

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO.2739 TO BE ANSWERED ON 04.08.2023

Fertilizer Subsidy to Farmers

2739: SHRI RAM MOHAN NAIDU KINJARAPU:

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

- (a) the total amount of fertilizer subsidy provided to farmers and the number of farmers benefitted therefrom, State-wise including Andhra Pradesh during the last one year;
- (b) the details of the average amount of subsidy received by the farmers in Andhra Praesh;
- (c) whether any audit or evaluation has been conducted by the Government to assess the effectiveness and impact of the fertilizers subsidy programme in Andhra Pradesh and if so, the details thereof; and
- (d) the details of the findings of such audit/evaluation on the impact of the programme specific to Andhra Pradesh and the subsequent actions taken/proposed to be taken based on such findings?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)

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

The details of subsidy disbursed on fertilizer for the last one year in different States, including Andhra Pradesh is as follows.

Financial Year	Amount (Rs. in Crores)
2022-23	254798.93

With regard to Urea fertilizer, Urea is 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 are being supplied urea at the subsidized rates.

In respect of P&K Fertilizers, the Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/semi-annual basis, is provided on subsidised P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government.

Accordingly, any farmer who is buying these fertilizers is getting benefits of subsidy. The number of beneficiaries for the last one year in different States including Andhra Pradesh is annexed.

(c) & (d): Department of Fertilizers conducted Pan India evaluation of Urea subsidy scheme, through Centre for Market Research & Social Development (CMRSD) in 2020. The Evaluation of the Urea Subsidy Scheme has yielded a wealth of very rich data as findings. Some of the findings of the evaluation are as under:

- The urea subsidy scheme envisages to increase indigenous urea production. Due to implementation on NUP-2015, the production of urea increased from 225.8 LMT in 2014-15 to 244.75 LMT in 2015-16 (highest ever urea production in the country). Thereafter, level of production more or less maintained since 2015-16.
- Over the years, subsidy amount has been increased and paid to the urea manufacturing units due to the increase in the price of gas.
- The study noticed that Urea Subsidy Scheme has a great impact on agricultural sector in increasing crop yield and reducing the expenditure of farmers for cultivation. Also, it was noticed that due to the scheme, most farmers get their full requirement of urea, of good quality and in time. Because of the success of the scheme, there is improvement in energy efficiency of urea industries. Thus, there is the necessity for continuation of the urea subsidy scheme to help the urea industries, farmers, and the agriculture sector.
- After the implementation of New Urea Policy 2015 (NUP-2015), there is improvement in energy efficiency of urea industries at par with global standards.
- Due to urea subsidy scheme, most of the farmers get their full requirement of urea and of good quality. The study observed that urea subsidy scheme has increased crop yield and reduced the expenditure of farmers for cultivation.
- Majority of the farmers feel that there are benefits after the availability of the neem coated urea. Also, due to availability of 45 kg urea bag in place of 50 kg bag, 50% farmers are using less amount of urea in cultivation.

Annexure-I

State wise Beneficiary count for FY 2022-23		
Sl. No.	State Name	No. of Beneficiaries 1.4.22 - 31.3.23
1	Andaman and Nicobar Islands	3911
2	Andhra Pradesh	2576865
3	Arunachal Pradesh	419
4	Assam	1156454
5	Bihar	9042086
6	Chhattisgarh	1819901
7	Dadra and Nagar Haveli	4748
8	Delhi	14966
9	Goa	29747
10	Gujarat	3589418
11	Haryana	1490200
12	Himachal Pradesh	223054
13	Jammu and kashmir	429671
14	Jharkhand	874493
15	Karnataka	2624907
16	Kerala	303346
17	Madhya Pradesh	5498528
18	Maharashtra	4864129
19	Manipur	7558
20	Mizoram	4430
21	Nagaland	564
22	Odisha	1917542
23	Puducherry	16824
24	Punjab	1184946
25	Rajasthan	4200972
26	Tamil Nadu	2735187
27	Telangana	2075730
28	Tripura	82206
29	Uttarakhand	273367
30	Uttar Pradesh	19617646
31	West Bengal	2620506
	Total	69284321
