

# Govt to finalise P&K fertiliser subsidy for rabi season soon

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The Centre will soon announce the nutrient-based fertiliser subsidy for the rabi season, which may see some increase from the rates announced for the kharif season as companies had already imported the required quantity to ensure sufficient availability during sowing season.

The Department of Fertilisers is believed to have sent its recommendation on the NBS subsidy for rabi season for the approval of cabinet after inter-ministerial consultation.

The government in April had announced the Nutrient Based Subsidy (NBS) rates for Phosphatic (P) and Potassic (K) fertilizers for the kharif season (to be valid during April-September) with an estimated outgo of



₹60,939.23 crore, including support for indigenous fertiliser (SSP) through freight subsidy and additional support for indigenous manufacturing and imports of Diammonium phosphate (DAP). The subsidy rate was ₹91.96/kg for nitrogen (N), ₹72.74/kg for P and ₹25.31/kg for K during kharif. But as the global rates fluctuated after April, the government had assured fertiliser firms to keep importing for rabi season so that there is no

scarcity in domestic market, particularly of DAP and Muriate of Potash (MOP).

## **AVERAGE IMPORT RATE**

The average import price of urea in August was \$593/tonne, down from \$722/tonne in May and that of DAP was \$891/tonne in August against \$936/tonne in May and \$945/tonne in July.

The fertiliser industry has conveyed to the government that since the current sales are happening from stock contracted for import before August, the subsidy for rabi season should reflect that aspect and the current decline in global prices at which import contract will be signed should be factored in next revision of subsidy for kharif 2023, sources said. "If the Centre wants companies to keep importing and selling at the unofficial MRP, there has to be some upward revision," said an industry official.