

## Kharif MSP hiked 4-9% for 2022-23 season, largest spike in pulses, oilseeds

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The

government on Wednesday raised the minimum support price (MSP) of kharif crops for the 2022-23 crop year (July-June) by around 4-9 per cent. The biggest hikes were reserved for pulses and oilseeds, notably *moong*, soybean, and sunflower seed, as has been the norm in the past several years.

The MSP of *jowar* was also raised sharply to encourage farmers to plant more of this less water-guzzling and highly nutritious crop.

In the case of *moong*, which is one of the main pulses grown during the kharif season, the MSP has been raised by 6.6 per cent in 2022-23, compared with 2021-22 — from Rs 7,275 per quintal to Rs 7,755 per quintal.

In the case of soybean and sunflower seed, the MSP increase has been to the tune of 8.86 per cent and 6.4 per cent, respectively. The least increase has been in the case of *bajra* in 2022-23, compared with the previous year.

“The average price hike would be around 5.8 per cent for these commodities. Given a weight of 3.4 per cent in the overall index, the direct impact on the wholesale price index-based inflation rate can be around 0.2 per cent, if all crops receive a higher price,” said Madan Sabnavis, chief economist, Bank of Baroda.

<b>PRICE BOOST</b>			
<b>MSP of kharif crops for 2022-23 season</b>			
Crop	Price (₹ per quintal)	% chg*	
Soybean-Yellow	4,300	8.86	
Jowar-Hybrid	2,970	8.47	
Moong	7,755	6.60	
Sunflower seed	6,400	6.40	
Cotton-Medium	6,080	6.18	
Ragi	3,578	5.95	
Groundnut	5,850	5.41	
Paddy-Common	2,040	5.15	
Paddy-Grade A	2,060	5.10	
Maize	1,962	4.92	
Urad	6,600	4.76	
Tur (Arhar)	6,600	4.76	
Bajra	2,350	4.44	

Note: \*Change over 2021-22; the crop year runs from July to June  
Source: Govt

Edible oil prices have been on the boil since the past few months, further exacerbated by the Russia-Ukraine stand-off. The current market price of both soybean and groundnut is ruling above the revised MSP for the 2022-23 season.

Soybean is selling at around Rs 6,400-7,000 per quintal in the open market. Groundnut is being quoted at around Rs 5,700-6,600 per quintal. This is beyond their new MSP of Rs 4,300 and Rs 5,850 per quintal, respectively.

“The hike in MSP of oilseeds is a step in the right direction. As farmers get a secured price for their produce, it will encourage more and more farmers to grow oilseeds, as well as prompt them to shift from grain. The area under oilseed cultivation has been on a steady rise over the past few years. With Wednesday’s rise, we expect it to increase further,” said Suresh Nagpal, chairman, Central Organisation for Oil Industry & Trade — an apex association of edible oils.

In the case of paddy, whose MSP for the first time crossed Rs 2,000 per quintal, analysts believe it could spur sowing in Punjab, Haryana, and Uttar Pradesh (UP).

“Last year, farmers got good prices for paddy. In Punjab, Haryana, and UP, paddy acreage might rise due to this. But in the Malwa region that lies south of Punjab, cotton area may increase,” said Rahul

Chauhan, an analyst with iGrain India.

He said in Andhra Pradesh and Telangana, the area under groundnut cultivation might rise due to higher prices.

Among other important crops, the MSP of cotton (medium staple variety), which is another major crop grown during the kharif season, has been raised by 6.18 per cent in 2022-23, compared with 2021-22 — from Rs 5,726 per quintal to Rs 6,080 per quintal.

That of the long staple variety has been raised by 5.89 per cent — from Rs 6,025 per quintal to Rs 6,380 per quintal.

“The only concern is that while increased MSP may boost rural income and purchasing power, this can also increase inflationary pressures. To note, wholesale inflation in April rose to 15.08 per cent, which is the highest in the past decade and a half,” said Kalyan Goswami, director-general, Agro Chem Federation of India — a body representing pesticide manufacturers and importers.