

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3220
TO BE ANSWERED ON 20/03/2026

CALCULATION OF MSP

3220. SHRI TIRUCHI SIVA:
SHRI K.R. SURESH REDDY:

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

- (a) the details of the Minimum Support Price (MSP) provided to farmers on different crops over the last five years, year-wise;
- (b) the percentage change in MSP of crops after adjusting inflation in the aforementioned period, year-wise;
- (c) the corresponding cost of productions for each of the years upon which C2+50 will be calculated;
- (d) the reasons why Government uses the formula of A2+FL Cost and not C2 Cost for the calculations of MSP; and
- (e) the reasons for not including the imputed rental value of owned land or rent paid on leased land within the calculations for cost of production?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

(SHRI RAMNATH THAKUR)

(a) to (e): 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.

While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources.

Cost data for MSP is collected from 19 States and all India weighted cost of production is calculated which is an important factor in fixation of MSP for 22 mandated crops.

The costs include all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred in cash and kind on the use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc., miscellaneous expenses and imputed value of family labour.

Government, in its Union Budget for 2018-19, had made an announcement to keep MSP at a level of minimum one and half times of the cost of production as a pre-determined principle. Accordingly, MSPs for all mandated Kharif, Rabi and other commercial crops have been fixed with a margin of at least 50 percent over weighted average cost of production. The details of year wise Minimum Support Prices (MSPs) and Cost of Production of 22 mandated crops during last five years are given at **Annexure**.

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 are given as under:

Total Procurement (In LMT)	Total MSP Value (In Lakh Crore)
1,175	3.33

Annexure referred to in reply to part (a) to (e) of Rajya Sabha Unstarred Question No. 3220 due for reply on 20.03.2026

Minimum Support Price (Marketing Season-wise) and Cost of production (₹/quintal)											
Sr. No.	Commodities	KMS 2021-22		KMS 2022-23		KMS 2023-24		KMS 2024-25		KMS 2025-26	
		MSP	All India weighted cost of production	MSP	All India weighted cost of production	MSP	All India weighted cost of production	MSP	All India weighted cost of production	MSP	All India weighted cost of production
	<u>KHARIF CROPS</u>										
1	Paddy (Common)	1940	1293	2040	1360	2183	1455	2300	1533	2369	1579
	Paddy (Grade 'A')	1960		2060		2203		2320		2389	
2	Jowar (Hybrid)	2738	1825	2970	1977	3180	2120	3371	2247	3699	2466
	Jowar (Maldandi)	2758		2990		3225		3421		3749	
3	Bajra	2250	1213	2350	1268	2500	1371	2625	1485	2775	1703
4	Ragi	3377	2251	3578	2385	3846	2564	4290	2860	4886	3257
5	Maize	1870	1246	1962	1308	2090	1394	2225	1447	2400	1508
6	Arhar	6300	3886	6600	4131	7000	4444	7550	4761	8000	5038
7	Moong	7275	4850	7755	5167	8558	5705	8682	5788	8768	5845
8	Urad	6300	3816	6600	4155	6950	4592	7400	4883	7800	5114
9	Cotton (Medium Staple)	5726	3817	6080	4053	6620	4411	7121	4747	7710	5140
	Cotton (Long Staple)	6025		6380		7020		7521		8110	
10	Groundnut	5550	3699	5850	3873	6377	4251	6783	4522	7263	4842
11	Sunflower Seed	6015	4010	6400	4113	6760	4505	7280	4853	7721	5147
12	Soyabean Yellow	3950	2633	4300	2805	4600	3029	4892	3261	5328	3552
13	Sesamum	7307	4871	7830	5220	8635	5755	9267	6178	9846	6564
14	Nigerseed	6930	4620	7287	4858	7734	5156	8717	5811	9537	6358

Annexure continued...

Minimum Support Price (Marketing Season-wise) and cost of production (₹/quintal)											
	RABI CROPS	RMS 2022-23		RMS 2023-24		RMS 2024-25		RMS 2025-26		RMS 2026-27	
		MSP	All India weighted cost of production	MSP	All India weighted cost of production	MSP	All India weighted cost of production	MSP	All India weighted cost of production	MSP	All India weighted cost of production
15	Wheat	2015	1008	2125	1065	2275	1128	2425	1182	2585	1239
16	Barley	1635	1019	1735	1082	1850	1158	1980	1239	2150	1361
17	Gram	5230	3004	5335	3206	5440	3400	5650	3527	5875	3699
18	Masur	5500	3079	6000	3239	6425	3405	6700	3537	7000	3705
19	Rapeseed & mustard	5050	2523	5450	2670	5650	2855	5950	3011	6200	3210
20	Safflower	5441	3627	5650	3765	5800	3807	5940	3960	6540	4360
COMMERCIAL CROPS											
		2022-23		2023-24		2024-25		2025-26		2026-27	
21	Jute	4750	2959	5050	3095	5335	3237	5650	3387	5925	3662
		2022		2023		2024		2025		2026	
22	Copra (milling)	10590	6974	10860	7153	11160	7350	11582	7721	12027	8018
	Copra (ball)	11000		11750		12000		12100		12500	

Note: KMS: Kharif Marketing Season, RMS: Rabi Marketing Season
