

PRESS INFORMATION BUREAU

(Research Unit) Ministry of Information and Broadcasting Government of India



Significant Hike in MSP for Kharif and Rabi Crops for Marketing Season 2022-23

Increase in MSP for Paddy from Rs. 1310 in 2013-14 to Rs. 2040 in 2022-23, up by 56%

Increase in MSP for wheat from Rs. 1350 in 2013-14 to Rs. 2015 in 2022-23, up by 49%

MSP for Sunflower, Soyabean & Groundnut increased by 72%, 88% & 46% respectively from 2013-14 to 2022-23

(Ministry of Agriculture)

June 15, 2022

It is our great privilege to work for the welfare of our farmers. In line with our ethos of taking farmer-friendly measures, the Cabinet has taken another historic decision to raise MSP. Crores of farmers will benefit from this.

Prime Minister Narendra Modi

Introduction¹:

The Government's price policy for major agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encouraging higher

investment and production and safeguarding the interest of consumers by making available supplies at reasonable prices. Towards this end, Government announces Minimum Support Prices (MSPs) for twenty-two (22) mandated crops and Fair and Remunerative Prices (FRP) for sugarcane at all India level recommendations of the Commission for Agricultural Costs & Prices (CACP) after considering the views of concerned State Governments and Central Ministries/Departments.

The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soybean (yellow), sunflower seed, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz.



jute and copra. In addition to that, MSP for toria and dehusked coconut are also fixed on the basis of MSPs of rapeseed & mustard and copra respectively.

While recommending MSPs, Commission for Agricultural Costs & Prices (CACP) considers important factors like cost of production, the overall demand-supply situation of various crops

¹ https://agricoop.nic.in/sites/default/files/Web%20copy_eng.pdf

in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sector, likely effect of price policy on rest of the economy and a minimum of 50 percent as the margin over the cost of production.

Minimum Support Prices (MSP) for Kharif Crops for Marketing Season 2022-23²:

On June 08, 2022, the Cabinet Committee on Economic Affairs (CCEA) chaired by Prime

Minister Narendra Modi, approved the increase in the Minimum Support Prices (MSP) for all mandated Kharif Crops for Marketing Season 2022-23.

The government has increased the MSP of Kharif Crops for Marketing Season 2022-23, to ensure remunerative prices to the growers for their produce and to encourage crop diversification.

The increase in MSP for Kharif Crops for Marketing Season 2022-23 is in line with the Union Budget 2018-19 announcement of fixing the MSP at a level of at least 50 percent over the All-India weighted average Cost of Production, aiming at a reasonably fair remuneration for the farmers. It is notable that, the return over MSP for bajra, tur, urad sunflower seed, soybean, and groundnut is more than 50 percent over the All-India weighted average Cost of Production at 85%, 60%, 59%, 56%, 53%, and 51% respectively.



Following is the Minimum Support Prices for all Kharif crops for Marketing Season 2022-23:

(₹ per quintal)

Сгор		MSP 2021-22	MSP 2022-23	Cost* of production 2022-23	Increase in MSP (Absolute)	Return over cost (in percent)
	MSP 2014-15					
Paddy (Common)	1360	1940	2040	1360	100	50
Paddy (Grade A)	1400	1960	2060	-	100	-
Jowar (Hybrid)	1530	2738	2970	1977	232	50
Jowar (Maldandi)	1550	2758	2990	-	232	-

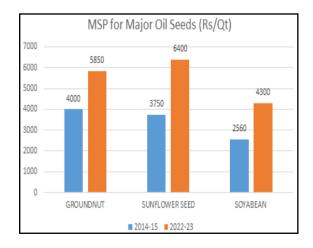
² https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1832174

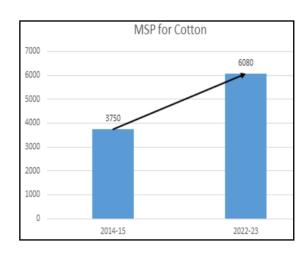
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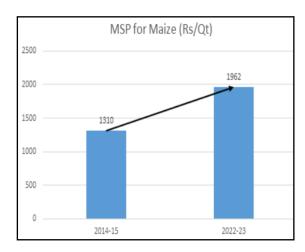
Bajra	1250	2250	2350	1268	100	85
Ragi	1550	3377	3578	2385	201	50
Maize	1310	1870	1962	1308	92	50
Tur (Arhar)	4350	6300	6600	4131	300	60
Moong	4600	7275	7755	5167	480	50
Urad	4350	6300	6600	4155	300	59
Groundnut	4000	5550	5850	3873	300	51
Sunflower Seed	3750	6015	6400	4113	385	56
Soyabean (yellow)	2560	3950	4300	2805	350	53
Sesamum	4600	7307	7830	5220	523	50
Nigerseed	3600	6930	7287	4858	357	50
Cotton (Medium Staple)	3750	5726	6080	4053	354	50
Cotton (Long Staple)	4050	6025	6380	-	355	-

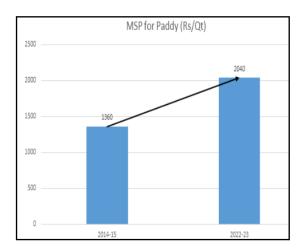
Comparative analysis of MSP for major Kharif crops (2014-15 vis a vis 2022-23)

Modi government announced MSP hikes based on the formula that farmers will get at least 1.5 times the cost of production. This was a promise made and delivered. This formula also included factors like family labor in the cost of production, which is a way of recognizing the work of the whole family rather than just individual farmers. The government ensured greater procurement and greater payments to farmers, ensuring that MSP hikes did not remain on paper but actually reached farmers.

