

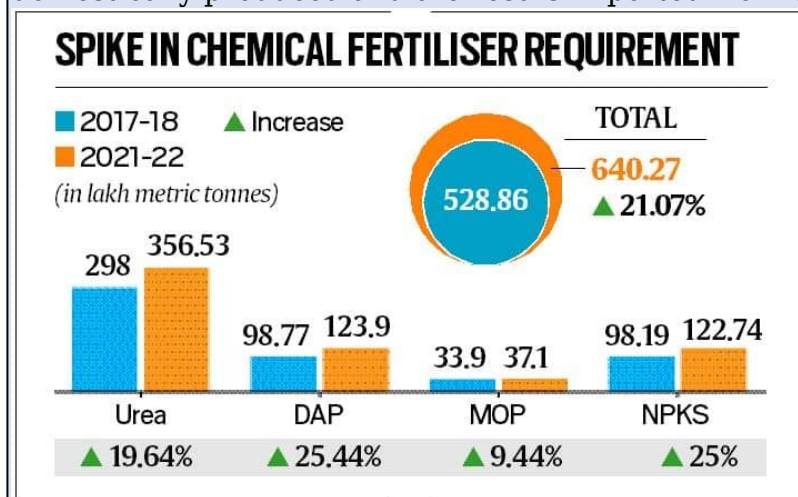
## PM-PRANAM Scheme

### 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 *2<sup>nd</sup> largest consumer and the 3<sup>rd</sup> 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.



### 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.*
- **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](#)