

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 510**  
TO BE ANSWERED ON 07/02/2025

**CHALLENGES IN LEGALIZING MSP**

510. SHRI VIVEK K. TANKHA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether Government intends to make Minimum Support Price (MSP) a legal right for farmers to ensure fair and guaranteed prices for their produce;
- (b) the potential challenges identified by Government in implementing MSP as a statutory right and the solutions being considered; and
- (c) the steps being taken to address concerns raised by farmers' unions regarding the adequacy of current MSP levels and procurement processes?

**ANSWER**

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE  
(SHRI RAM NATH THAKUR)

(a) & (b): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops for the country as a whole, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif, Rabi and other Commercial crops with a minimum return of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

To realize the objectives of MSP Policy, after announcement of MSP, Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. Additionally, Oilseeds, pulses and copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme (PSS) under Umbrella Scheme of PM-AASHA, as per its guidelines when market price of these products fall below the MSP. Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI), respectively.

To make Minimum Support Prices (MSPs) more effective and transparent, a committee has been constituted on 12th July 2022. The subject matter of the committee also include (i) Suggestions on practicality to give more autonomy to Commission for Agricultural Costs and Prices (CACP) and measures to make it more scientific, and (ii) To strengthen the Agricultural Marketing System as per the changing requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic and export opportunities. The meetings of this committee are being organized regularly

and till date, 6 meetings have been held. Additionally, 39 meetings of various sub-committees have also been held.

(c): Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at MSP. However, farmers are free to sell their produce to the Government procurement agencies at MSP or in the open market, whichever is advantageous to them. Farmers of the country are benefited from the successful implementation of increased Minimum Support Prices (MSPs). The year wise details of MSP amount paid to the farmers and number of farmers benefitted during last five years are given below.

<b>Year</b>	<b>MSP Value (In ₹ Lakh Crore)</b>	<b>Number of Farmers benefitted (In Crore)</b>
2019-20	2.68	2.15
2020-21	2.91	2.10
2021-22	2.25	1.63
2022-23	2.47	1.68
2023-24	2.63	1.52

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