Revision on Minimum Support Prices (MSP) for Kharif Crops

Prelims: Public policy| Government Initiatives | Current events of national and international importance.

Why in News?

The Centre recently announced minimum support prices (MSP) for 14 crops for the 2025-26 Kharif Marketing Season (KMS), with moong seeing the lowest and ragi the highest increase.

- **Minimum Support Price (MSP)** – MSP for a commodity refers to the price at which the government is obligated to purchase the produce from farmers if the market price falls below this threshold.
- MSPs serve as a baseline for market prices, guaranteeing that farmers obtain a specific minimum compensation to cover their cultivation expenses and potentially generate some profit.
- By utilising these measures, the government provides incentives for the cultivation of specific crops, thus assuring the maintenance of an adequate supply of essential food grains in India.
- **Revised Prices** - In percentage terms, ragi recorded a maximum hike compared to last season.
- Like ragi, another millet crop, jowar also saw almost a double-digit hike in percentage terms in its MSP.
- The MSP of jowar (hybrid) and jowar (Maldandi) has been fixed at almost 10% higher as compared to the last Kharif season.
- The MSP of bajra has been fixed at 5.71% higher compared to the last season.
- In recent years, the government has been promoting millet crops, including ragi and jowar, and has declared them as ***Shree Anna.***
- Ragi accounts for just 0.51% of the gross cropped area of the country and is mainly grown in Karnataka, Tamil Nadu and Maharashtra.

  Major jowar producing states are Maharashtra, Karnataka, Rajasthan, Tamil Nadu and Uttar Pradesh.

- Moong, a pulse crop, saw the lowest hike of just 0.99%.

  Moong is grown in Rajasthan, Maharashtra, Madhya Pradesh and Karnataka.

- Like moong, paddy has also seen a low hike in MSP.

- The MSP for paddy (common) and paddy (Grade A) has been fixed at 3% higher compared to the last season.
- The reason for the low hike in MSP for paddy is that the government has record stock of rice in the Central Pool.
- Centre also approved the continuation of the Interest Subvention (IS) component under the Modified Interest Subvention Scheme (MISS) for the financial year 2025-26.
- Under MISS, short-term credit is provided to farmers at an affordable interest rate through the Kisan Credit Card (KCC).

Reference

The Indian Express | MSP hike for 14 Kharif crops

