DBT in Fertilizers Ensures Timely Subsidy Disbursal and Availability to Farmers

Government Strengthens Supply Monitoring, Environmental Safeguards and Efficient Fertilizer Distribution

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The Government of India has successfully implemented the **Direct Benefit Transfer (DBT) in Fertilizers** system to ensure efficient subsidy disbursal and timely availability of fertilizers to farmers across the country. Under the DBT system, **100 per cent subsidy** on various fertilizer grades is released directly to fertilizer companies based on actual sales made to farmers through Aadhaar-authenticated Point of Sale (PoS) devices installed at retail outlets. This ensures that fertilizers are made available to farmers at subsidized rates while enabling transparency, real-time monitoring and efficient fund management. Subsidy claims are processed on a **First-In-First-Out (FIFO)** basis to ensure timely settlement.

Ensuring Adequate Availability of Fertilizers

The Government undertakes several measures to ensure timely and adequate availability of fertilizers during each cropping season:

I. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise & month-wise requirement of fertilizers.
II. On the basis of requirement projected by DA&FW, Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.
III. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web-based monitoring system called integrated Fertilizer Management System (iFMS).
IV. The State Governments are regularly advised to coordinate with manufacturers and importers for streamlining the supplies through timely placement of indents.
V. The distribution of fertilizes within the State at district level is done by the concerned State government.

Regulation of Chemicals and Environmental Safeguards

The Government of India remains committed to minimizing the environmental impact of fertilizer production through a robust regulatory framework and real-time monitoring. The Environment (Protection) Act, 1986 serves as the primary legislation empowering the Central Government to regulate hazardous chemicals, supported by the Hazardous Chemicals (Manufacture, Storage and Import) Rules, 1989, which focus on mitigating risks through safe handling practices, mandatory safety audits, and emergency plans.

The Ministry of Environment, Forests and Climate Change (MoEFCC), through GSR 1607(E) dated December 29, 2017, has prescribed effluent and emission standards for fertilizer industries. All units must obtain Consent to Operate from State Pollution Control Boards/Committees and maintain adequate effluent treatment and air-pollution control systems. CPCB and State Boards take action against units violating these standards. CPCB has also mandated Online Continuous Effluent/Emission Monitoring Systems (OCEMS) with real-time connectivity and conducts inspections based on alerts or system downtime, initiating action against non-compliant industries as per rules.

Subsidy Disbursal Mechanism

Under the ‘DBT in Fertilizers’ system, 100% subsidy on various fertilizer grades is released to the fertilizer manufacturing/ importing companies, on actual sales to the beneficiaries based on Aadhaar authentication through PoS devices installed at each retail shop. Funds are not allocated or disbursed in a district-wise or constituency-wise manner.

This information was provided by Smt. Anupriya Patel, Minister of State in the Ministry of Chemicals and Fertilizers, in a written reply to a question in the Lok Sabha.

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