

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

**RAJYA SABHA**  
**STARRED QUESTION NO. 63**  
TO BE ANSWERED ON 05/12/2025

**DEMAND FOR LEGAL GUARANTEE FOR MSP**

\*63. SHRI MUKUL BALKRISHNA WASNIK

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

- (a) whether it is a fact that a large number of farmers and their organisations have been demanding central legislation for providing a legal guarantee for Minimum Support Price(MSP) for all agricultural produce;
- (b) whether Government will consider to enact a law which will provide such a legal guarantee; and
- (c) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE  
(SHRI SHIVRAJ SINGH CHOUHAN)

(a) to (c): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF RAJYA SABHA  
STARRED QUESTION NO. 63 DUE FOR ANSWER ON 05/12/2025 REGARDING  
'DEMAND FOR LEGAL GUARANTEE FOR MSP'**

(a) to (c): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of the 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 at least 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 procures cereals and coarse cereals through Food Corporation of India (FCI) and other designated State Agencies to provide price support to the farmers. Procurement of pulses, oilseeds and copra is done under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA), in consultation with the concerned State Government as and when market price of these produce fall below the MSP. Procurement agencies under PM-AASHA Scheme are National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and National Co-operative Consumers' Federation of India Ltd. (NCCF). Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India(JCI), respectively.

Government offers to procure agricultural crops through designated procurement agencies and farmers have the option to sell their produce to the government agencies or in the open market whichever is advantageous to them.

Increased MSP has benefited farmers of the country which are evident from data of procurement and MSP amount paid to the farmers. The details of procurement and MSP amount paid to farmers during 2024-25 (Crop Year) are given as under:

<b>Total Procurement (In LMT)</b>	<b>Total MSP Value (In Lakh Crore)</b>
1,223	3.47

In order to incentivize the farmers contributing for the enhancement of domestic production of pulses and to reduce the dependence on imports, the Government has approved the procurement of Tur, Urad and Masur under Price Support Scheme (PSS) equivalent to 100% of the production of the State for the procurement year 2024-25. The Government has also made an announcement in Budget 2025 that the procurement of Tur (Arhar), Urad and Masur would be undertaken 100% to the production of the State for another four years upto 2028-29 through Central Nodal Agencies to achieve self- sufficiency in pulses in the country.

To make Minimum Support Prices (MSPs) more effective and transparent, a committee has been constituted on 12<sup>th</sup> July 2022. The committee constitute of farmers representatives also. 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.

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