



NEWS ANALYSIS

2 JANUARY 2025

BAJIRAO IAS ACADEMY

Q)What do you understand by 'Agri Stack? Discuss its use for better targeting of fertiliser subsidy. (250 words)

CABINET NOD FOR CONTINUING WITH ₹3,500/TONNE SUBSIDY

Govt extends special subsidy on DAP, weakening rupee upsets calculations

Immediate priority: Ensuring fertiliser availability for next kharif season

HARISH DAMODARAN
NEW DELHI, JANUARY 1

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Rs 824.77 cr fund for tech infusion, extension for 2 crop insurance schemes

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CABINET DECISION
17 MAY 2023



Nutrient Based Subsidy For Fertilizers

Cabinet approves revision in Nutrient Based Subsidy rates for RABI Season, 2022-23 and KHARIF Season, 2023

- Subsidy of **Rs. 38,000 crores** for the Kharif 2023

Benefits

- Availability of fertilizers to farmers at subsidized, affordable & reasonable prices.
- Rationalization of subsidy in view of recent trends in the international prices of fertilizers & inputs.
- Subsidy would be provided to the fertilizer companies as per approved and notified rates.

Economic Survey suggested use of the **digital system 'Agri Stack' for better targeting of fertilizer subsidy**. It also suggested the direct transfer of fertilizer subsidies to farmers through **E-RUPI, a digital payment mechanism**.

About Agri Stack:

1. It is a **collection of technologies and digital databases** that focuses on farmers and the agricultural sector. **AgriStack will create a unified platform for farmers** to provide them end to end services across the agriculture food value chain.
2. The initiative **aligns with the Digital India program**, which seeks to **digitize data across various sectors**, including land records and medical information.
3. Under this program, **each farmer will receive a unique digital ID containing personal, land, production**, and financial details, linked to their Aadhaar number

Agri Stack can be used for better targeting of fertilizer subsidy :

1. By **linking subsidies to Aadhaar or unique identifiers**, AgriStack ensures direct delivery to the intended beneficiaries, **reducing leakage and improving targeting**.
2. **Automating subsidy distribution through AgriStack** cuts down on manual processing and paperwork, leading to cost savings and better resource allocation.
3. **Comprehensive data from AgriStack** enables policymakers to analyze trends, evaluate subsidy impacts, and make informed decisions.
4. AgriStack **promotes digital financial inclusion** by linking farmers' bank accounts to their Aadhaar numbers.
5. **AgriStack helps farmers adopt modern practices**, access quality inputs, and invest in technologies to boost productivity.



The challenges to Agri Stack include:

1. The blueprint for AgriStack is advanced but **lacks transparency, potentially impacting farmers' rights** and trust in the system.
2. The **shift of agricultural extension services to a digital and private domain** could commercialize these services, potentially making them less accessible to small-scale farmers.
3. **The vulnerability of the Aadhaar database** to breaches raises concerns about data security and privacy, impacting farmers' trust in the system.
4. Corporations may use advisory services and input sales data to **manipulate market prices, potentially disadvantaging farmers.**

Measure that can prevent misuse and promote balanced fertilizer use :

1. The AgriStack system links subsidies to specific farmer IDs and land details, ensuring that **only eligible farmers receive subsidies and reducing misuse.**
2. **Direct transfer through e-RUPI: E-RUPI** facilitates direct transfer of subsidies to farmers, ensuring timely and precise delivery of financial aid.
3. **Farmers are allocated a fixed amount of subsidized fertilizers** based on land ownership and cropping patterns, discouraging the overuse of any single type of fertilizer.
4. **The system uses soil health and crop data to adjust subsidy amounts,** promoting the use of balanced fertilizer blends suited to crop and soil needs.

