GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. **4778** TO BE ANSWERED ON: **20.03.2026**

Implementation of Centrally Sponsored Schemes In Andhra Pradesh

4778. Shri G M Harish Balayogi:

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

(a) the details of Central Sector Schemes and Centrally Sponsored Schemes being implemented by the Ministry in the State of Andhra Pradesh during the last three years, year- wise, scheme-wise and district-wise, especially in Konaseema district;

(b) the details of funds allocated, sanctioned, released and utilised for each of the above schemes during the last three years in Andhra Pradesh, year-wise and district-wise, especially for the said district including reasons for any shortfall in utilisation;

(c) the details of physical targets set and achieved while implementing the said schemes during the last three years and the current year, year-wise, scheme-wise and district-wise;

(d) whether the Government has found any shortcomings while implementing the said schemes, if so, the details thereof and the measures taken to fix those shortcomings; and

(e) the steps taken by the Government to enhance the reach, effectiveness and impact of the said schemes in Andhra Pradesh?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (e): Urea Subsidy Scheme which is a Central Sector Scheme of the Ministry of Chemicals & Fertilizers is wholly financed by the Government of India through Budgetary Support. Urea Subsidy Scheme has three components, i.e., Indigenous Urea, Imported Urea and Uniform Freight Subsidy. Under this Scheme, Urea is presently provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as 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 of the country including farmers of konaseema district of Andhra Pradesh, are being supplied urea at the subsidized rates and thereby are beneficiaries of this scheme.

Government also implement Nutrient Based Subsidy (NBS) Scheme, a Central Sector 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 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. Under the Scheme, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/manufacture these fertilizers as per their business dynamics. NBS scheme is implemented uniformly on pan-India basis including the state of Andhra Pradesh and no regional differentiation is made.

The Cabinet Committee on Economic Affairs (CCEA), on June 28, 2023, approved the PM Programme for Restoration, Awareness Generation, Nourishment, and Amelioration of Mother-Earth (PM-PRANAM). The initiative aims to support the mass movement initiated by States and Union Territories (UTs) to preserve the health of Mother Earth through the promotion of sustainable and balanced fertilizer use, adoption of alternative fertilizers, promotion of organic farming, and implementation of resource conservation technologies.

All States/UTs, including the State of Andhra Pradesh, are covered under the PM-PRANAM scheme. Under the PM-PRANAM scheme, there is a provision to provide incentives to States/UTs for reduction of consumption of chemical fertilizers (Urea, DAP, NPK, MOP) in a given financial year, compared to the average consumption over the previous three years, equivalent to 50% of the fertilizer subsidy saved. Of the total grant, 95% will be allocated to the State, while the remaining 5% will be utilized by the Government of India. Out of the 95% grant provided to the States, 65% is for capital expenditure (capex) projects, preferably as contributions to Centrally Sponsored Schemes, and 30% is untied for other activities, including Information, Education, and Communication (IEC) initiatives. There is no separate budgetary allocation for PM-PRANAM and the scheme is funded from savings of fertilizer subsidy arising out of reduction in consumption of chemical fertilizers. Till date, no incentives have been disbursed to the States/UTs.

The Government has approved Market Development Assistance (MDA) Scheme (FY 2023-24 to 2025-26) under which assistance @ Rs. 1500/MT is provided to CBG plants/Fertilizer Marketing Companies for promotion of organic carbon enhancers, viz., Fermented Organic Manure (FOM)/Liquid Fermented Organic Manure (LFOM) and organic fertilizer, viz., Phosphate Rich Organic Manure (PROM) produced at plants under GOBARdhan initiative.

Fertilizers Subsidies are released to the fertilizers manufacturing companies on Point of Sale (PoS) basis to the buyer and no state-specific physical targets, budget/allocation/fund release is made.

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