

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

RAJYA SABHA
UNSTARRED QUESTION NO. 2418
TO BE ANSWERED ON 13/03/2026

DISCONTINUATION OF INCENTIVES FOR PADDY AND WHEAT

2418. DR. JOHN BRITTAS:

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

- (a) whether the Government has recently advised States, including Kerala, to review and discontinue the bonus over and above the Minimum Support Price (MSP) for paddy and wheat;
- (b) if so, the reasons therefor;
- (c) whether any assessment has been made of the impact of discontinuation of incentives on farmers, especially when prevailing MSP rates are often inadequate to meet rising input costs, inflation, and cost of living;
- (d) the remedial measures proposed to protect paddy and wheat farmers' incomes; and
- (e) whether the Government is considering the demands of States like Kerala for a State-specific MSP framework and to revise the MSP for paddy to ₹40 per kilogram?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI BHAGIRATH CHOUDHARY)

(a) to (c): A letter dated 9th January 2026 was written by Secretary, Department of Expenditure, Ministry of Finance to the Chief Secretaries of some of the States containing certain suggestions for the State Governments to align their bonus policies with national priorities.

As per the information received from the Government of Kerala, the State Government has no proposal to review or withdraw the existing policy of providing an incentive bonus over and above the Minimum Support Price (MSP) for paddy.

(d) & (e): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops, including Paddy and Wheat, for the country as a whole and not region or state-specific, 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.

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 paddy and wheat during the year 2014-15 to 2025-26 (upto February, 2026) are given as under:

	Total Procurement (in Lakh Metric Tonnes)	Total MSP Value (in ₹ lakh Crore)
Paddy	8418	16.08
Wheat	3358	6.38
