

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO.3255 TO BE ANSWERED ON 07.08.2026

Rationalisation of Fertilizer Subsidy

†3255. Shri Ashish Dubey:
Shri Dileshwar Kamait:
Smt. D K Aruna:

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

- (a) the total fertilizer subsidy provided by the Government during the last five years, year-wise and fertilizer-wise;
- (b) whether the Government has taken any steps to rationalise fertilizer subsidy and make its delivery more effectively targeted, if so, the details thereof;
- (c) the impact of the increase in global prices of fertilizers and their raw materials on fertilizer subsidy expenditure;
- (d) the steps taken by the Government to improve efficiency and transparency in the distribution of fertilizer subsidy; and
- (e) the total fertilizer subsidy required and allocated by the Union Government to Telangana during the last two years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (e): Under the DBT in Fertilizers system, 100% subsidy on various fertilizer grades is released to fertilizer companies based on the actual sales made to beneficiaries. The subsidy is disbursed after Aadhaar authentication of the beneficiaries through PoS devices installed at each retail shop. Accordingly, fertilizers are supplied to all farmers at subsidized rates on a no-denial basis. Since funds are not allocated or disbursed in a district-wise or State-wise basis, such data is not maintained. The details of the total amount of fertilizer subsidy disbursed by the Government during the last five years i.e. 2021-22 to 2025-26 is as given below:

(Figures in Rs. Crore)						
Financial	Subsidy Scheme					Total
	Indigenous P&K	Indigenous Urea	City Compost	Imported P&K	Imported Urea	
2021-22	31931.46	54619.72	43.71	20794.79	50250.40	157640.08
2022-23	50089.67	127311.10	0.00*	36032.56	41365.60	254798.93
2023-24	36270.00	102027.00	0.00*	28929.57	28193.94	195420.51
2024-25	34010.00	103319.50	0.00*	18800.00	21000.00	177129.50
2025-26	41000.00	94219.50	0.00*	33999.99	47956.24	217175.73
* The Scheme of City Compost has been discontinued w.e.f. 1st October, 2021						

Department of Fertilizers, Government of India, and Department of Agriculture & Farmers Welfare, Government of India have jointly developed and launch a new digital system namely 'Framework for Fertilizer Sale' with consent of States, in a staggered pilot manner, with the objective of making the fertilizer distribution system more transparent, organized, farmer centric, land and crop data integrated and demand driven. Under the proposed arrangement, farmers or their authorized representatives will register through a mobile application and enter land and crop-related details for advance booking (pre-booking) of fertilizer requirements. Upon successful booking of fertilizers, a QR code-based token shall be generated. This QR code shall be scanned by fertilizer retailers through PoS machines, and fertilizer shall be distributed following Aadhaar-based biometric authentication, as per the existing procedure. The Pilot of this initiative has been implemented so far in 56 districts of 22 States in a phased manner.

Furthermore, Integrated Fertilizer Management System (iFMS) is an online platform developed for real-time monitoring and management of fertilizer movement across the country. Under the system, real-time monitoring of fertilizer dispatches, allocation, rake placement, stock position and state-wise supply status is done by respective States and stakeholders.

The recent geopolitical tensions disrupted global supply chains for fertilizers and raw materials, resulting in higher freight and insurance costs, shipment delays, and price volatility. However, fertilizer availability in the country remained largely adequate through diversified sourcing and Government interventions. Government has undertaken measures to diversify import sources by exploring procurement opportunities from various countries. Moreover, the fertilizer industry has also collectively procured fertilizers and raw materials through an industry consortium to ensure transparent price discovery, improve bargaining power with global suppliers, and secure timely availability of fertilizers and raw materials. The budgetary allocation for fertilizer subsidy is reviewed periodically, based on which, the process for seeking additional budgetary allocation, on requirement, is undertaken, as per the extant provision.

The subsidy payable to individual fertilizer companies under the various subsidy schemes of Department of Fertilizers is disbursed through an online system. All the Fertilizer sale transactions are captured online in the Integrated Fertilizer Management System (iFMS) system on real time basis. The claims are processed on a weekly basis and the amount of subsidy is remitted to the company's bank account through electronic mode based on the actual sales made through PoS machines. The payment of bills is processed on "First in First out (FIFO)" principle in the sequence of the receipt of same based on duly completed bills received in the Department.
