

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

UNSTARRED QUESTION NO. 5187

TO BE ANSWERED ON THE 24TH MARCH, 2026

MSP FOR SMALL AND MARGINAL FARMERS

5187. SHRI DHARMENDRA YADAV:

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

(a) whether a majority of small and marginal farmers are not able to avail the benefit of MSP; and

(b) if so, the special steps being taken by the Government in this regard?

ANSWER

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

(a) & (b): 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.

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.

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.

Every farmer, including small and marginal farmers can register on the State Food Procurement Portal and can sell agriculture produce on MSP. The small and marginal farmers are given priority during issue of token. One Nation, One MSP through Direct Benefit Transfer (DBT) has been implemented across the country payment of MSP is made directly to farmers bank account.

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 2004-2014 and 2014-2026 (upto February 2026) are given as under:

2004-2014		2014-2026 (upto February 2026)	
Total Procurement (In LMT)	Total MSP Value (In Lakh Crore)	Total Procurement (In LMT)	Total MSP Value (In Lakh Crore)
6,987	7.41	12,292	26.32
