

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

LOK SABHA
STARRED QUESTION NO. 159
TO BE ANSWERED ON THE 10TH FEBRUARY, 2026

RISING AGRICULTURAL INPUTS COST

*159. SMT. PRATIMA MONDAL:

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

- (a) whether MSP procurement remains regionally skewed and crop-limited, leaving a majority of farmers outside effective price support;
- (b) the steps that are being taken to address rising fertilizer, seed, and pesticide costs that are eroding farm viability; and
- (c) the evidence-based assessment that supports recent agri-marketing reforms and the manner in which these have improved price realization for farmers?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण मंत्री (SHRI SHIVRAJ SINGH CHOUHAN)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 159 FOR 10TH FEBRUARY, 2026 REGARDING RISING AGRICULTURAL INPUT COST.

(a): Government of India announces Minimum Support Prices (MSP) for 22 major agricultural commodities of Fair Average Quality (FAQ) each year in both the Crop seasons on the basis of recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & other relevant factors. In addition, MSP for toria and de-husked coconut is also fixed on the basis of MSPs of rapeseed & mustard and copra respectively. While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop price, 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 and a minimum of 50 percent as the margin over cost of production in case of MSPs. Government also extends remunerative price to farmers through its various interventions schemes. Besides, the overall market also responds to declaration of MSP and Government's procurement operations which results in private procurement on or above the MSP for various notified crops.

Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies which purchase at MSP, whatever food grains offered by farmers within the stipulated period & conforming to the specifications prescribed. Further, different types of nutri-cereals and maize are procured by State Governments in consultation with FCI to the extent that the concerned State Government may utilise the same for distribution under Targeted Public Distribution System (TPDS) as well as Other Welfare Schemes (OWS).

Oilseeds, pulses and copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay Sanrakshana Abhiyan (PM-AASHA), as per its prescribed guidelines at MSP in consultation with the concerned State Government as and when market price of these produce fall below the MSP. Under PM-AASHA, States / UTs are offered to choose either Price Support Scheme (PSS) or Price Deficiency Payment Scheme (PDPS) in a given procurement season with respect to particular oilseeds crop for the entire State. Further, to encourage domestic production & ensure remunerative prices to farmers, procurement of Tur, Urad and Masur from the pre-registered farmers is undertaken as much as offered by them through the Central Nodal Agencies under Mission for Aatmanirbharta in Pulses till 2030-31. Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI) respectively. If farmers get better price than notified MSP, they are free to sell their produce anywhere.

(b): The maximum retail price (MRP) of urea is constant since 2018. Similarly, MRP of Diammonium Phosphate (DAP) is constant for the last three years i.e. 2023-24 to 2025-26.

The actual expenditure on urea varies with fluctuation in price of natural gas and other raw material used for urea production and international import prices of urea. However, in order to keep the price constant, Government of India is bearing the subsidy on both the urea and Phosphatic & Potassic (P& K) fertilizers.

Government has taken several steps to make seeds available at affordable prices to farmers, which includes, financial assistance to the States/UTs and public sector implementing agencies for seed-related activities including purchase of breeder seeds, distribution of quality seeds, strengthening seed infrastructure, National Seed Reserve and free distribution of minikits of new High Yielding Varieties (HYVs) of pulses and Nutri-cereals etc. These interventions enhance productivity and reduce cost of cultivation. Production of seeds in public sector is encouraged to ensure availability of quality seeds at affordable prices to farmers.

The pricing of pesticides does not come under the purview of Insecticides Act, 1968 and Insecticides Rules, 1971. However, to provide the affordable pesticides to farmers, Registration Committee (RC) also grants registration of pesticides under section 9(4) 'me-too' category.

(c): Agricultural Marketing is a state subject. However, in order to improve the market access to farmers, create a competitive marketing ecosystem and encourage investment in development of post-harvest management and marketing infrastructure with the objective of providing a competitive and remunerative prices to the farmers, Government coordinates with states for adoption of reforms in agricultural marketing.
