

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

RAJYA SABHA
UNSTARRED QUESTION NO. 2426
TO BE ANSWERED ON 13/03/2026

**IMPACT OF LEGAL GUARANTEE OF MSP ON FISCAL TRADE AND FARMERS'
INCOME**

2426. DR. SYED NASEER HUSSAIN:

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

- (a) whether Government has assessed the implications of providing a legal guarantee of Minimum Support Price (MSP) for all major crops on fiscal, trade and farmers' income, if so, the details of such analysis;
- (b) the crop wise and State wise percentage of total production actually procured at MSP in the last five years and the proportion of small and marginal farmers covered; and
- (c) whether any structured dialogue mechanism exists with Farmer Unions involved in the 2020–21 and 2024–25 protests and the number of formal meetings held with the Minutes placed in public domain?

ANSWER

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

(a): 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 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,(including Kerala) from year 2018-19 onwards.

To realize the objective of MSP Policy, 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 AnnadataAaySanrakshan Abhiyan (PM-AASHA), on the request of the concerned State Government as per the guidelines 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.

The Government constituted a Committee in July,2022 consisting of representatives of farmers including National Award-Winning Farmer, representative of Farmers' Cooperative/Group, representative of Central Government& adequate representation of State Governments, eminent Agriculture Economists & Scientists,etc. with the mandate to make Minimum Support Price (MSP) more effective and transparent; to promote natural farming; to change crop pattern keeping in mind the changing needs of the country. Since its inception, the committee has been holding regular meetings to deliberate on these key issues and develop actionable recommendations. As on date, 6 main-committee meetings and 40 sub-committee meetings have been held till date.

(b): Out of the total production, only marketable surplus is available for procurement by Government agencies when market price of these produce fall below the MSP. The crop wise details of procurement of crops at MSP during the period 2020-21 to 2024-25 (crop year wise) including procurement made from small and marginal farmers are given at **Annexure**.

(c): Issues relating to farmers are addressed proactively and expeditiously by the Government to ensure their socio-economic well-being. After the repeal of the three Farm Laws in 2021, the Government held seven rounds of discussions in two phases with Samyukta Kisan Morcha (SKM) and Kisan Mazdoor Morcha (KMM) at the level of Union Agriculture & Farmers Welfare Minister. First discussion was held on 8th February, 2024. Subsequently, discussions were held on 12th, 15th, 18th February 2024, 14th, 22nd February, 2025 & 19th March, 2025. Through sustained dialogue, most of the issues, such as, issues relating to the Electricity Amendment Bill; setting up of national commissions for chilli, turmeric and other spices; rights of tribal communities over water, forest and land under the Fifth Schedule; stricter punishment for manufacture of fake/spurious seeds, fertilisers and pesticides; and rationalisation of penal provisions related to paddy-straw burning etc. have been addressed.

| Crops | Procurement (in Metric Tonnes) | | | | |
|------------------|--------------------------------|---------|---------|---------|---------|
| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
| *Paddy | 896 | 857 | 808 | 782 | 791 |
| Jowar | 146472 | 156575 | 85197 | 323163 | 315174 |
| Bajra | 361871 | 13251 | 182005 | 696457 | 261129 |
| Maize | 205315 | 22767 | 13122 | 4532 | 1 |
| Ragi | 494350 | 437339 | 456745 | 230920 | 352518 |
| Arhar (Tur) | 11004 | 36184 | 0 | 0 | 624535 |
| Moong | 167391 | 363274 | 401775 | 402097 | 196934 |
| Urad | 1087 | 2038 | 36 | 0 | 1346 |
| Groundnut | 286233 | 149696 | 7194 | 76154 | 1773504 |
| Sunflower Seed | 3886 | 1905 | 6588 | 15712 | 15347 |
| Soyabean | 4 | 0 | 0 | 6963 | 1996279 |
| Sesamum | 0 | 0 | 0 | 0 | 0 |
| Nigerseed | 0 | 0 | 0 | 0 | 0 |
| *Cotton | 16 | 0 | 0 | 6 | 17 |
| *Wheat | 433 | 188 | 262 | 266 | 300 |
| Barley | 0 | 0 | 0 | 0 | 0 |
| Gram | 637546 | 2629461 | 2353115 | 43122 | 316540 |
| Masur (Lentil) | 18 | 0 | 76475 | 248551 | 246525 |
| Rapeseed/Mustard | 1 | 0 | 1114396 | 1207810 | 500786 |
| Safflower | 0 | 0 | 1630 | 377 | 0 |
| Copra | 5089 | 33 | 40849 | 134341 | 97335 |
| Jute | 716 | 251 | 42399 | 131690 | 41362 |

Note: * Paddy, Wheat, Cotton are in Lakh Metric Tonnes (LMT)
