

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

LOK SABHA

UNSTARRED QUESTION NO. 2667

TO BE ANSWERED ON THE 04TH AUGUST, 2026

MSP REFORMS

2667. SHRI JAI PRAKASH:

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

- (a) whether the Government has undertaken any comprehensive review of the existing Minimum Support Price (MSP) system with regard to its coverage, effectiveness and regional disparities;
- (b) the details of crops and States where procurement under MSP has remained significantly below production during the last three years, along with the reasons therefor; and
- (c) the policy measures proposed to improve transparency, efficiency and timely payment under the MSP regime?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (c): 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.

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 margin of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

Out of the total production, only marketable surplus is available for procurement by Government agencies when market price of these produce fall below the 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), 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.

In addition, Adequate number of procurement centres are opened by respective State Government Agencies, taking into account the production, marketable surplus, convenience of farmers and availability of other logistics / infrastructure such as storage and transportation etc. Temporary purchase centres, in addition to the existing mandis and depots / godowns are also established at key points.

The procurement operation is a continuously evolving process and during the last few years, procurement processes under MSP have improved to ensure payment of MSP to farmer's bank account directly and linkage of Aadhaar and land records with the States' procurement portals ensure that the farmers directly get the benefits of the MSP purchase.

National Institution for Transforming India (NITI) Aayog (erstwhile Planning Commission) has conducted a study entitled "Efficacy of minimum support prices on farmers", 2016. The study covered 14 States, 36 Districts, 72 Blocks, 144 Villages and 1440 Households. The study is based on both the primary and secondary data. The study has found among other things that MSP declared by the Government has encouraged 78 % of the farmers covered under the study for adopting improved methods of farming such as

high yielding varieties of seeds, organic manure, chemical fertilizer, pesticides and improved methods of harvesting etc.

Increased MSP has benefited farmers of the country which are evident from data of procurement and MSP amount paid to the farmers. The year wise details of procurement and MSP amount paid to farmers during 2023-24 to 2025-26 (upto June, 2026) are given as under:

**Year wise Procurement and MSP amount paid to farmers during 2023-24 to 2025-26
(upto June, 2026)**

Year	Total Procurement (In LMT)	Total MSP Value (In lakh Crore)
2023-24	1089	2.63
2024-25	1214	3.45
2025-26	1276	3.77
