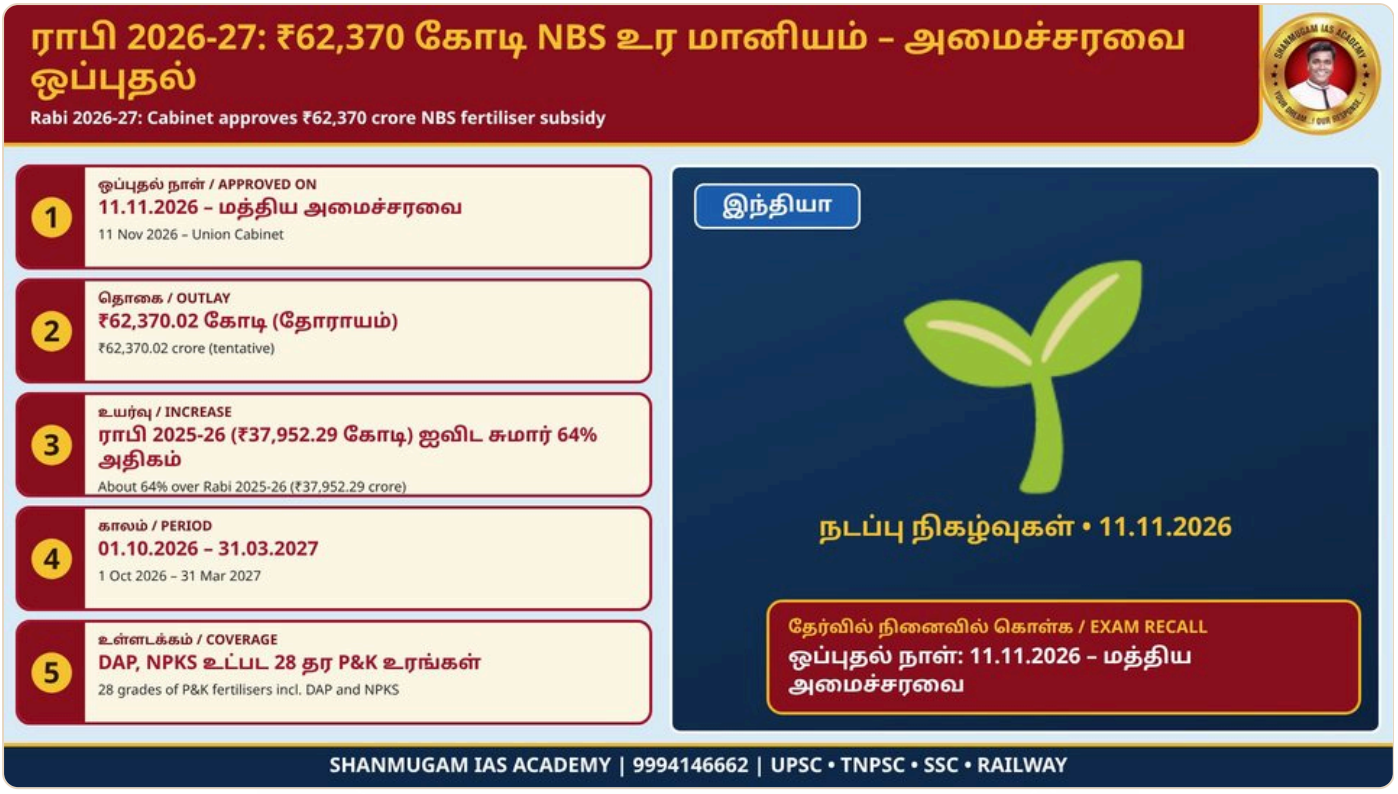
Rabi 2026-27: Cabinet approves ₹62,370 crore NBS fertiliser subsidy

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News

The Union Cabinet chaired by Prime Minister Narendra Modi on 11 November 2026 approved the Nutrient Based Subsidy (NBS) rates for phosphatic and potassic (P&K) fertilisers for the Rabi 2026-27 season. The tentative budgetary requirement is ₹62,370.02 crore – about ₹24,417.73 crore (around 64%) more than the ₹37,952.29 crore for Rabi 2025-26. The rates apply from 1 October 2026 to 31 March 2027. Twenty-eight grades of P&K fertilisers, including di-ammonium phosphate (DAP) and various NPKS grades, are made available at subsidised prices under it. The government said the subsidy was rationalised in view of rising international prices of fertilisers and inputs such as urea, DAP, muriate of potash (MOP) and sulphur. Union Minister Ashwini Vaishnaw told the Cabinet briefing that farmers would face no extra burden and domestic manufacturing would rise.

