

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

LOK SABHA
STARRED QUESTION NO. 451
TO BE ANSWERED ON THE 24TH MARCH, 2026

PRICE STABILIZATION AND MSP IN KERALA

*451. SHRI SHAFI PARAMBIL:

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

- (a) Whether the Government is aware of the decline in income of small and marginal farmers in Kerala due to price fluctuation of plantation crops such as rubber, coconut and spices;
- (b) The details of Minimum Support Price (MSP) and procurement mechanisms applicable to major crops grown in Kerala;
- (c) Whether the Government proposes to introduce a price stabilization mechanism for plantation crops predominantly grown in Kerala; and
- (d) The funds allocated and released to Kerala under various Central agricultural support schemes during the last five years?

ANSWER

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

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

STATEMENT REFERRED TO IN RESPECT OF PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 451 FOR 24TH MARCH, 2026 REGARDING PRICE STABILIZATION AND MSP IN KERALA

(a): As per information received from Govt. of Kerala, Price fluctuations are generally observed in plantation crops such as rubber, coconut and spices but agricultural income in Kerala has shown a significant increase in recent years. As per available estimates, the average monthly income of agricultural households in the State has increased by 61.79%, from ₹17,915 in 2019 to ₹28,984 at current prices. Income from crop production has also increased by 83.01%, from ₹3,638 to ₹6,658 during the same period.

No significant adverse price fluctuations have been observed in major spice crops such as black pepper and cardamom, as well as plantation crops like arecanut, in recent years. The prices have shown an increasing trend in the last five years except for the year 2021-22 when the auction price for cardamom (small) came down and 2022-23 & 2024-25 when the auction prices of arecanut came down slightly. Accordingly, no decline in farmers' income on this account has been reported. The annual average prices of these crops in Kerala during the last five years and the current year is given in **Annexure-I**.

(b): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops for the country as a whole including Kerala, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz. jute and copra.

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.

(c): The Government of India implements Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) with the objective of ensuring remunerative prices to farmers and stabilizing prices of essential commodities for consumers in all states including Kerala. The scheme comprises of Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS) and Market Intervention Scheme (MIS), which are implemented by the Department of Agriculture & Farmers' Welfare (DA&FW), Ministry of Agriculture & Farmers' Welfare, while the Price Stabilization Fund (PSF) is implemented by the Department of Consumer Affairs. The details of the components of PM-AASHA and their mode of implementation are given below:

(i) Price Support Scheme (PSS):

PSS is implemented at the request of State/UT Governments for procurement of notified pulses, oilseeds and copra of prescribed Fair Average Quality (FAQ) at Minimum Support Price (MSP) on the request of the State Government through Central Nodal Agencies during the notified procurement period, when market prices fall below MSP. Procurement is generally limited to 25% of the All India Production of the respective commodity, with an initial ceiling of 25% of State production, extendable subject to conditions. Further, to promote domestic production and ensure remunerative prices, procurement of Tur, Urad and Masur is undertaken from pre-registered farmers, as per their offer, under the Mission for Aatmanirbharta in Pulses up to 2030–31.

(ii) Price Deficiency Payment Scheme (PDPS):

PDPS provides for direct payment of the difference between MSP and the selling/modal price to pre-registered farmers selling oilseeds of prescribed FAQ standards in notified market yards through a transparent auction process. The scheme does not involve physical procurement on the request of the State Government. The Central Government bears the price deficiency up to 15% of MSP value (including administrative cost) for a quantity up to 40% of State production. Any additional quantity beyond this limit is to be borne by the concerned State Government.

(iii) Market Intervention Scheme (MIS):

MIS is implemented to provide remunerative prices to farmers for perishable agricultural and horticultural commodities not covered under MSP, in order to prevent distress sale during periods of excess production and price fall. The scheme is operational when market prices decline by at least 10% compared to the previous normal year. It is implemented at the request of States/UTs, which share the losses on a 50:50 basis (75:25 in case of North-Eastern States). The scheme also includes provision for Price Differential Payment and support for transportation and storage of TOP crops (Tomato, Onion and Potato) from producing to consuming regions.