Delimitation by reversing population control

Tackling delimitation by reversing population control

Recently, the Chief Ministers of Andhra Pradesh and Tamil Nadu, N. Chandrababu Naidu and M.K. Stalin, respectively, were quite peeved about the question of the proposed delimitation exercise and the possibility, subsequently, of the loss of parliamentary seats. This is very likely as the two States, along with the other southern States, are ahead of the rest of India in terms of fertility transition – implying a reduced share of the population when compared with the northern region. What is galling to people in general, and not necessarily just the politicians in south India, is that success in “family planning” will surely reduce the number of seats of the less populated States in Parliament.

“The state government [Andhra Pradesh] is thinking of enacting a law that would make only those with more than two children eligible to contest local body elections,” Mr. Naidu had said. Earlier, Andhra Pradesh had passed a piece of legislation barring people with more than two children from contesting local polls. Mr. Naidu said, “We have repealed that law, and we are now considering reversing it.... Government may provide more benefits to families with more children.”

Mr. Stalin’s response was, “Today, as there is a scenario of decreasing Lok Sabha constituencies, it raises the question why should we restrict ourselves to having fewer children?” Mr. Stalin added in jest, “Why not aim for 16 children?”

The example of China

The question that arises in the light of the reactions and the responses of the Chief Ministers is: would it be possible to arrest fertility decline and, moreover, reverse it by attempting to increase it? It is evident that the attainment of low fertility in the course of fertility transition is hardly reversible by intervention, but in the natural course of events, there might be a minor

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It is too simplistic a solution that is being put forth by some politicians in the southern States

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reversal as suggested by experience worldwide. Despite this understanding, there are attempts being made in some countries to reverse the fertility trend through incentivisation, but to no effect. China’s one-child policy was one of the desperate measures to realise population control. The consequences confronting the Chinese state on varied fronts include problems in the marriage market, a dependency burden and, above all, extreme low fertility beyond the scope for reversal.

Quick and forced regulatory measures to restrict reproduction have never paid dividends beyond restricting population counts. In fact, an emphasis on limiting population counts without caring for its composition that sustains the population may well be considered unplanned. China’s case is an example wherein the state is facing numerous crises at this point over the familial transitions underway and the consequential burden of social security provisioning on the state.

An imbalanced population composition reached by intruding into the natural course of transition will pose problems that would only be remedied through promoting migration. Efforts at incentivising reproduction and adoption of a pro-natal population policy may not be an alternative as seen in countries such as Japan and South Korea. Hence, the response of the southern States to the emerging threat may well be considered premature and ineffective in the long run.

Varied population counts

The course of fertility decline in India’s States does show signs of a convergence across space and characteristics but a population momentum keeps the demographic divide wider between regions. Given this circumstance, population counts between provinces may not be the appropriate criterion to have political

representation that will defy the federal structure of our nation. ‘One person one vote’ may well be ideal but the difference in numbers of political representation in one region will be skewed beyond proportions. Unless these counts are weighed with some characteristics in terms of appropriating political representation, it will be unfair, for example, to a region that ushered in development with population control. This brings in a recognition of demographic divide apparent with education, coupled with the number of children being the criteria for shaping political outcomes.

Impact on women

Encouraging women to have more children may be easier said than done. In the current circumstances, a woman’s personal loss in engaging in reproduction is much greater than imagined given the state’s approach in facilitating the same. When the state celebrates the fertility decline and its dividend has benefited the larger cause, its implication in a woman’s life has been less than expected. Therefore, thinking about fertility reversal needs to be preceded by measures of guaranteeing the state’s social support for the additional children on the one hand and compensation for women’s engagement in reproduction on the other.

Reversing fertility could well be ideal in terms of maintaining a sustainable population but the regional population imbalance can perhaps be addressed through migration in immediate terms. What needs to be answered is the ensuing disadvantage of a lower population count and political representation that can only be resolved provided the count gets an equivalence in valuation in terms of capability characteristics. Therefore, the ultimate solution lies not in reversing fertility but in revising count-based political representation in the delimitation exercise.