Key facts for the exam

Point	Details
Approved on	11 Nov 2026 – Union Cabinet
Outlay	₹62,370.02 crore (tentative)
Increase	About 64% over Rabi 2025-26 (₹37,952.29 crore)
Period	1 Oct 2026 – 31 Mar 2027
Coverage	28 grades of P&K fertilisers incl. DAP and NPKS

Point	Details
Scheme in force since	NBS – since 1 April 2010
Department	Department of Fertilizers, Ministry of Chemicals and Fertilizers
Previous season	Kharif 2026 – ₹41,534 crore

Background

- What NBS is: under this scheme, in force since 1 April 2010, a fixed per-kg subsidy is announced each season (Kharif and Rabi) for the nutrients nitrogen (N), phosphorus (P), potash (K) and sulphur (S). Retail prices of P&K fertilisers are set by the companies (they are decontrolled). Urea, however, is outside NBS; its maximum retail price (MRP) is fixed by the government.
- Science: DAP's nutrient grade is 18-46-0 (18% N, 46% P_2O_5). The potash fertiliser 'muriate of potash' (MOP) is chemically potassium chloride (KCl). The commonly recommended N:P:K ratio is 4:2:1; overuse of urea distorts this ratio and harms soil health. India meets almost all of its potash needs through imports.
- Economy and governance: fertiliser subsidy is one of the Centre's biggest subsidy bills (after food subsidy). The Department of Fertilizers works under the Ministry of Chemicals and Fertilizers. Companies are paid subsidy on the quantity actually sold to farmers through Point-of-Sale (PoS) machines (fertiliser DBT). The two seasons: Kharif (June–October, south-west monsoon) and Rabi (October–March, winter).

Tamil Nadu link: In Tamil Nadu, the central PSU Madras Fertilizers Limited (MFL) is at Manali, Chennai, and the private SPIC plant is at Thoothukudi. Since samba paddy in Tamil Nadu is grown during the north-east monsoon (October–December), these Rabi rates directly affect the availability of DAP and potash to delta farmers. No State-wise allocation was given in the announcement.

Frequently asked questions

What is this news about?

The Union Cabinet chaired by Prime Minister Narendra Modi on 11 November 2026 approved the Nutrient Based Subsidy (NBS) rates for phosphatic and potassic (P&K) fertilisers for the Rabi 2026-27 season.

What are the key facts to remember for the exam?

Approved on: 11 Nov 2026 – Union Cabinet; Outlay: ₹62,370.02 crore (tentative); Increase: About 64% over Rabi 2025-26 (₹37,952.29 crore); Period: 1 Oct 2026 – 31 Mar 2027.

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Practice questions (with answers)

1. Since which year has the Nutrient Based Subsidy (NBS) scheme for P&K fertilisers been in force?

A) 2003

B) 2008

C) 2010

D) 2015

Answer: C – Explanation: Since 1 April 2010. Rabi 2026-27 outlay: ₹62,370.02 crore – about 64% more than last Rabi.

2. Which fertiliser is kept outside the NBS scheme, with its retail price fixed by the government?

A) Urea

B) DAP

C) Muriate of potash

D) Single super phosphate

Answer: A – Explanation: Urea – government-fixed MRP, the rest paid as subsidy. P&K fertilisers are decontrolled and covered by NBS.

3. The Department of Fertilizers, which runs the fertiliser subsidy, is under which Union Ministry?

A) Agriculture

B) Rural Development

C) Commerce & Industry

D) Chemicals & Fertilizers

Answer: D – Explanation: Ministry of Chemicals and Fertilizers, which also has the Department of Pharmaceuticals. Subsidy is paid on PoS sales data.

4. Chemically, what is the potash fertiliser 'muriate of potash' (MOP)?

A) Potassium nitrate

B) Potassium sulphate

C) Potassium chloride

D) Potassium carbonate

Answer: C – Explanation: Potassium chloride (KCl) – 'muriate' is an old name for chloride. India imports almost all of its potash.

5. Where is the plant of the central PSU Madras Fertilizers Limited (MFL) located?

A) Manali, Chennai

B) Ennore, Chennai

C) Thoothukudi

D) Neyveli

Answer: A – Explanation: Manali, Chennai – under the Department of Fertilizers. The private SPIC plant is at Thoothukudi.

Sources: ANI; Business Standard; The Tribune; DT Next; Department of Fertilizers; Madras Fertilizers Ltd. © Shanmugam IAS Academy.