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

RAJYA SABHA
UNSTARRED QUESTION NO. 1461
TO BE ANSWERED ON THE 31/07/2026

ISSUES IN SELLING OF PRODUCE AT MSP

1461. SHRI MAHENDRA BHATT:

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

(a) whether the Ministry is aware of the fact that many farmers are facing difficulties in selling their produce at Minimum Support Price (MSP); and

(b) if so, the steps taken to ensure that farmers received the benefit of MSP and to increase Government procurement of agricultural produce?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI RAMNATH THAKUR)

(a) & (b): Every year, Government fixes Minimum Support Price (MSP) for 22 mandated agricultural crops 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 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 margin of 50 percent over all India weighted average cost of production from year 2018-19 onwards. 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.

To ensure that farmers receive remunerative prices for their agricultural produce , the Department implements the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) with components namely Price Support Scheme (PSS), Price Deficit Payment Scheme (PDPS) and Market Intervention Scheme (MIS). Under PSS, procurement of notified pulses(Arhar, Moong, Urad, Masur & Chana), oilseeds(Groundnut in shell, Soyabean, Sunflower, Seasamum, Nigerseed, Mustard/Rapeseed, Safflower) and copra is undertaken by Central Nodal Agencies through State agencies at MSP when market prices fall below MSP, thereby providing price support to farmers. Under PDPS, direct payment is provided to pre-registered farmers for the difference between the MSP and the selling/modal price of notified oilseeds, without undertaking physical procurement of the produce. Under MIS, support is provided for perishable agricultural and horticultural commodities not covered under MSP, on the request of State/UT Governments, in case of10% or more decline in market prices, with loss sharing of 50:50 between the Centre and State (25:75 in case of North-Eastern States).

Under PSS, based on the proposal of the concerned State Government, the Government approves procurement sanction up to 25% of State Production before the commencement of the harvesting season to ensure timely procurement of eligible produce at MSP. Adequate number of procurement centres are opened thereafter by the State Government in consultation Central Nodal Agencies (CNAs) to facilitate farmers in selling their produce at MSP. Wide publicity is undertaken by the State Governments, Central Nodal Agencies and State level Agencies regarding Fair Average Quality (FAQ) parameters, procurement dates and location of procurement centres to enable farmers to participate in procurement operations. The State/UTs Governments make all necessary arrangement including hiring of godowns/scientific storage facility, arrangement of gunny bags, transportation , weighing machine, moisture/foreign matter/oil content testing machines etc. in consultation with Central/State agencies. The procurement period is generally up to 90 days and may be extended by another 30 days on the request of the concerned State Government to facilitate coverage of eligible farmers. Aadhaar-based farmer registration and biometric authentication have been introduced to ensure procurement from genuine farmers and MSP payments are made directly into farmers' bank accounts through Direct Benefit Transfer (DBT). In addition to Primary Agricultural Credit Societies (PACS), Farmer Producer Organisation (FPO) and Farmer Producer Company (FPC) have also been involved to expand the reach of procurement operations and facilitate farmers' access to MSP procurement. Further, Central Nodal Agencies have also been permitted to procure notified pulses, including Tur, Masur, Urad and Gram, directly from pre-registered farmers through their procurement centres.

The Department of Food and Public Distribution undertakes procurement of wheat and paddy through the Food Corporation of India (FCI) and State Government agencies for the Central Pool. Procurement Centres are opened by respective State Governments taking into account the production, marketable surplus, availability of logistics and convenience of farmers. Temporary purchase centres, in addition to existing mandis and depots/godowns are also established for convenience of farmers. Procurement operations are conducted through online procurement portals developed by the States. Payment to farmers is made directly into their bank accounts through the Direct Benefit Transfer (DBT) system ensuring transparency and timely payment.

Under the Decentralised Procurement (DCP) Scheme, DFPD allows State Governments to procure coarse grains (Jowar, Bajra, Maize & Ragi) from farmers at MSP for distribution under the Targeted Public Distribution System (TPDS) and other welfare schemes. The scope of coarse grain procurement has been further expanded by including minor millets (Foxtail ,Proso, Kodo, little Millet (Kutki), Buckwheat and Ameranthus) under the MSP procurement mechanism up to Kharif Marketing Season (KMS) 2028-29.

Procurement of Cotton and Raw Jute at MSP is undertaken by the Cotton Corporation of India (CCI) and the Jute Corporation of India (JCI), respectively. To facilitate farmers' access to MSP procurement and strengthen procurement operations, CCI has expanded its procurement network, introduced the Kapas Kisan App for farmer registration and slot booking, provided SMS-based updates, conducted awareness campaigns and established grievance redressal mechanisms. Similarly, JCI has implemented digital farmer registration, online procurement and monitoring systems, and technology-based crop monitoring mechanisms to ensure timely market intervention and effective MSP operations.

Increased MSP has benefited farmers of the country which are evident from data of procurement and MSP amount paid to the farmers. The procurement details for All India, along with the MSP amount paid to farmers during the period 2014–2026 (up to June 2026), are furnished below:

	Procurement (In LMT)	**MSP Value (In lakh Crore)**
All India	12,819	27.80

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