

Centre hikes MSP of wheat, other rabi crops by 2-7%

BOOSTING OUTPUT. Support price for wheat raised by ₹150 to ₹2,275/quintal

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The government has announced a 2-7 per cent increase in minimum support prices (MSPs) of rabi crops, as sowing has begun in some places after the early harvest of some kharif crops. A maximum 7 per cent increase has been made in the case of wheat and masur (lentil), two key winter crops, which are believed to have reported lower than expected production over the past two years.

The MSP of wheat, a key winter cereal, has been hiked by ₹150 a quintal to ₹2,275/quintal for the 2024-25 marketing season (April-March), from ₹2,125/quintal now. The sowing season for rabi crops starts from October, whereas the harvest commences in April.

The MSP of mustard has been hiked by 3.7 per cent to ₹5,650/ quintal, chana (gram) by 2 per cent to ₹5,440/ quintal,



MAJOR RISE. A maximum 7 per cent increase has been effected in wheat and masur – the two key winter crops

masur by 7.1 per cent to ₹6,425/ quintal, barley by 6.6 per cent to ₹1,850/ quintal and safflower by 2.7 per cent to ₹5,800/quintal.

The Cabinet Committee on Economic Affairs has approved the increase in MSP for rabi crops for the 2024-25 (April-March) marketing season, said Information and Broadcasting Minister Anurag Singh Thakur. “Based on the CACP recommendation, we have increased the MSP of six rabi crops,” he said.

Though MSP is the min-

imum rate ensured to protect the interests of farmers, there is no bar in selling produce above it. However, the government purchases the crops at MSP.

A2+FL METHOD

The new MSP of wheat is 102 per cent of its cost of production (A2+FL), estimated at ₹1,128 per quintal, while that of masur is 89 per cent of cost of ₹3,405/quintal. In case of mustard, it is 98 per cent of cost of ₹2,855/quintal, and the chana MSP is 60 per cent of ₹3,400/ quintal cost.

The A2+FL cost of production includes all paid-out costs such as those incurred on account of hired human labour, bullock labour/ machine labour, rent paid for leased land, expenses incurred on use of material inputs such as seeds, fertilisers, manure, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/power for operation of pump-sets, etc, miscellaneous expenses and imputed value of family labour.

The increase in next year’s MSP is in line with the Union Budget 2018-19 announcement of fixing the MSP at a minimum 1.5 times the all-India weighted average cost of production (A2+FL), the government said in a statement.

The Government is promoting crop diversification towards oilseeds, pulses and Shree Anna (millets), to enhance food security, increase farmers’ income and reduce dependence on imports.