

Moderate hike in wheat MSP likely

Oilseeds, pulses may also see small rise in support prices

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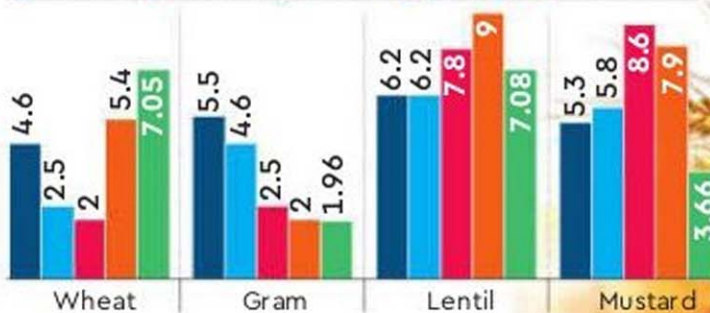
THE GOVERNMENT IS expected to announce a 5% increase in the minimum support price (MSP) of wheat, a key rabi crop, for the 2025-26 marketing season (April-June), raising it to ₹2,400 per quintal. This decision is based on factors such as market availability and global prices of the commodity.

Sources told *FE* that factors like a moderation in inflation, sufficient wheat stock and softening global prices will influence the MSP decision. Last year, the wheat MSP was raised by 7.05% to ₹2,275 per quintal—the sharpest increase since FY15—aimed at encouraging farmers to boost production. Recently, food secretary Sanjeev Chopra ruled

ENCOURAGING HIGHER CROP YIELDS

MSP increase of key rabi crops (%)

■ 2019-20 ■ 2020-21 ■ 2021-22 ■ 2022-23 ■ 2023-24



Source: CACP

out resuming the open market sale of wheat to bulk buyers from FCI stocks, citing sufficient availability.

“Wheat prices are stable, and there is no shortage, as the country had a bumper crop last year,” sources said. Wheat output reached a record 113.29 million tonne (MT) in the 2023-24 crop year (July-June), a 2.4% increase compared to the previous year.

At present, FCI has 23.85 MT of wheat stock against the buffer of 20.52 MT for October 1. The government has allocated 2.5 MT of wheat to be sold in the market aimed at curbing rise in prices, however open market sale would resume when required, Chopra had stated.

Retail inflation for wheat in September was 6.61%, with prices remaining in single digits since

August 2023. Based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and input from states, the cabinet is set to announce MSPs for rabi crops—wheat, mustard, chana, and lentils—before the sowing season begins next month.

Sources told *FE* that the MSP of oilseeds, particularly mustard, may see a moderate increase. Mustard prices have been 1.4 to 1.8 times higher than the base year of 2017-18. Since FY19, the government has ensured that MSPs are at least 1.5 times the calculated cost of production. “The MSP for oilseeds and pulses has been increased substantially in recent years to encourage higher production, but the real focus should be on improving productivity through better seeds and farming practices,” sources said.

An official said that productivity of most of the oilseeds have largely stagnated and there is a need to introduce high yielding climate resilient varieties and expand area.