Context


- ❖ The Chief Ministers of Andhra Pradesh and Tamil Nadu, N. Chandrababu Naidu and M.K. Stalin, respectively, were quite peeved about the **question of the proposed delimitation exercise and the possibility, subsequently, of the loss of parliamentary seats.**

Population Control Influence Delimitation

- ❑ Delimitation exercises are **based on the population count, which determines the number of seats** allocated to states in Parliament.
- ❑ Southern states like Tamil Nadu and Andhra Pradesh, which have **achieved lower fertility rates**, face the risk of reduced parliamentary representation.
- ❑ States with **higher population growth (mainly in northern India) may gain more seats**, leading to an imbalance in political representation.

Implications of current demographic trends on political representation

- ❑ The **impending delimitation exercise, scheduled for 2026**, may lead to a significant redistribution of Lok Sabha seats.
- ❑ Estimates suggest that states like Uttar Pradesh could gain up to 14 additional seats, while **Tamil Nadu might lose several, decreasing its representation from 39 to potentially 30 seats.**

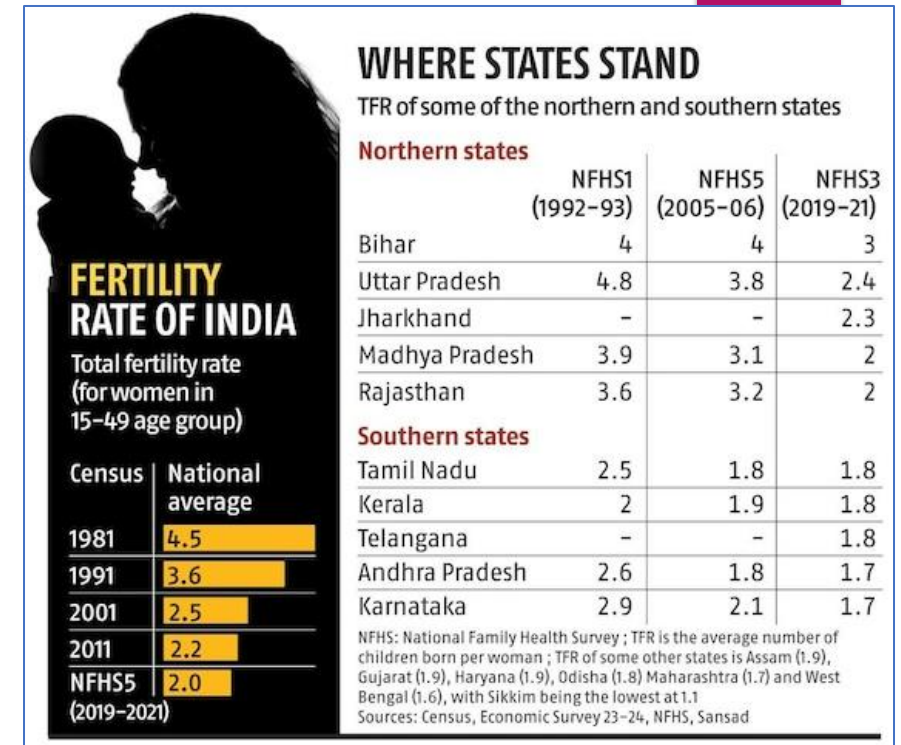
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- ❖ The southern states argue that using population counts for political representation **undermines the federal structure of India.**
 - ❖ They contend that it is **unjust to penalize regions that have successfully managed population growth** while rewarding those with higher growth rates.

Argument in favour of Reversal

- ❖ South political leaders **advocate for incentivizing larger families as a means to maintain or increase political representation** in light of the delimitation concerns.
- ❖ There is a **push to celebrate larger families as a cultural norm**, with comments from leaders suggesting an exaggerated approach to family size as a humorous response to the delimitation threat.

Argument against Reversal

- ❖ Experts argue that **reversing fertility rates through incentives** may not be effective or sustainable.
- ❖ Historical examples, such as **China's one-child policy**, illustrate the challenges and unintended consequences of aggressive population control measures.
- ❖ **Encouraging higher birth rates without adequate social support** for families could place additional burdens on women and society at large. Effective policies should focus on providing necessary support rather than merely increasing birth rates.



