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

LOK SABHA
UNSTARRED QUESTION NO. 349
TO BE ANSWERED ON THE 21ST JULY, 2026

LEGAL MSP FRAMEWORK

349. SHRI DEEPENDER SINGH HOODA:

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

(a) whether the Government has conducted any audit or review in the last five years to examine the feasibility of enacting a law guaranteeing Minimum Support Price (MSP) for farmers, and if so, the details thereof and if not, the reasons therefor;

(b) whether the Government considers the need for a legal guarantee of MSP important for ensuring farmer welfare and protection from distress sales;

(c) whether the Government can provide data on the estimated monetary loss suffered by farmers due to the absence of a legal MSP framework in the last ten financial years including the current financial year, State/UT-wise and year-wise;

(d) if so, the details thereof, and if not, the reasons therefor; and

(e) whether the Government has drawn up any time-bound roadmap for implementing a law on MSP, and if so, the milestones and timelines and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्यमंत्री (SHRI RAM NATH THAKUR)

(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.

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

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.

Government also implements Market Intervention Scheme (MIS), a component under PM-AASHA, for procurement of agricultural and horticultural commodities, which are perishable in nature and are not covered under the Price Support Scheme (PSS). The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and the cost of production. There should be at least a 10 percent decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government.

Government has introduced a new component of Price Differential Payment (PDP) under Market intervention scheme (MIS) from 2024-25 season for direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers of perishable crops. States/UTs have an option to choose either to do physical procurement of the crop or to make the differential payment between the MIP & Sale Price to the farmers.

Further, from 2024-25 season, Government added another component under Market intervention scheme (MIS) for reimbursing the Storage and Transportation cost of TOP crops (Tomato, Onion and Potato) to central nodal agencies & State designated agencies for transporting them from the producing State to consuming states in the interest of the farmers.

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 Minimum Support Price (MSP) have improved to ensure payment of MSP to farmer's bank account directly and linkage of Aadhaar and Land records with the central and State's procurement portals ensuring the farmers directly get the benefits of the MSP purchase. Other important initiatives to strengthen procurement process by FCI include deployment of biometric based procurement system, Integration of Digitized Mandi/Procurement centre operation.

NAFED has End-to-End Digitization from Procurement to Disposal. Procurement is conducted through the e-Samriddhi portal. Inventory is managed via the Drishti portal. Stock disposal is facilitated through the NAFED portal. Deployment of PoS machines for registration and improved transparency. Opening of model procurement centres has ensured seamless operations, Improved transparency and created a more farmer-friendly procurement system.

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 June 2026) are given as under:

2004-2014		2014-2026 (upto June 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	12,819	27.80

For benefits of farmers, Government has also taken several important initiatives which are as follows.

(i) Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)
(ii) Pradhan Mantri Fasal Bima Yojana (PMFBY)/Restructured Weather Based Crop Insurance Scheme (RWBCIS)
(iii) Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY)
(iv) Agriculture Infrastructure Fund (AIF)
(v) Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)
(vi) Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA)
(vii) Modified Interest Subvention Scheme (MISS)
(viii) National Bee Keeping and Honey Mission (NBHM)
(ix) Agri Fund for Start-Ups & Rural Enterprises' (AgriSURE)
(x) National Mission on Natural Farming
(xi) Krishonnati Yojana
(xii) Rashtriya Krishi Vikas Yojana (RKVY)

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