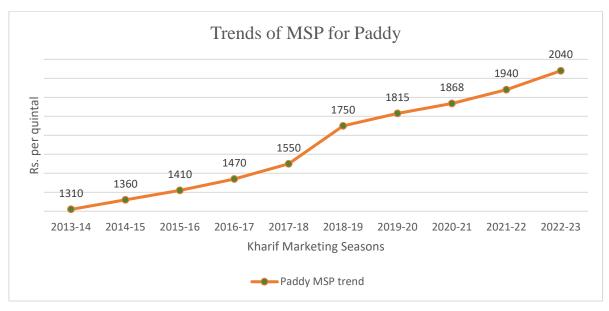


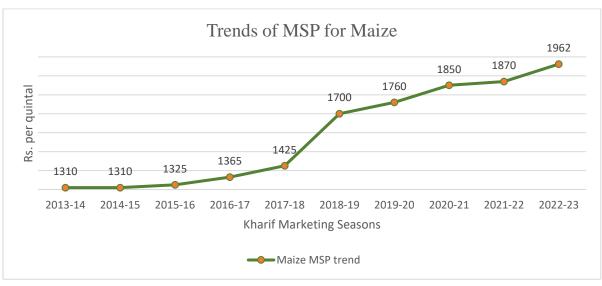




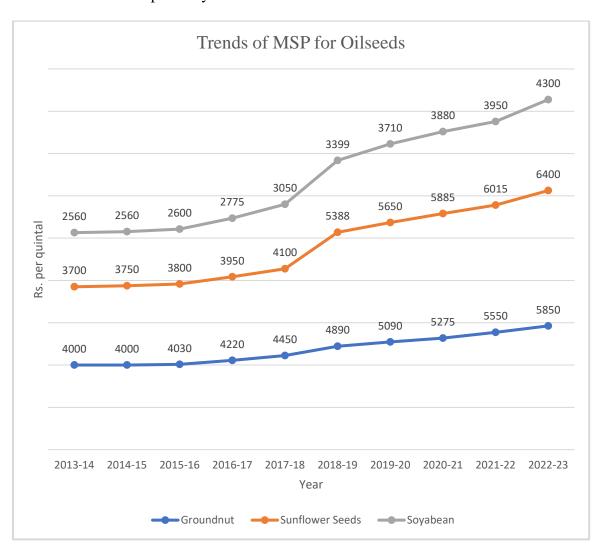


Exponential increase in MSP for Paddy and Maize (2013-14 to 2022-23): Going by the trends, it could be noticed that there has been an exponential rise in MSP for Paddy and Maize. The MSP for Paddy which was Rs. 1310/- per quintal in 2013-14 has increased to Rs. 2040/- per quintal in 2022-23, an increase of almost 56%. Similarly, MSP for Maize which was Rs. 1310/- per quintal in 2013-14 has increased to Rs. 1962/- per quintal in 2022-23, an increase of 50%.





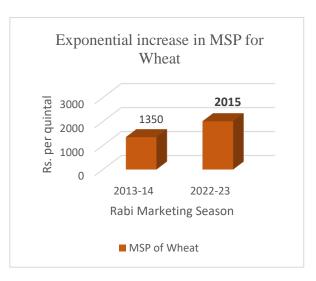
Exponential increase in MSP for major Oil Seeds (2013-14 to 2022-23): The MSP for groundnut which was Rs. 4000/- per quintal in 2013-14 has increased to Rs. 5850/- in 2022-23 which is an increase of 46%. Similarly, Sunflower seeds and Soyabean saw an increase of 72% and 68% respectively.



Minimum Support Prices (MSP) for Rabi crops for marketing season 2022-23

Earlier on 08 September 2021, the Cabinet Committee on Economic Affairs (CCEA) chaired by the Prime Minister Narendra Modi had approved the increase in the Minimum Support Prices (MSP) for all mandated Rabi crops for Rabi Marketing Season (RMS) 2022-23.

Government increased the MSP of Rabi crops for RMS 2022-23, to ensure remunerative prices to the growers for their produce. The highest absolute increase in MSP over the

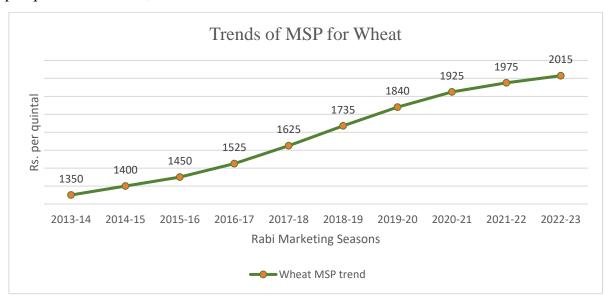


previous year has been recommended for Lentil (Masur) and Rapeseeds & Mustard (Rs.400 per quintal each) followed by gram (Rs.130 per quintal). In case of safflower, there has been

an increase of Rs.114 per quintal, in comparison to last year. The differential remuneration is aimed at encouraging crop diversification.

Exponential increase in MSP for Wheat (2013-14 to 2022-23):

The **MSP for Wheat** which was Rs. 1350/- per quintal in 2013-14 has increased to Rs. 2015/- per quintal in 2022-23, **an increase of almost 49%**.



To see details of Minimum Support Prices (MSP) for Rabi crops for marketing season 2022-23, **click here**

References:

- https://twitter.com/narendramodi/status/1308050489821540355
- https://agricoop.nic.in/sites/default/files/Web%20copy_eng.pdf
- https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1832174
- https://pib.gov.in/PressReleasePage.aspx?PRID=1753108
- https://eands.dacnet.nic.in/MSP.htm

Video links:

• PIB India: Cabinet briefing by Union Minister Anurag Thakur and MoS L. Murugan

AG/HP/RC/AKP/SK