

The One Nation One Fertiliser Scheme

Why in news?

The Ministry of Chemicals and Fertilisers has decided to implement One Nation One Fertiliser by introducing a single brand for fertilisers and logo.

What is the scheme about?

- The Ministry has decided to introduce single brand for fertilisers and logo under fertiliser subsidy scheme Pradhan Mantri Bhartiya Janurvarak Pariyojna (PMBJP).
- Under the new initiative, both public and private sector companies will be required to sell subsidised fertilisers under a single brand name. Example-Bharat Urea or Bharat DAP.
- Two-thirds of the fertiliser bag will be used for the brand and logo while companies can print their name and details in one-third area.

What is the need for a single brand?

- **Government subsidy-** The maximum retail price of urea is currently fixed by the government, which compensates companies for the higher cost of manufacturing or imports incurred by them.
- The MRPs of non-urea fertilisers are, on paper, decontrolled.
- But companies cannot avail of subsidy if they sell at MRPs higher than that informally indicated by the government.
- **Place of sale-** The government also decides where they can sell through the Fertiliser (Movement) Control Order, 1973.
- When the government is spending vast sums of money on fertiliser subsidy and deciding where companies can sell, it would obviously want to take credit and send that message to farmers.

Under the Nutrient Based Subsidy (NBS) Scheme, a fixed rate of subsidy is announced on nutrients namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S) by the government on annual basis.

What are the criticisms against the move?

- **Dilution of brand value-** Since all bags will look the same, dealers will push what they choose.
- It will disincentivise fertiliser companies from undertaking marketing and brand promotion activities.
- They will now be reduced to contract manufacturers and importers for the

government.

- **Self-promotion**- Opposition parties criticised the 'One Nation One Fertiliser' initiative as an exercise of self-promotion.
- **Shifting the blame**- Currently, in case of any bag or batch of fertilisers not meeting the required standards, the blame is put on the company.
- But now, that may be passed on fully to the government.

References

1. <https://indianexpress.com/article/explained/everyday-explainers/one-nation-one-fertiliser-scheme-explained-risks-challenges-drawbacks-8111071/>
2. <https://www.thehindubusinessline.com/economy/agri-business/one-nation-one-fertiliser-companies-asked-to-sell-under-bharat-brand-from-october-2/article6580685ece>

