Indian Economy · GS - III

India's fertiliser subsidy policy seeks to balance farmers' affordability, agricultural productivity and sustainable soil management. Examine the role of the Nutrient-Based Subsidy scheme in achieving these objectives and discuss its limitations.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 12/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Nutrient-Based Subsidy, phosphatic and potassic fertilisers, urea subsidy, balanced fertilisation, soil health, fiscal burden, global price volatility, fertiliser imports, agricultural sustainability.

Model Answer

Introduction

Fertilisers are essential agricultural inputs, but their affordability and balanced application are important for maintaining agricultural productivity and soil health. India's Nutrient-Based Subsidy (NBS) scheme links subsidies for phosphatic and potassic fertilisers to their nutrient content.

Role of NBS

- **Balanced fertilisation:** Encourages appropriate application of nitrogen, phosphorus and potassium rather than excessive dependence on urea.
- **Farmer affordability:** Subsidies reduce the financial burden of purchasing essential fertilisers.
- **Nutrient efficiency:** Nutrient-linked support can promote more rational fertiliser consumption.
- **Price stability:** Government intervention helps protect farmers from international price fluctuations.

Limitations

- **Nutrient imbalance:** Differential subsidy treatment of urea and P&K fertilisers can encourage excessive nitrogen use.
- **Fiscal pressure:** Rising international fertiliser prices increase the government's subsidy expenditure.
- **Import dependence:** Global supply disruptions expose India to price and availability risks.
- **Environmental concerns:** Excessive fertiliser application can contribute to soil degradation and water pollution.

Way Forward

India should rationalise subsidy structures, strengthen soil testing, promote organic alternatives and encourage precision fertiliser application.

Conclusion

A balanced and sustainable fertiliser policy must combine farmer affordability with nutrient efficiency, fiscal prudence and long-term soil conservation.

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