

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

RAJYA SABHA
STARRED QUESTION NO. 372
TO BE ANSWERED ON 27/03/2026

ENHANCEMENT OF MSP AND ITS IMPACT ON FARMERS' INCOME

*372. SHRI IRANNA KADADI:

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

- (a) the measurable impact of the recent enhancements in the Minimum Support Prices (MSP) for Rabi crops on farmers' income;
- (b) whether the MSP strictly adheres to the mandated formula for providing at least a 50 per cent margin over the weighted average cost of production;
- (c) the details of the total volume of pulses and oilseeds procured directly from farmers by Central nodal agencies recently;
- (d) the market intervention strategies utilized to stabilize the prices of perishable agricultural commodities; and
- (e) the steps taken to expand decentralized procurement operations to minimize transportation costs for small and marginal farmers?

ANSWER

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF RAJYA SABHA STARRED QUESTION NO 372* DUE FOR ANSWER ON 27/03/2026 REGARDING 'ENHANCEMENT OF MSP AND ITS IMPACT ON FARMERS' INCOME'

(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 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.

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 for 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower during 2004-2014 and 2014-2026 (upto February 2026) are given as under:

Procurement and MSP amount paid to farmers for Rabi Crops

2004-2014		2014-2026 (upto February 2026)	
Total Procurement (In LMT)	Total MSP Value (In Crore)	Total Procurement (In LMT)	Total MSP Value (In Crore)
2302	2.65	3540	7.29

(c): Procurement of pulses and oilseeds is undertaken under Price Support Scheme of Umbrella Scheme of Pradhan Mantri AnnadataAaySanrakshan Abhiyan (PM-AASHA), on the request of the concerned State Government as per the guidelines. 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). The details of the total volume of pulses viz. arhar, moong, urad, gram and masur (lentil) and oilseeds viz. groundnut, sunflowerseed, soyabean, sesamum, nigerseed, rapeseed/mustard and safflower procured directly from farmers by Central Nodal Agencies are given as under:

Procurement and MSP amount paid to farmers for Pulses and Oilseeds

2014-2026 (upto February 2026)	
Total Procurement (In LMT)	Total MSP Value (In Crore)
350	1,93,697

(d) & (e): Government also implements Market Intervention Scheme (MIS), a component under PM-AASHA, for procurement of agricultural and horticultural commodities, which are perishable in nature and are not covered under the Price Support Scheme (PSS). The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and the cost of production. There should be at least a 10 percent decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government.

Government has introduced a new component of Price Differential Payment (PDP) under Market intervention scheme (MIS) from 2024-25 season for direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers of perishable crops. States/UTs have an option to choose either to do physical procurement of the crop or to make the differential payment between the MIP & Sale Price to the farmers.

Further, from 2024-25 season, Government added another component under Market intervention scheme (MIS) for reimbursing the Storage and Transportation cost of TOP crops (Tomato, Onion and Potato) to central nodal agencies & State designated agencies for transporting them from the producing State to consuming states in the interest of the farmers.

Adequate number of Procurement centres are opened by respective State Government Agencies, taking into account the production, marketable surplus, convenience of farmers and availability of other logistics / infrastructure such as storage and transportation etc. Temporary purchase centres, in addition to the existing Mandis and depots/godowns are also established at key points.

The procurement operation is a continuously evolving process and during the last few years, procurement processes under Minimum Support Price (MSP) have improved to ensure payment of MSP to farmer's bank account directly and linkage of Aadhaar and Land records with the State's procurement portals ensuring the farmers directly get the benefits of the MSP purchase.
