

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

RAJYA SABHA
UNSTARRED QUESTION NO.2266
TO BE ANSWERED ON 07/08/2026

ADEQUACY OF CURRENT MSP TO MEET COST OF CULTIVATION

2266.SHRI SANDOSH KUMAR P:

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

(a) whether Government has fixed the Minimum Support Price (MSP) for paddy for the current Kharif and Rabi marketing seasons, if so, the details thereof, including the MSP announced during the last five years;

(b) whether Government has assessed that the prevailing MSP is adequate to meet the cost of cultivation and provide remunerative returns to paddy farmers, particularly in Kerala, if so, the details thereof; and

(c) the details of Central funds released and utilised during the last five years for the procurement of paddy and for schemes supporting paddy cultivation in Kerala, scheme-wise, year-wise?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

(SHRI RAM NATH THAKUR)

(a) to (c): 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.

State-wise and crop-wise cost estimates furnished under Cost of Cultivation Scheme are analyzed and statistical techniques are used for projection of cost of cultivation/ production of 22 mandated crops. CACP uses all-India weighted average cost of production while making its recommendations. While recommending MSP, CACP considers various factors viz. cost of production, overall demand-supply situations of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agriculture and non-agriculture sector, likely effect of price policy on rest of economy and a minimum of 50 percent as the margin over cost of production.

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. The MSP of Paddy announced during last five years (Marketing Season wise) is given below.

**Minimum Support Price (MSP) –Kharif Marketing Season (KMS) wise
(₹/quintal)**

Crop	KMS 2022-23	KMS 2023-24	KMS 2024-25	KMS 2025-26	KMS 2026-27
Paddy (Common)	2040	2183	2300	2369	2441
Paddy (Grade 'A')	2060	2203	2320	2389	2461

In order to ensure remunerative returns to paddy farmers, the Government of Kerala provides State Incentive Bonus (SIB) over and above the MSP fixed by the Government of India.

Government offers to procure agricultural crops through designated procurement agencies and farmers have the option to sell their produce to the government agencies or in the open market whichever is advantageous to them. The procurement details and MSP amount paid to Kerala Paddyfarmers during 2021-22 to 2025-26 are given below:

Kerala (Paddy)					
	2021-22	2022-23	2023-24	2024-25	2025-26
Procurement (In LMT)	7.48	7.31	5.59	5.63	4.74
MSP Paid (In Crore)	1466.87	1506.24	1232.28	1306.04	1131.99

The details of central fund released for National Food Security & Nutrition Mission(NFSM) Rice component in the State of Kerala are as under:

National Food Security & Nutrition Mission	
Year	Amount (in Lakh)
2021-22	22.09
2022-23	13.42
2023-24	0
2024-25	16.56
2025-26	4.09

PM-Rashtriya Krishi Vikas Yojana (PM-RKVY), is a Centrally Sponsored Scheme aimed at promoting holistic development of agriculture and allied sectors. Under Detailed Project Report (DPR), States have been provided flexibility and autonomy for selection, planning approval and execution of projects/programs as per their needs, priorities and agro-climatic requirements. The purpose of the RKVY-DPR is to incentivize States to increase public investment in Agriculture & allied sectors. Central fund released to Kerala State under PM-Rashtriya Krishi Vikas Yojana (PM-RKVY) during last 5 years are at **Annexure**.

Annexure**Annexure referred to in reply to part (a) to (c) of Rajya Sabha Unstarred Question
No. 2266 due for reply on 07.08.2026 (InCrore)**

2021-22		
Sl.No.	Name of the Scheme	Amount Released
1	RKVY	50.44
2022-23		
Sl. No.	Name of the Scheme	Amount Released
1	RKVY	27.88
2023-24		
Sl. No.	Name of the Scheme	Amount Released
1	RKVY DPR	14.24
2	SH&F	0.07
3	RAD	0.05
4	PKVY	0.71
5	SMAM	12.87
6	PDMC	0.32
7	Agro Forestry	0.00
	Grand Total	28.26
2024-25		
Sl. No.	Name of the Scheme	Amount Released
1	RKVY DPR	17.36
2	SH&F	2.17
3	RAD	1.54
4	PKVY	3.54
5	SMAM	30.55
6	PDMC	1.68
7	Agro Forestry	0.28
	Total	57.12
2025-26		
Sl.No	Name of the Scheme	Amount Released
1	RKVY DPR	37.09
2	PDMC	22.08
3	SMAM	30.84
4	PKVY	11.90
5	SH&F	4.53
6	RAD	3.96
7	Agro-Forestry	1.63
	Total	112.03
