

**Details of nutrient wise NBS subsidy rates**

**(in Rs. Per Kg)**

<b>Nutrients</b>	<b>2024-25</b>	<b>2024-25</b>	<b>2025</b>	<b>2025-26</b>
	<b>Kharif</b>	<b>Rabi</b>	<b>Kharif</b>	<b>Rabi</b>
<b>N</b>	47.02	43.02	43.02	43.02
<b>P</b>	28.72	30.80	43.60	47.96
<b>K</b>	2.38	2.38	2.38	2.38
<b>S</b>	1.89	1.76	2.61	2.87