

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

LOK SABHA
UNSTARRED QUESTION NO. 4279
TO BE ANSWERED ON THE 19TH AUGUST, 2025

LEGAL GUARANTEE FOR MSP

4279. SHRI AMRA RAM:
MS MAHUA MOITRA:

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

- (a) whether the Government intends to introduce legislation providing a legal guarantee for Minimum Support Prices (MSPs) for all farmers and all crops, as recommended by the National Commission on Farmers (Swaminathan Commission);
- (b) if so, the timeline for introducing legislation to guarantee MSP for all crops, ensuring fair remuneration;
- (c) if not, the reasons for the continued reliance on procurement-driven mechanisms that currently cover less than 25% of agricultural produce nationally, with wide regional disparities; and
- (d) whether the Government has conducted assessments on how the absence of an MSP guarantee contributes to agrarian distress, indebtedness, and price exploitation by intermediaries, particularly in States like West Bengal where procurement remains minimal?

ANSWER

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

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 which benefitted farmers of whole country.

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 last five years including current year are given below.

Procurement & MSP value of MSP Crops

All MSP Crops	2020-21	2021-22	2022-23	2023-24	2024-25*
Total Procurement (In LMT)	1,368	1,083	1,118	1,089	1,175
Total MSP Value (In lakh Crore)	2.91	2.25	2.47	2.63	3.33

*As on 30.06.2025

To make Minimum Support Prices (MSPs) more effective and transparent, a committee has been constituted on 12th July 2022. The subject matter of the committee also include (i) Suggestions on practicality to give more autonomy to Commission for Agricultural Costs and Prices (CACP) and measures to make it more scientific, and (ii) To strengthen the Agricultural Marketing System as per the changing requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic and export opportunities. The meetings of this committee are being organized regularly and till date, 6 meetings have been held. Additionally, 39 meetings of various sub-committees have also been held.

(d): National Institution for Transforming India (NITI) Aayog (erstwhile Planning Commission) has conducted a study entitled "Efficacy of minimum support prices on farmers", 2016. The study covered 14 States, 36 Districts, 72 Blocks, 144 Villages and 1440 Households. The study is based on both the primary and secondary data. The study has found among other things that MSP declared by the Government has encouraged 78 % of the farmers covered under the study for adopting improved methods of farming such as high yielding varieties of seeds, organic manure, chemical fertilizer, pesticides and improved methods of harvesting etc.
