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Fertilizer companies may be asked to sell organic manure produced by CBG plants

Prabhudatta Mishra
New Delhi

The government is likely to ask fertilizer companies to lift certain part of the production of organic manure produced by the compressed biogas (CBG) plants as there are complaints about reluctance by these companies to sell the produce to farmers, sources said.

Last month, the Agriculture Ministry took up the issue with the Fertilizer Ministry to ensure that both public and private sector fertilizer companies purchase "a minimum quantity of FOM/LFOM" from the CBG plants and sell those to the farmers through their distribution network as they do it in case of chemical fertilizers, sources said.

Fermented organic manure (FOM) and liquid FOM are by products of CBG plants and those are promoted under the Galvanizing Organic Bio-Agro Resources Dhan (GOBARdhan) scheme.

PROHIBITIVE PRICES

Besides, the Department of Fertilizer has been providing Market Development Assistance (MDA) on FOM/ LFOM at ₹1,500/tonne.

Though some private companies are selling FOM/ LFOM on their own, prices are highly prohibitive for farmers to adopt those products when the chemical fertilisers are comparatively much cheaper.

In a communication to his counterpart in Fertiliser Ministry last month, Union Agriculture Secretary Devesh Chaturvedi pointed out that extensive high input agriculture over the years has led to depletion of organic carbon levels in the soil and affected soil fertility and nutrient availability.

As the Agriculture Ministry has been promoting soil organic carbon through adoption of Integrated Nutrient Management and organic farming practices, FOM and LFOM are potential sources of organic carbon that can improve the physical quality of soil in addition to improving soil fertility, he said.

MORE POLICY SUPPORT

But, the acceptance of FOM and LFOM among farmers remains relatively low despite those are rich sources of carbon, resulting in its low adoption in regular agricultural practices.

Though, the Agriculture Ministry has been promoting these products through its Paramparagat Krishi Vikas Yojana (PKVY) scheme on organic farming, and even recently wrote to States to encourage the use of FOM/ LFOM in various cropping system on farmers field in the vicinity of the CBG units, there are some measures required to be initiated by the Fertiliser Ministry, the sources said.

The Department of Fertilizer may consider additional policy support to further promote the adoption of FOM and LFOM, Chaturvedi has suggested.

This could help ensure wider availability of FOM and LFOM in the market, he said.

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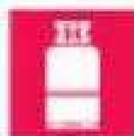
BPCL to establish its largest LPG dispatch terminal in UP



STATE-RUN BPCL plans to set up LPG bottling plant and bulk dispatch terminal in Uttar Pradesh, which will ensure the supply of LPG in eastern and central part of the state. The plant will receive raw material supply from Kandla, Gorakhpur, Kandla Tank Wagon and Udaan Rail Pipeline.

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Budget Creates Reserve Fund to Park Oil Cess in Bid to Raise Transparency

Over ₹19k cr budgeted from cess on crude oil in FY26 against ₹17,810 cr for this fiscal

Our Bureau

New Delhi: The Budget for 2025-26 has created a reserve fund to park oil cess proceeds, a senior official said. The move is aimed at greater transparency in Budget accounting and better targeting of such resources.

The cess deposited in the Oil Industry Development Fund is to be utilised specifically for the development of the oil and gas sector.

The government has budgeted ₹19,330 crore from cess on crude oil in FY26, compared with the revised estimate of ₹17,810 crore for this fiscal.

While it has been spending the cess proceeds on the oil and gas sector, there was no specific reserve fund created for this, unlike in the case of some other cesses, such as those on agriculture infrastructure development, health and roads.

Spending to be on track in FY26

The official said expenditure, especially capital spending, will be on track next fiscal.

Capex has been hit this financial year, as project executions and planning were hampered first by uncertainties around the general elections in the June quarter and then by heavy monsoon rain.

Consequently, capex will likely grow only over 7% in FY25 from a year earlier to ₹10.18 lakh crore, against the budgeted target of 17%. The FY25 revenue spending is estimated to touch ₹37 lakh crore, in sync with the budget estimate.

For the next fiscal, the government has pegged the capex outlay at ₹11.21 lakh crore and revenue spending at ₹39.44 lakh crore.

States, the official said, will likely spend more next fiscal than in FY25 on their capital asset creation in lieu of the long-term loans extended by the central government than a year earlier.

States are estimated to utilise about ₹1.25 lakh crore of the ₹1.5 lakh crore earmarked for this purpose this fiscal. For FY26, the Centre has allocated ₹1.5 lakh crore again to boost states' capital asset creation.

The government is confident of meeting the nominal economic growth target of 10.1%, as assumed in the Budget, as has factored in a conservative nominal GDP estimate

The government has penciled in a conservative nominal gross domestic product (GDP) growth estimate of 10.1% for the next fiscal, the official said, exuding confidence that the target will be met.

Nominal GDP growth is estimated to touch 9.7% this fiscal, compared with 9.6% a year earlier, according to the first advance estimate released last month.

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CAUGHT BETWEEN DWINDLING RUSSIAN SUPPLIES AND HIGHER SAUDI OIL PRICES

Indian Oil Refiners Knock on Doors of Middle East Suppliers

Sanjeev Choudhary

New Delhi: Indian refiners are caught between dwindling discounted Russian supplies and higher Saudi oil prices, which would push up their crude cost and weigh on margins.

To replace Russian barrels that are hard to come by after last month's US sanctions on two Russian oil producers and about 180 tankers, Indian refiners are hunting for supplies in the spot market and knocking on the doors of the traditional suppliers in the Middle East with whom they have long-term deals.

"We are asking Middle East suppliers for higher volumes," said a refinery executive. Most Indian refiners have pacts with Middle Eastern countries under which they have a firm commitment to purchase certain volumes every year and an option to seek more based on their needs and availability at suppliers. Refiners are now seeking that optional volume and are in talks with all major suppliers in the region such as Saudi Arabia, Iraq, UAE and Kuwait, multiple executives said.

Sourcing supplies from the region, however, is going to be expensive as Saudi Aramco significantly raised prices for Asian customers on Thursday. A refinery executive said his firm is not going to seek additional volume from Saudi as prices have increased.

Saudi prices influence rates offered by other suppliers in the region. Aramco has increased the official selling price for the benchmark Arab Light crude by $2.40 per barrel. For March delivery, the rate for Asian customers has been set at $3.90 above the Oman/Dubai benchmark.

Russian flagship crude grade Urals, which is similar in specification to Arab Light and has the largest share in India's imports of Russian oil, used to come at about $3-3.5 per barrel discount to Oman/Dubai benchmark until December. The discount on this has narrowed to less than $2 per barrel, with fewer traders offering supplies, refinery executives said. Some Indian refiners are also being extra cautious and not contracting Russian volumes to avoid getting caught in the sanctions cobweb.

Russia has been the top crude supplier to India for the last two years, accounting for about 35% of its imports. Replacement of Russian supplies with pricier alternatives will push up input cost for refiners, executives said, adding that it wasn't a matter of "big worry" as discounts had anyway fallen to just about $3 per barrel compared to $7-8 in 2022.

Some executives said the Russian supply issues could all be "temporary". Russia may use sanctioned Gazprom's supplies at home while exporting more supplies from Rosneft, which is not a sanctioned entity, the executive said.

The markets would settle down in a couple of months and Russia will figure out a way to send its cheaper supplies to India, said the executive.

Sanctioned tankers aren't going to cause big problems, the executive said. About 600 tankers have been engaged in ferrying Russian oil and after the new sanctions more than 400 would still be available, the executives pointed out.