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Cabinet Committee on Economic Affairs (CCEA)



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

Increased MSP is aimed at encouraging crop diversification

Return to farmers over their cost of production are estimated to be highest in case of wheat, rapeseed and mustard followed by lentil, gram, barley and safflower

MSPs have been aligned in favour of oilseeds, pulses and coarse cereals

Increase in MSP of RABI crops will ensure remunerative prices for farmers

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The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSP) for all mandated Rabi crops for Rabi Marketing Season (RMS) 2022-23.

Government has 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.

MSPs for all Rabi crops for marketing season 2022-23 (In Rs./quintal)

Crops	MSP for RMS 2021-22	MSP for RMS 2022-23	Cost* of production 2022-23	Increase in MSP (Absolute)	Return over cost (in per cent)
Wheat	1975	2015	1008	40	100
Barley	1600	1635	1019	35	60
Gram	5100	5230	3004	130	74
Lentil (Masur)	5100	5500	3079	400	79
Rapeseed & Mustard	4650	5050	2523	400	100
Safflower	5327	5441	3627	114	50

** Refers to comprehensive cost which includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc., miscellaneous expenses and imputed value of family labour.*

The increase in MSP for Rabi Crops for RMS 2022-23 is in line with the Union Budget 2018-19 announcement of fixing the MSPs at a level of at least 1.5 times of the all-India weighted average cost of production, aiming a reasonably fair remuneration for the farmers. The expected returns to farmers over their cost of production are estimated to be highest in case of wheat and rapeseed & mustard (100% each), followed by lentil (79%); gram (74%); barley (60%); safflower (50%).

Concerted efforts were made over the last few years to realign the MSPs in favour of oilseeds, pulses and coarse cereals to encourage farmers shift to larger area under these crops and adopt best technologies and farm practices, to correct demand — supply imbalance.

Additionally, National Mission on Edible Oils-Oil Palm (NMEO-OP), Centrally Sponsored Scheme recently announced by the government, will help in increasing the domestic production of edible oils and reduce imports dependency. With the total outlay of Rs.11,040 crore, the scheme will not only aid in expanding area and productivity of the sector, but also benefit the farmers by increasing their income and generation of additional employment.

The Umbrella Scheme "Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA) announced by the government in 2018 will aid in providing remunerative return to farmers for their produce. The Umbrella Scheme consists of three sub-schemes i.e. Price Support Scheme (PSS), Price

Deficiency Payment Scheme (PDPS) and Private Procurement & Stockist Scheme (PPSS) on a pilot



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