

23– 10 – 2023

- News: Minimum Support Price (MSP)
- Recently, the Centre has announced hikes in the Minimum Support Price (MSP) for wheat and five other Rabi Crops for the 2024-25 marketing season.

Minimum Support Price (MSP)

- Minimum Support Price (MSP) is the guaranteed amount paid to farmers when the government buys their produce.
- MSP is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP), which considers various factors such as cost of production, demand and supply, market price trends, inter-crop price parity, etc.
- CACP is an attached office of the Ministry of Agriculture and Farmers Welfare. It came into existence in January 1965.
- The Cabinet Committee on Economic Affairs (CCEA) chaired by the Prime Minister of India takes the final decision (approve) on the level of MSPs.
- The MSP is aimed at ensuring remunerative prices to growers for their produce and encouraging Crop Diversification.

Crops Under MSP

- The CACP recommends MSPs for 22 mandated crops and fair and remunerative price (FRP) for sugarcane.
- The mandated crops include 14 crops of the kharif season, 6 rabi crops and 2 other commercial crops.