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

RAJYA SABHA
UNSTARRED QUESTION NO. 2270
TO BE ANSWERED ON 07/08/2026

INCREASE IN COST OF PRODUCTION AND MSP

2270. SHRI JAVED ALI KHAN:

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

(a) the details of increase in percentage in cost of production of various crops/grains and increase in percentage in Minimum Support Price (MSP) by Government from 2021 to 2026, crop/grain-wise, State-wise and year-wise;

(b) whether Government is aware that cost of production of various crops/grains has increased manifold in comparison to the increase in MSP in States like Uttar Pradesh;

(c) whether Government proposes to bring legislation on guaranteed procurement of crops and legal guarantee to MSP for every crop; and

(d) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a) & (b): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops for the country as a whole, including Utter Pradesh and not region specific, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned.

While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply situation of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sector, likely effect of price policy on rest of the economy and a minimum of 50 percent as the margin over all-India weighted average cost of production.

The crop wise and year wise details of all-India weighted average cost of production and MSP of crops during 2021 to 2026 (Marketing Season-wise) are given at **Annexure.**

(c) & (d): 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.

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. 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 Annadata Aay Sanrakshan 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.

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 2004-2014 and 2014-2026 (upto June, 2026) are given as under:

Procurement and MSP amount paid to farmers

2004-2014		2014-2026 (upto June, 2026)	
Total Procurement (In LMT)	Total MSP Value (In lakh Crore)	Total Procurement (In LMT)	Total MSP Value (In lakh Crore)
6987	7.41	12819	27.80

In addition, Adequate number of procurement centres are opened by respective State Government Agencies, taking into account the production, marketable surplus, convenience of farmers and availability of other logistics / infrastructure such as storage and transportation etc. Temporary purchase centres, in addition to the existing mandis and depots/godowns are also established at key points. The procurement operation is a continuously evolving process and during the last few years, procurement processes under MSP have improved to ensure payment of MSP to farmer’s bank account directly and linkage of Aadhaar and land records with the States’ procurement portals ensure that the farmers directly get the benefits of the MSP purchase.

Government has launched Mission for Aatmanirbharta in Pulses till 2030-31, to reduce import dependence and achieve self-sufficiency in pulses.To encourage domestic production of pulses, the Government is undertaking procurement of Tur, Urad and Masur under the PM-AASHA Scheme on the request of State Government from pre-registered farmers as much as offered by them through Central Nodal Agencies, namely the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and the National Cooperative Consumers' Federation of India Limited (NCCF).

Government also implements Market Intervention Scheme (MIS), a component under PM-AASHA, for procurement of agricultural and horticultural commodities, which are perishable in nature and are not covered under the Price Support Scheme (PSS). The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and the cost of production. There should be at least a 10 percent decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government.

Government has introduced a new component of Price Differential Payment (PDP) under Market intervention scheme (MIS) from 2024-25 season for direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers of perishable crops. States/UTs have an option to choose either to do physical procurement of the crop or to make the differential payment between the MIP & Sale Price to the farmers.

Further, from 2024-25 season, Government added another component under Market intervention scheme (MIS) for reimbursing the Storage and Transportation cost of TOP crops (Tomato, Onion and Potato) to central nodal agencies & State designated agencies for transporting them from the producing State to consuming states in the interest of the farmers.

The Government is implementing several policies, reforms, developmental programmes to increase agricultural productivity, reduce the cost of cultivation, promote crop diversification, ensure remunerative returns and provide income support to farmers. These various schemes / programmes cover the entire spectrum of agriculture including credit, insurance, income support, infrastructure, crops including horticulture, seeds, mechanization, marketing, organic and natural farming, farmer collectives, irrigation, extension activities, procurement of crops, digital agriculture etc.

Annexure

Annexure referred to in reply to part (a) and (b) of Rajya Sabha question No. 2270 due to reply on 07.08.2026.

All India Weighted Average Cost of Production(A2+FL) from year 2021-22 to 2025-26 (Marketing Season-wise)

(in ₹/quintal)

Sl. No.	Commodity	2021-22	2022-23	2023-24	2024-25	2025-26
1	PADDY(Common)	1293	1360	1455	1533	1579
2	JOWAR (Hybrid)	1825	1977	2120	2247	2466
3	BAJRA	1213	1268	1371	1485	1703
4	RAGI	2251	2385	2564	2860	3257
5	MAIZE	1246	1308	1394	1447	1508
6	ARHAR(Tur)	3886	4131	4444	4761	5038
7	MOONG	4850	5167	5705	5788	5845
8	URAD	3816	4155	4592	4883	5114
9	COTTON (Medium Staple)	3817	4053	4411	4747	5140
10	GROUNDNUT	3699	3873	4251	4522	4842
11	SUNFLOWER	4010	4113	4505	4853	5147
12	SOYABEAN (Yellow)	2633	2805	3029	3261	3552
13	SESAMUM	4871	5220	5755	6178	6564
14	NIGERSEED	4620	4858	5156	5811	6358
15	WHEAT	1008	1065	1128	1182	1239
16	BARLEY	1019	1082	1158	1239	1361
17	GRAM	3004	3206	3400	3527	3699
18	MASUR (LENTIL)	3079	3239	3405	3537	3705
19	RAPESEED/MUSTARD	2523	2670	2855	3011	3210
20	SAFFLOWER	3627	3765	3807	3960	4360
21	COPRA (Milling)	6805	6974	7153	7350	7721
22	JUTE	2832	2959	3095	3237	3387

Source: Commission for Agriculture Costs & Prices (CACP)

Annexure continues

MSP of ALL Crops from year 2021-22 to 2025-26 (Marketing Season-wise)

(in ₹/quintal)

Sl. No.	Commodity	2021-22	2022-23	2023-24	2024-25	2025-26
1	PADDY(Common)	1940	2040	2183	2300	2369
2	JOWAR (Hybrid)	2738	2970	3180	3371	3699
3	BAJRA	2250	2350	2500	2625	2775
4	RAGI	3377	3578	3846	4290	4886
5	MAIZE	1870	1962	2090	2225	2400
6	ARHAR(Tur)	6300	6600	7000	7550	8000
7	MOONG	7275	7755	8558	8682	8768
8	URAD	6300	6600	6950	7400	7800
9	COTTON (Medium Staple)	5726	6080	6620	7121	7710
10	GROUNDNUT	5550	5850	6377	6783	7263
11	SUNFLOWER	6015	6400	6760	7280	7721
12	SOYABEAN (Yellow)	3950	4300	4600	4892	5328
13	SESAMUM	7307	7830	8635	9267	9846
14	NIGERSEED	6930	7287	7734	8717	9537
15	WHEAT	2015	2125	2275	2425	2585
16	BARLEY	1635	1735	1850	1980	2150
17	GRAM	5230	5335	5440	5650	5875
18	MASUR (LENTIL)	5500	6000	6425	6700	7000
19	RAPESEED/MUSTARD	5050	5450	5650	5950	6200
20	SAFFLOWER	5441	5650	5800	5940	6540
21	COPRA (Milling)	10335	10590	10860	11160	11582
22	JUTE	4500	4750	5050	5335	5650

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