

**THE STATE OF MINIMUM SUPPORT PRICE IN INDIA: AN
EMPIRICAL EXPLORATION USING NSSO DATA**

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ABSTRACT

This study explores the state of the Minimum Support Price (MSP) system in India using nationally representative unit-level data from the 77th round of the National Sample Survey (2018–19), which surveyed 58,040 agricultural households across rural India. Focusing on data from the Kharif season (Visit 1), the paper investigates the socio-economic and institutional factors influencing farmers' awareness of MSP and their participation in formal procurement systems.

To analyze the determinants of MSP awareness, both logistic and probit regression models are employed, suitable for the binary nature of the outcome variable. The findings reveal that larger landholdings, higher educational attainment, and access to institutional resources—such as Kisan Credit Cards and Soil Health Cards—significantly increase the likelihood of MSP awareness. Belonging to Scheduled Tribes, being female-headed, or residing in certain states negatively affects awareness levels, highlighting geographic and social disparities. Age shows a nonlinear relationship, with middle-aged farmers more likely to be aware than younger or older ones.

The analysis further points to limited participation in MSP procurement, even among those aware, due to factors such as unavailability of local procurement centers, lower market prices, or unsuitable crop quality. These structural and informational gaps suggest that the benefits of the MSP policy are unevenly distributed.

The study concludes that while the MSP system remains a key pillar of India's agricultural policy, its effectiveness is constrained by inequitable access to information and institutional support. Addressing these gaps is essential to ensure that the MSP regime reaches the most vulnerable farming households.