

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2945**  
TO BE ANSWERED ON THE 10<sup>th</sup> MARCH, 2026  
**FIXATION OF MSP**

2945.SHRI GYANESHWAR PATIL:  
SMT. DELKAR KALABEN MOHANBHAI:

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

(a) whether the Government, keeping in view the rising input cost of wages, fertilizer, energy, irrigation and credit in the country, if so, the details thereof:

(b) whether the Government has reviewed the widening gap between the Minimum Support Price (MSP) announced and the actual comprehensive cost of farming (C2) borne by farmers across the country, if so, the details thereof;

(c) whether the MSP is being fixed less than the C2+50 per cent formula recommended by the Swaminathan Commission, if so, the details thereof,

(d) whether such deviation undermines the objective as envisaged under the directive principles for ensuring remunerative pricing and income security for farmers, if so, the details thereof; and

(e) whether the Government is formulating any plan to take measures to make MSP more accurately compatible with the actual economic cost of farming across the country, if so, the details thereof?

**ANSWER**

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE  
कृषि एवं किसान कल्याण राज्यमंत्री (SHRI BHAGIRATH CHOUDHARY)

(a) to (e): 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.

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.

Within the cost of production, CACP considers all costs in a comprehensive manner which include all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc., miscellaneous expenses and imputed value of family labour. Further, The cost formula used for calculating MSP is uniform for all 22 mandated crops and states.

National Commission on Farmers (NCF), constituted under the Chairmanship of Prof. M.S. Swaminathan in 2004, inter alia, recommended that Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production. To give effect to this recommendation, Government, in its Union Budget for 2018-19, had made an announcement to keep MSP at a level of minimum one and half times of the cost of production as a pre-determined principle. Accordingly, MSPs for all mandated Kharif, Rabi and other commercial crops have been fixed with a margin of at least 50 percent over weighted average cost of production.

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 are given as under:

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

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