Excessive nitrates in ground water

'Excessive nitrates found in groundwater in 440 districts'

Report suggests that about 56% of India's districts face the problem largely due to subsidised synthetic nitrogenous fertilizer, a key input for farming; a level more than 45 mg per litre is high

Jacob Koshy
NEW DELHI

Excessive nitrates have been found in groundwater in 440 districts as of 2023, an increase from 359 such districts in 2017, a report by the Central Groundwater Board (CGWB) said on Wednesday. This is a health hazard, particularly for young children, and a source of environmental toxicity.

The data suggest that about 56% of India's districts have excessive nitrates – defined as more than 45 mg per litre – in groundwater, largely due to the use of subsidised synthetic nitrogenous fertilizer, a key input for farming.

Of the 15,239 groundwater samples collected from across the country for testing, 19.8% had nitrates or nitrogen compounds above the safe limits. This proportion has not shifted much since 2017. In the 13,028 samples analysed in 2017, 21.6% had excessive nitrates.

Rajasthan, Karnataka, and Tamil Nadu reported the highest nitrate contamination problem, with



The Central Ground Water Board estimates that the stage of groundwater extraction is 60.4%, the same since 2009. FILE PHOTO

49%, 48%, and 37%, respectively, of their tested samples reporting numbers beyond the safe limit.

Rajasthan, Madhya Pradesh, and Gujarat have a long-standing nitrate problem with relative levels fairly constant since 2017, the report says. However, regions in central and southern India are reporting an increasing trend, provoking worry.

"Maharashtra (35.74%), Telangana (27.48%), Andhra Pradesh (23.5%) and Madhya Pradesh (22.58%) also show notable levels of nitrate contamination, pointing towards growing concern in central and

southern regions of India," the report notes.

The monsoon rain tends to increase nitrate levels, with 30.77% of samples contaminated in the pre-monsoon period compared with 32.66% after the rainy season.

Other major chemical contaminants affecting groundwater quality are fluoride and uranium. Fluoride concentrations exceeding the permissible limit are "a major concern" in Rajasthan, Haryana, Karnataka, Andhra Pradesh, and Telangana. Rajasthan and Punjab reported the highest number of samples with uranium con-

centration exceeding 100 ppb (parts per billion).

Anything over 30 ppb of uranium is considered unsafe and several of these samples were predominant in regions of Rajasthan, Gujarat, Haryana, Punjab, Tamil Nadu, Andhra Pradesh, and Karnataka, where groundwater is being over-exploited, with more water being drawn out than is being replenished by rain or other means.

In an accompanying report on the availability of groundwater across India, the CGWB estimates that on the whole, the stage of groundwater extraction across the country is 60.4%, roughly the same as it has been since 2009, when measurements began biennially (and annually since 2022).

