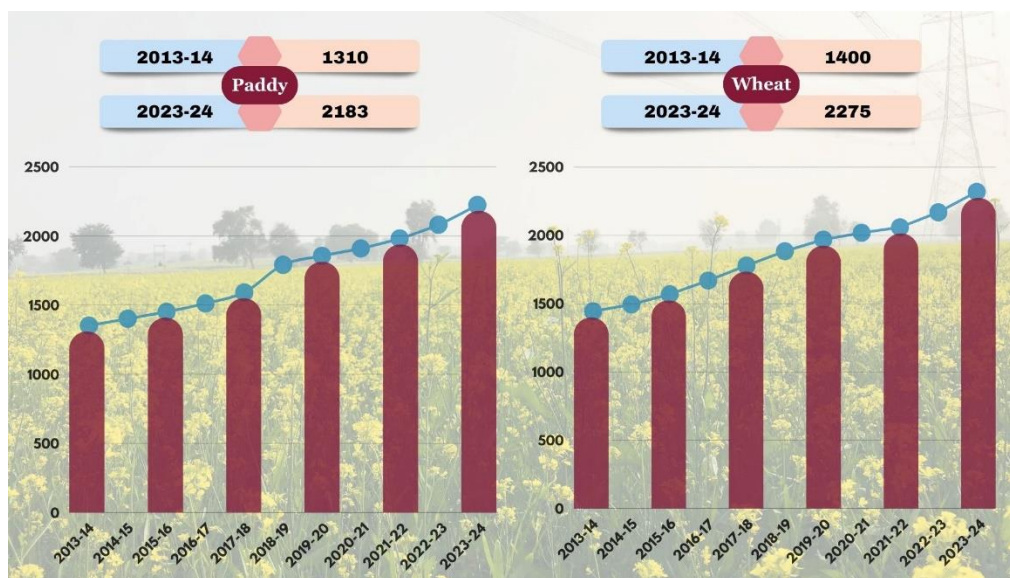


SIGNIFICANT INCREASE IN MINIMUM SUPPORT PRICE

February 29, 2024

The Minimum Support Price (MSP) is a crucial mechanism through which the government supports farmers by purchasing their crops at a pre-determined price. Annually, the Government of India announces MSPs for 22 major agricultural commodities, including 14 Kharif crops, 6 Rabi crops, and 2 commercial crops. In addition, MSP for toria and dehusked coconut is also fixed based on MSPs of rapeseed & mustard, and copra, respectively.

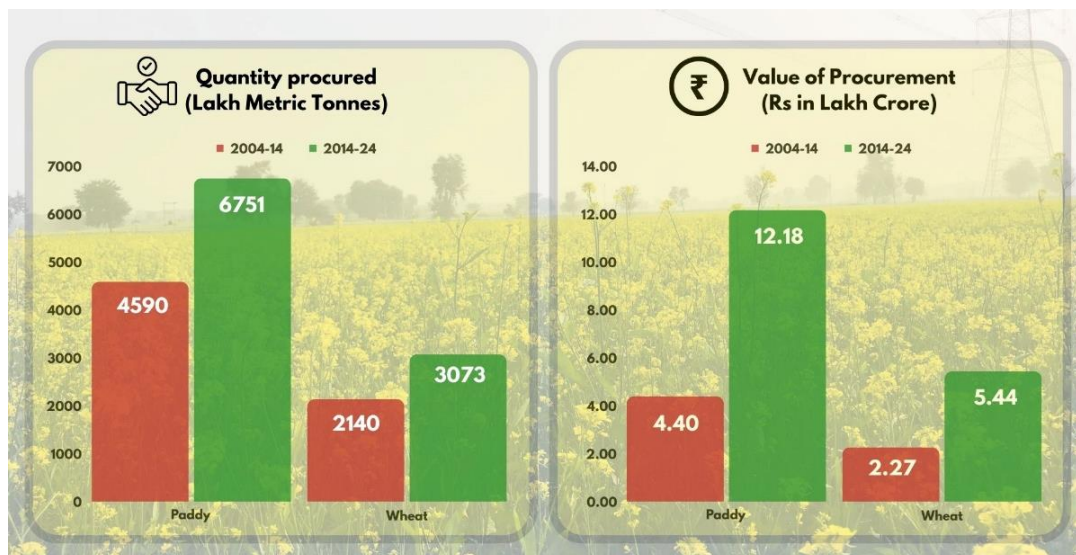


Minimum Support Price (IN RS./QUINTAL)

Aligned with the commitment outlined in the Union Budget 2018-19, the Government has consistently raised MSPs to ensure they are set at least 50 per cent above the All India weighted average Cost of Production. Notably, this calculation includes considerations such as family labour, acknowledging the collective efforts of entire farming households rather than solely focusing on individual farmers.

Furthermore, the Government's proactive measures have ensured enhanced procurement and timely payments to farmers, ensuring that the benefits of MSP hikes translate into tangible support. The procurement of foodgrains has increased from 761.40 lakh metric tonnes in 2014-15 to 1062.69 lakh metric tonnes in 2022-23, benefitting more than 1.6 crore farmers. The expenditure incurred (at MSP values) on procurement of foodgrains increased from Rs. 1.06 lakh crores to Rs. 2.28 lakh crores.

Notably, during the last 10 years (2014-24), the government spent Rs. 12.18 Lakh Crore to buy 6751 LMT of Paddy and Rs. 5.44 Lakh Crore to buy 3073 LMT of Wheat. This is a substantial increase as compared to the previous 10 years (2004-14) when the government spent Rs. 4.40 Lakh Crore to buy 4590 LMT of Paddy and Rs. 2.27 Lakh Crore to buy 2140 LMT of Wheat.



MINIMUM SUPPORT PRICE (IN RS. /QUINTAL)

Type	Commodity	2013-14	2023-24*	Increase	Cost of Production	Margin
KHARIF CROPS	PADDY (COMMON)	1310	2183	67%	1455	50%
	PADDY (GRADE A)	1345	2203	64%		
	JOWAR (HYBRID)	1500	3180	112%	2120	50%
	JOWAR (MALDANDI)	1520	3225	112%		
	BAJRA	1250	2500	100%	1371	82%
	RAGI	1500	3846	156%	2564	50%
	MAIZE	1310	2090	60%	1394	50%
	TUR (ARHAR)	4300	7000	63%	4444	58%
	MOONG	4500	8558	90%	5705	50%
	URAD	4300	6950	62%	4592	51%
	GROUNDNUT	4000	6377	59%	4251	50%
	SUNFLOWER SEED	3700	6760	83%	4505	50%
	SOYABEEN (YELLOW)	2560	4600	80%	3029	52%
	SESAMUM	2500	8635	245%	5755	50%
	NIGERSEED	3500	7734	121%	5156	50%
	COTTON (MEDIUM STAPLE)	3700	6620	79%	4411	50%
	COTTON (LONG STAPLE)	4000	7020	76%		
RABI CROPS	WHEAT	1400	2275	63%	1128	102%
	BARLEY	1100	1850	68%	1158	60%
	GRAM	3100	5440	75%	3400	60%
	MASUR (LENTIL)	2950	6425	118%	3405	89%
	RAPESEED & MUSTARD	3050	5650	85%	2855	98%
OTHER CROPS	SAFFLOWER	3000	5800	93%	3807	52%
	COPRA (MILLING)	5250	10860	107%		
	COPRA (BALL)	5500	11750	114%		
	JUTE	2300	5050	120%		

*For Rabi crops, the years are 2024-2025

Source: [1](#), [2](#), [3](#), [4](#), [5](#), [6](#),

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