

Fertilizer Subsidy

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Context- A subsidy of Rs. 1.08 lakh crore was approved by the Union Cabinet for the current kharif, or monsoon, season.

Key Highlights

- Out of this, Rs. 38,000 crore will finance phosphatic and potassic (P&K) manures, while Rs. The urea subsidy will be funded with 70,000 crore.
- With compost costs proceeding to stay high because of worldwide elements —, for example, a fall underway and climbing strategies costs, particularly because of the Ukraine circumstance — the Middle anticipates that the current year's manure sponsorship should cross Rs. 2.2 million crore. The fertilizer subsidy was approximately Rs. 2.56 million crore

Subsidy Programs for Fertilizers

- The Department of Fertilizers periodically implements a variety of fertilizer subsidy programs, each of which consists of a different subsidy component, in order to guarantee the prompt and simple availability of various fertilizers at prices that are reasonable.
- Currently, The Department of Fertilizers has implemented subsidy programs like (i) Urea ; (ii) 21-grades of P&K-fertilizers & (iii) City Compost .

Subsidy for Urea:

- The urea is sold at a maximum retail price (MRP) that is mandated by Indian law.
- The Indian government provides the urea manufacturer or importer with a subsidy

equal to the difference between the urea units' net market realization and the delivery cost at the farm gate.

Subsidy based on nutrients (NBS):

- Since 2010, the Department of Fertilizers has implemented the Nutrient Based Subsidy (NBS) Policy for P&K fertilizers.
- Under the NBS Strategy, the Public authority gives a proper pace of endowment (in Rs. per kilogram) for each nutrient in P&K fertilizers that are subsidized. The MRP of P&K fertilizers has been left open, allowing fertilizer manufacturers and marketers to set it at a fair price.

Encouragement of City Compost:

- The Division of Manures advised the plan for advancement of City Fertilizer in 2016.
- Market Development Assistance (MDA) in the form of a fixed amount of Rs. 1500/- per MT of City Compost will be provided as part of the plan to boost the product's production and consumption.