

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 1600**

TO BE ANSWERED ON THE 09<sup>TH</sup> DECEMBER, 2025

**IMPLEMENTATION OF LEGALLY GUARANTEED MSP**

1600. SHRI E T MOHAMMED BASHEER

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

(a) the final decision and likely timeline for providing a legal guarantee for Minimum Support Price (MSP) to farmers;

(b) the details of mechanisms that are being considered to ensure effective implementation and monitoring of a legally guaranteed MSP across different States and crops; and

(c) the manner in which a legal MSP guarantee impact procurement systems, market prices and the financial burden on the exchequer?

**ANSWER**

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्यमंत्री (SHRI RAMNATH THAKUR)

(a) to (c): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops 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.

To realize the objectives of MSP Policy, after announcement of 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), in consultation with the concerned State Government 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.

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.

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 2024-25 (Crop Year) are given as under:

<b>Total Procurement (In LMT)</b>	<b>Total MSP Value (In Lakh Crore)</b>
1,223	3.47

\*\*\*\*\*