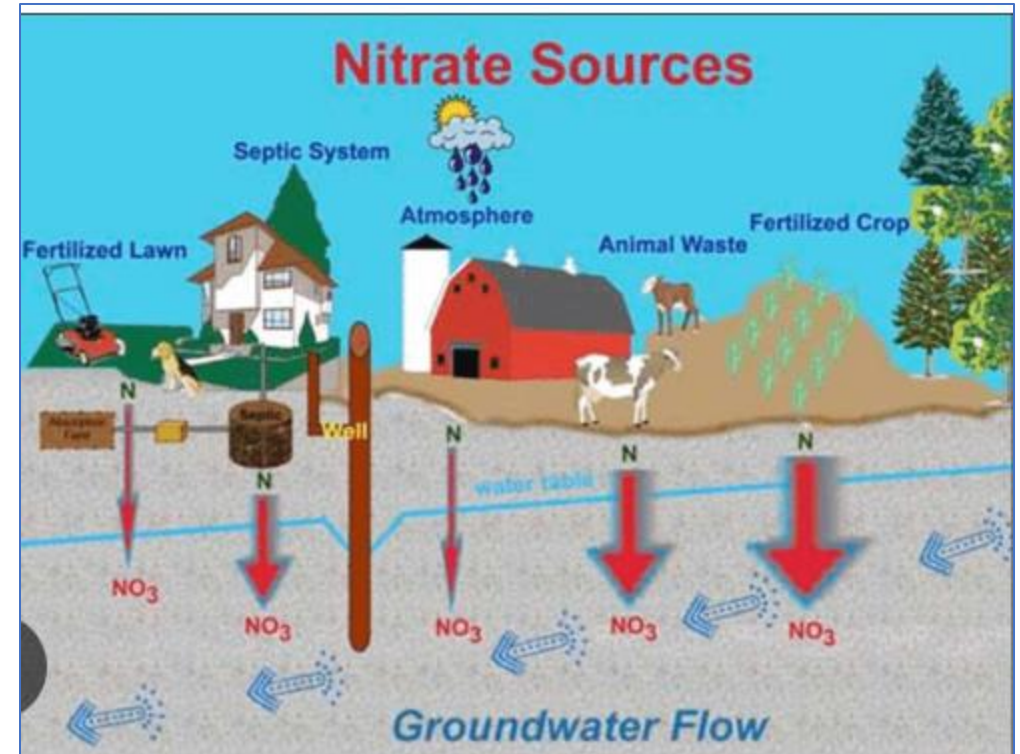
About 73% of the blocks analysed for groundwater levels are in the "safe" zone, meaning that they are replenished enough to compensate for the water drawn out.

This is a sharp rise from the 67.4% in 2022. However, there were 343 fewer blocks analysed for the 2024 assessment, compared to 2022.

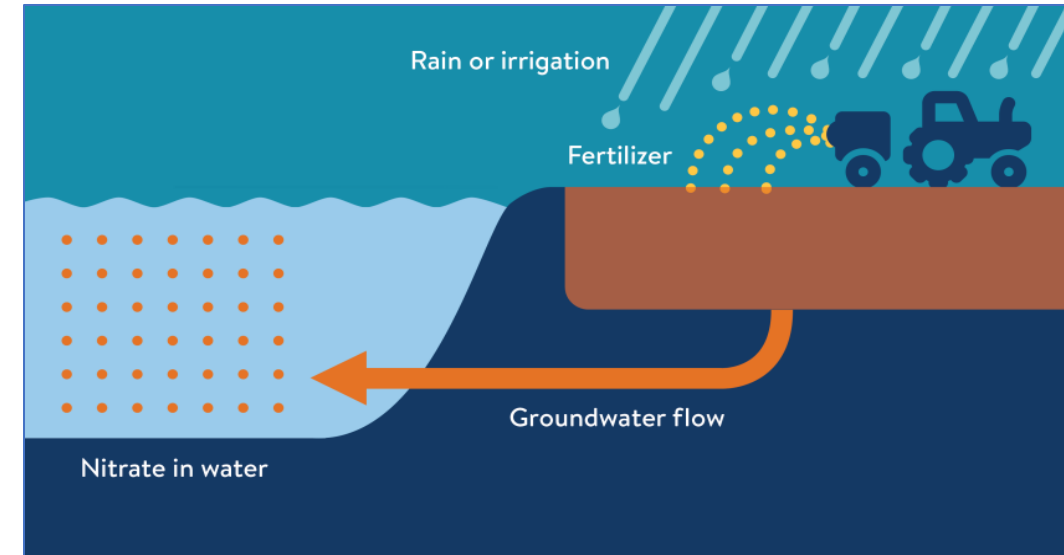
CONTEXT

❖ **Excessive nitrates** have been found in groundwater in 440 districts as of 2023, an increase from 359 such districts in 2017, a report by the **Central Groundwater Board (CGWB)**.