(d): The funds to states under the various schemes of Ministry of Agriculture & Farmers Welfare are provided on the basis of approved annual action plan. The details of Central assistance provided to Kerala under various agricultural support schemes during the last five years are given in **Annexure-II**.

Annexure-I*Annual average price (Rs/kg)*

Year	Black Pepper (Garbled)-Kochi	Cardamom (Small)- Ungraded – Auction Price	Arecanut (Dry) - Kozhikode
2020-21	342.31	1475.82	286.58
2021-22	464.39	934.94	354.00
2022-23	514.03	1088.51	348.74
2023-24	573.61	1764.46	366.64
2024-25	656.69	2572.52	310.82
2025-26	707.59	2490.30	331.83

Annexure-II

Details of funds allocated & released on schemes being implemented by the Department of Agriculture & Farmers' Welfare from 2021-22 to 2025-26 in respect of Kerala

(Rs. in crore)

S. No.	Name of Mission/Scheme	2021-22		2022-23		2023-24		2024-25		2025-26	
		Alloc	Rel	Alloc	Rel	Alloc	Rel	Alloc	Rel	Alloc	Rel
A	Rastriya Krishi Vikas Yojna										
1	Rastriya Krishi Vikas Yojna-DPR	63.11	50.44	55.74	27.88	30.69	14.24	30.69	17.36	74.18	37.09
2	Sub- Mission on Agricultural Mechanization (SMAM)	11.67	75.42	50.00	85.38	34.96	12.87	52.44	30.55	30.09	30.23
3	Per Drop More Crop (PDMC)	0.00	0.00	10.00	0.00	5.45	0.32	6.00	1.68	87.38	22.69
4	Soil Health & Fertility	0.00	0.00	5.70	0.00	4.10	0.07	3.79	2.17	9.06	4.53
5	Rain fed Area Development (RAD)	2.00	0.50	2.00	0.50	2.62	0.05	3.00	1.54	7.92	3.96
6	Paramparagat Krishi Vikas Yojna (PKVY)	12.10	0.00	17.12	17.12	10.47	0.71	7.82	3.54	11.99	11.90
7	Sub-Mission on Agroforestry (SMAF)*	0.60	0.42	-	-	0.51	0.00	0.50	0.28	3.26	1.63
	Total Rastriya Krishi Vikas Yojna (RKVY)	89.48	126.78	140.56	130.88	88.80	28.26	104.24	57.12	223.88	112.03
B	Krishionnati Yojana										
1	National Food Security Mission (NFSM)	0.64	0.16	0.42	0.10	0.66	0.00	0.66	0.41	0.64	0.06
2	National Mission on Edible Oil - Oilpalm (NMEO-OP)	0.50	0.00	3.29	1.65	2.52	0.63	6.80	4.24	10.88	1.08
3	National Mission on Edible Oil - Oilseeds (NMEO-OS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Mission for Integrated Development of Horticulture (MIDH)	46.67	28.00	46.67	21.00	50.63	13.19	66.67	22.25	42.00	26.00
5	Sub-Mission on Agriculture Extension (SMAE)	17.72	13.29	13.77	13.77	10.90	10.90	11.00	11.00	20.63	16.50
6	Sub-Mission on Seeds & Planting Material (SMSP)	13.00	0.07	3.00	0.93	3.55	0.42	3.00	0.09	3.59	0.00
7	National Bamboo Mission (NBM)	0.25	0.00	0.10	0.00	0.50	0.00	0.98	0.61	5.62	2.81
	Total Krishionnati Yojana	78.78	41.52	67.25	37.45	68.75	25.14	89.11	38.60	83.36	46.45
	* The scheme discontinued w.e.f. 1st April, 2022 & continued on 2023-24										
