

Nutrient Based Subsidy Scheme [Fertilizer Policy]

The Government of India launched the Nutrient Based Subsidy Scheme that provides a fixed amount of subsidy on fertilizers. Details of the scheme are discussed further in the article. Students preparing for the [IAS Exam](#) or any other Government exam can learn more about the scheme here.

The UPSC Syllabus covers this scheme under welfare schemes for vulnerable sections of the population by the Centre and the States in General Studies Paper-II.

What is Nutrient Based Subsidy Scheme?

Nutrient Based Subsidy (NBS) Programme for Fertilizers was initiated in the year 2010.

- Under the scheme, a fixed amount of subsidy decided on an annual basis is provided on each grade of subsidized Phosphatic and Potassic (P&K) fertilizers, except for Urea, based on the nutrient content present in them.
- The scheme is administered by the Department of Fertilizers under the Ministry of Chemicals & Fertilizers.
- In a recent development, the [Cabinet Committee](#) on Economic Affairs has approved the proposal of the Department of Fertilizers for the continuation of the Nutrient Based Subsidy (NBS) till 2019-20.
- The continuation of the Nutrient Based Subsidy Scheme will ensure that an adequate quantity of P&K is made available to the farmers at a statutory controlled price.

Nutrient Based Subsidy Scheme (NBS) Provisions

In India, urea is the only controlled fertilizer and is sold at a statutory notified uniform sale price.

- Nutrient Based Subsidy Scheme (NBS) allows the manufacturers, marketers, and importers to fix the MRP of the Phosphatic and Potassic (P&K) fertilizers at reasonable levels.
- The domestic and international cost of P&K fertilisers is considered along with the country's inventory levels and the currency exchange rate in order to decide the MRP.

Aims of the Nutrient Based Subsidy Scheme

The aims of the NBS scheme are the following:

- The scheme aims at ensuring that sufficient quantity of P&K is at the farmer's disposal at statutory controlled prices so that agricultural growth can be sustained and balanced nutrient application to the soil can be ensured.
- It aims at ensuring balanced use of fertilizers, improving agricultural productivity, promoting the growth of the indigenous fertilizer industry and also reducing the burden of subsidy.

Nutrient Based Subsidy Scheme has been implemented with the expectation that it will promote balanced fertilization of the soil, which will lead to increased agricultural productivity and consequently better returns to the farmers.

UPSC Questions related to Nutrient Based Subsidy Scheme

What is DBT in fertilizer?

DBT stands for Direct Benefit Transfer system for fertilizer subsidy payments by the Government of India. Under the fertilizer DBT system, 100% subsidy on various fertilizer grades shall be released to the fertilizer companies, on the basis of actual sales made by the retailers to the beneficiaries.