- ❖ This is a **health hazard, particularly for young children**, and a source of environmental toxicity.
- ❖ Data suggest that about **56% of India's districts have excessive nitrates** — defined as **more than 45 mg per litre** — in **groundwater**, largely due to the use of subsidised synthetic nitrogenous fertilizer, a key input for farming.
- ❖ **Rajasthan, Karnataka, and Tamil Nadu reported the highest nitrate contamination** problem, with **49%, 48%, and 37%**, respectively, of their tested samples reporting numbers beyond the safe limit.
- ❖ Rajasthan, Madhya Pradesh, and Gujarat have a long-standing nitrate problem with relative levels fairly constant since 2017.



- ❖ Regions in central and southern India are reporting an increasing trend. “Maharashtra (35.74%), Telangana (27.48%), Andhra Pradesh (23.5%) and Madhya Pradesh (22.58%) also show notable levels of nitrate contamination.
- ❖ The monsoon rain tends to increase nitrate levels, with 30.77% of samples contaminated in the pre-monsoon period compared with 32.66% after the rainy season.
- ❖ Chemical contaminants **affecting groundwater quality are fluoride and uranium.**
- ❖ **Fluoride concentrations exceeding the permissible limit** are “a major concern” in Rajasthan, Haryana, Karnataka, Andhra Pradesh, and Telangana. Rajasthan and Punjab reported the highest number of samples with **uranium concentration exceeding 100 ppb(parts per billion).**



Factors contributing to contamination:

- ❑ **Naturally Occurring Contaminants:** Fluoride, arsenic, nitrate, iron, and heavy metals naturally exist in certain geological formations, affecting water quality.
- ❑ **Industrial Activities:** Untreated or poorly treated industrial effluents discharged into water bodies contaminate surface and groundwater sources.
- ❑ **Agricultural Activities:** Excessive use of pesticides, fertilizers, and agrochemicals in agriculture leads to water contamination over time.
- ❑ **Sanitation Practices:** Inadequate sanitation facilities and open defecation, especially in rural areas, contribute to water source contamination.
- ❑ **Geogenic Processes:** Geogenic processes, such as those causing uranium contamination, can occur naturally, exacerbated by groundwater overexploitation.
- ❑ **Improper Waste Disposal:** Improper disposal of biowaste contaminates groundwater and surface water, increasing the risk of waterborne diseases.

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Context

- ❖ In a bid to provide continued relief to farmers and ensure the affordability of fertilisers, the Indian government has extended its **additional subsidy on Di-Ammonium Phosphate (DAP) beyond December 2024.**
- ❖ This move will enable fertiliser companies to keep the retail price of DAP, **avoiding a price hike that could have impacted the agricultural sector.**

What is DAP?

- ❖ **Di-Ammonium Phosphate (DAP)** is one of the most commonly used fertilisers in India, second only to Urea
- ❖ It is rich in two essential nutrients for plants: **phosphorus and nitrogen**, both of which play a crucial role in the growth of crops.

Properties:

- ❖ It is a very popular fertilizer because of its excellent physical properties and nutrient content.
- ❖ It is free flowing, dust-free and does not normally give any storage problem.
- ❖ DAP is almost water-soluble and ultimately leaves acid effect on soils because of **ammonia (NH₄)** .
- ❖ DAP is widely used to support the **development of strong root systems, enhance flower and fruit production**, and improve overall crop health.

- ❑ Due to its significant role in Indian agriculture, DAP is in high demand across the country, particularly during the **Kharif and Rabi**.
- ❑ India **imports around half of its annual DAP requirement**, which amounts to **11 million tonnes**.
- ❑ The cost of DAP has been volatile due to factors such as **geopolitical tensions** and increased transportation costs for raw materials, which has led to higher prices for imported DAP.

Government Policy for Fertilizer Subsidy in India

- ❑ **Nutrient-Based Subsidy (NBS) for P&K Fertilizers:** Introduced in **2010**, the **Nutrient-Based Subsidy (NBS)** scheme provides subsidies based on the nutrient content of **P&K fertilizers**, including **DAP**.
- ❑ The **prices are set by companies but are monitored by the government to ensure they remain affordable for farmers**. This system allows companies flexibility in production and import based on market conditions.



Thank you

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