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Centre Cuts Non-urea Fertiliser Subsidy

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Why in News

Recently, the **Cabinet Committee on Economic Affairs (CCEA)** has **cut the subsidy for non-urea fertilizers**.

That is about **3% lower** than the estimated expenditure on the **nutrient based subsidies in 2019-20**.

Key Points

- **Reduced Prices:**
 - **Nitrogen (N) based fertilizers**- Reduced to ₹18.78 per kg from ₹18.90 per kg.
 - **Phosphorus (P) based fertilizers**- Reduced to ₹14.88 per kg from ₹15.21 per kg.
 - **Potash (K) based fertilizers**- Reduced to ₹10.11 per kg from ₹11.12 per kg.
 - **Sulphur (S) based fertilisers**- Reduced to ₹2.37 per kg from ₹3.56 per kg.
- The CCEA has also **approved the inclusion of ammonium phosphate [(NH₄)₃PO₄]** (a complex fertiliser) under the **nutrient-based subsidy (NBS) scheme**.

Nutrient Based Subsidy Scheme

- It is being **implemented from April 2010** by the **Department of Fertilizers, Ministry of Chemicals & Fertilizers**.
- Under NBS, a **fixed amount of subsidy decided on an annual basis**, is provided on each grade of subsidized **Phosphatic & Potassic (P&K) fertilizers, except for Urea**, based on the nutrient content present in them.

It is largely for **secondary nutrients** like **N, P, K and S** which are very important for crop growth and development..
- It aims to **ensure the availability of fertilizers to farmers at an affordable price**, as the retail prices of such non-urea fertilisers are decontrolled and set by manufacturers.

Cabinet Committee on Economic Affairs

- **Chaired by the Prime Minister**, CCEA lays down the **priorities for public sector investment** and considers specific **proposals for investment of not less than specific levels as revised from time to time**.
- It has a **mandate to review economic trends** on a **continuous basis**, as well as the problems and prospects, with a view to evolving a consistent and integrated economic policy framework for the country.
- It also **directs and coordinates all policies and activities in the economic field** including **foreign investment** that require policy decisions at the highest level.
- **Apart from CCEA, there are seven other cabinet committees:**
 - Appointments Committee of the Cabinet.
 - Cabinet Committee on Accommodation.
 - Cabinet Committee on Parliamentary Affairs.
 - Cabinet Committee on Political Affairs.
 - Cabinet Committee on Security.
 - Cabinet Committee on Investment and Growth.
 - Cabinet Committee on Employment & Skill Development.

Source: TH