

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO.5695 TO BE ANSWERED ON 27.03.2026

Subsidy for Procuring Fertilizers

5695. Dr. M K Vishnu Prasad:

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

- (a) the total subsidy being provided to farmers for procuring urea fertilizers in the country during the last four years and the current year, State and year-wise;
- (b) whether there has been a year-on-year increase in the subsidy provided by the Government and if so, the details thereof;
- (c) the measures taken to ensure import of continuous and smooth supply of urea and fertilizers for farmers in the country and if so, the details thereof; and
- (d) the details of Urea/Fertilizer imported in the country during the last five years, State and year-wise?

ANSWER

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

(a)& (b): 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 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 four years and the current year i.e., from years 2021-22 to 2025-26 (as on 23.03.2026) are as follows:

<i>(Figures In Rs. Crore)</i>		
Financial Year	Subsidy Scheme	Expenditure
2021–22	Indigenous Urea & Import of Urea	1,04,870.12
2022-23	Indigenous Urea & Import of Urea	1,68,676.70
2023–24	Indigenous Urea & Import of Urea	1,30,220.94
2024–25	Indigenous Urea & Import of Urea	1,24,319.50
2025-26 (as on 23.03.2026)	Indigenous Urea & Import of Urea	1,36,532.06

(c): To ensure continuous and smooth import of fertilizers in the country, Department of Fertilizers has facilitated Indian fertilizer companies in entering into Long Term Agreements (LTAs) and Memoranda of Understanding (MoUs) with resource-rich countries.

In this regard, for the year 2025–26, Indian companies have entered into arrangements for import of DAP/NPK fertilizers from Saudi Arabia, Morocco and Russia. Similarly, for Muriate of Potash (MOP), Indian companies have agreements with Jordan, Russia, Turkmenistan, Israel, Canada and Belarus. Further, to increase domestic production of Phosphatic and Potassic(P&K) fertilizers the following measures have been taken by the Government:

- (i). Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized / taken on record under the NBS Scheme.
- (ii). The number of P&K fertilizers covered under NBS policy has increased from 22 grades in 2021 to 28 grades.
- (iii). Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, has been approved since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil.

Above steps together have facilitated increase production of P&K fertilizers (including DAP & SSP) from 159.54 LMT in 2014-15 to 211.22 LMT in 2024-25.

Further, the Government has implemented Nutrient Based Subsidy (NBS) Schemew.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 subsidy is provided to manufacturer/ importer on notified P&K fertilizers on its PoS sale during the season, depending on their nutrient content to ensure availability of fertilizers to farmers.

With regard to Urea, the gap between requirement and indigenous production of Urea is met through timely imports, through three State Trading Enterprises (STEs), to ensure adequate availability of Urea in the country.

Further, the Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th 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. (AVFCCL).

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.

(d): The details of imports of fertilizers (Urea, DAP, MOP and NPK) during last five year i.e. 2020-21 to 2024-25, are as below:

<i>(Qty. in LMT)</i>				
Year	Urea	As Reported by the Companies		
		DAP	MOP *	NPK
2020-21	98.28	48.82	42.27	13.90
2021-22	91.36	54.62	24.60	11.70
2022-23	75.80	65.83	18.66	27.52
2023-24	70.42	55.67	28.69	22.17
2024-25	56.47	45.69	35.41	22.72
MOP includes both Agriculture and Industrial use*				
