

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4235**  
TO BE ANSWERED ON THE 19<sup>TH</sup> AUGUST, 2025

**CRITERIA TO INCREASE MSP**

4235. SHRI RAJA RAM SINGH:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि और किसान कल्याण मंत्री be pleased to state:

- (a) whether the Ministry can justify the marginal hike of only 3% in MSP for paddy, and a mere 1% for moong and 5% for tur, despite long-standing demands by farmers' unions for a substantial increase in essential crops;
- (b) the criteria used to determine higher MSP increases for ragi (14%) and jowar (10%), which have a limited cultivation base, while ignoring crops like cotton, tur, and moong that dominate farmers livelihoods across States like Punjab, Telangana, Maharashtra, and Madhya Pradesh;
- (c) whether the Ministry has assessed the impact of such pricing on procurement, crop planning, and farmer income stability, if so, the details thereof as well as the stakeholders on the same; and
- (d) whether any consultations were held with farmers before finalising these MSP rates, and if so, the details of their key demands?

**ANSWER**

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE  
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (d): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops including 14 kharif crops for the country as a whole based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. CACP also holds consultations with various stakeholders including State governments and farmers' representatives before finalizing its recommendations on MSP.

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.

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 return of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

Increased MSP has benefited farmers 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 current year are given as under:

**Procurement & MSP value of MSP Crops during 2024-25 (July to June)**

<b>Total Procurement (In LMT)</b>	<b>Total MSP Value (In lakh Crore)</b>
1,175	3.33

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