



PM-PRANAM Scheme

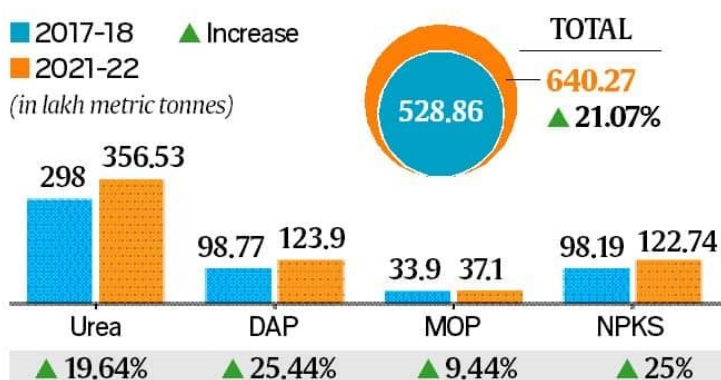
Why in news?

Promotion of PM-PRANAM scheme will help the government reduce subsidy bills and fiscal deficits.

Fertiliser Requirement of India

- The *Department of Agriculture and Farmers Welfare* assesses the requirement of fertilisers each year before the start of the cropping season and informs the *Ministry of Chemicals and Fertilisers* to ensure the supply.
- **Fertilizer season-** The Kharif season (June-October) accounts for nearly half the year's production of foodgrains, one-third of pulses and approximately two-thirds of oilseeds.
- A sizable amount of fertiliser is required for this season.
- **Fertilizer Consumption** - India has consumed about 500 LMT of fertilizer over the last ten years.
- In 2020, the overall consumption of fertilisers stood at about 61 million tonnes, of which urea consumption increased exponentially.
- India is a major buyer of Diammonium Phosphate (DAP).
- India is the 2nd largest consumer and the 3rd largest producer of urea in the world.
- India consumes around 33 million tonnes of urea annually, of which almost 70% is domestically produced and the rest is imported from other countries.

SPIKE IN CHEMICAL FERTILISER REQUIREMENT



What is PM- PRANAM?

- **Launch-** PM-PRANAM (PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth) was launched in [Union Budget 2023-24](#).
- **Aim-** To promote the balanced use of chemical and alternative fertilisers, generating awareness of regenerative agriculture (RA).

Regenerative Agriculture is an outcome-based food production system that

- *Nurtures and restores soil health,*
 - *Protects the climate, water resources and biodiversity, and*
 - *Enhances farms' productivity and profitability.*
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- **Objective** - To incentivise the States and UTs to promote usage of alternative fertilizers and balanced use of chemical fertilizers.
 - **Budget** - While the PRANAM scheme has no separate budget, a 50% subsidy savings will be provided to States/UTs.
 - 70% of the grant provided under the scheme can be used for asset creation related to technological adoption of alternate fertilisers and alternate fertiliser production units.
 - 30% grant money can be used for incentivising farmers, panchayats, farmer producer organisations, self-help groups, etc.
 - **Data**- iFMS (Integrated fertilisers Management System) data available in the Fertiliser Ministry dashboard will be used for this purpose.

Why was the scheme introduced?

- **Increased demand**- The total requirement of 4 fertilisers — Urea, DAP (Di-ammonium Phosphate), MOP (Muriate of potash), NPKS (Nitrogen, Phosphorus and Potassium) — increased by 21% between 2017-2018 and 2021-2022.
- **Increase in subsidy**- Due to increased demand for fertiliser in the country over the past 5 years, the overall government expenditure on subsidy has also increased.
- Reduced use of chemical fertiliser will reduce the burden on the exchequer.
 - In 2022-23, the government has allocated Rs 1.05 lakh crore, but the fertiliser subsidy could cross Rs 2.25 lakh crore during this year.
- **Eco-friendly**- It seeks to reduce the use of chemical fertiliser, in line with government's focus on promoting the balanced use of fertilizers.

What lies ahead?

- **Reduce subsidy**- The gradual phase-out of subsidies on chemical fertilisers can stimulate alternative or bio-fertiliser adoption.
- **Phase out retention pricing scheme**- Retention pricing scheme which safeguards chemical fertiliser (urea) manufacturers, can be phased out to promote alternative fertiliser production.
- **Provide incentives**- The margin on bio-fertiliser sales should be worked out to incentivise sales and distribution networks.
- **Lesson from Sri Lankan food crisis**- Demonstrating alternative fertilisers on farmer fields is critical, to showcase higher productivity.
- Proper certification of such products can help farmers or their organisations realise a remunerative price.
- **Improve infrastructure**- In Budget 2023-24, the government said that 10,000 Bio-Input Resource Centres will be set up over the next three years.
- It will create a national-level distributed micro-fertiliser and pesticide manufacturing network.

Steps Taken to Promote Use of Alternate Fertilisers

- **DBT (Direct Benefit Transfer) system**- It was launched in 2016 to plug leakages in fertiliser subsidy.
- 100% subsidy on various fertiliser grades is released to the fertiliser companies on the basis of actual sales made by the retailers to the beneficiaries.
- **Nano urea**- India's first liquid nano urea plant is inaugurated at Kalol, Gujarat.
- It has a shelf life of a year, and farmers need not be worried about caking when it comes in contact with moisture.
- **Urea Gold** - It is a new variety of urea that is coated with sulphur which is expected to address sulphur deficiencies in the soil.
- Usage of "**Bio-stimulants**" in the Fertilizer Control Order-1985 (FCO).
- **Soil Health Card**- It was launched in 2014, gives information to farmers on the nutrient status of their soil.
- It gives recommendation on appropriate dosage of nutrients to be applied for improving soil health and its fertility.
- **Neem-coated urea**- All the indigenous and imported urea were neem coated so as to make the urea slow release and difficult to use for non-agricultural purposes.
- **Paramparagat Krishi Vikas Yojana**- Assistance of Rs 50,000 per hectare/ 3 years is given.
- In this, Rs. 31,000 (62%) is provided to the farmers directly through DBT, for inputs (bio-fertilizers, biopesticides, vermicompost, botanical extracts etc)
- **Mission Organic Value Chain Development for North Eastern Region**- Farmers are given assistance of Rs 25000/ ha/ 3 years for both onfarm & off-farm organic inputs, and seeds/ planting material.
- **National Mission on Oilseeds and Oil Palm**- Financial assistance at 50% subsidy to the tune of Rs. 300/- per ha is being provided for different components.
- It includes bio-fertilizers, supply of Rhizobium culture/Phosphate Solubilising Bacteria (PSB)/ Zinc Solubilising Bacteria etc.,
- **National Food Security Mission**- Financial assistance is provided for promotion of Bio-Fertilizer (Rhizobium/ PSB) @50% of the cost limited to Rs.300 per ha.
- **INM &IPM**- Government of India has also been promoting soil test based Integrated Nutrient Management (INM) under Soil Health Card Programme and Integrated Pest management (IPM) practices for judicious use of chemicals.

References

1. [Business Line- Can PRANAM reduce fertilizer subsidy bill](#)
2. [PIB- Government encourages the use of bio-fertilizers](#)



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