

Budget For Farmers Fy2019-fy2026

Dhruv - [Notebook Link](#)

Date: 30 Jan 2026

Questions

1. Summarize sentiment toward farmers in Union Budget Speeches FY2019-2026

Sentiment Toward Farmers in Union Budget Speeches (FY19-FY26) - Consolidated Analysis

FISCAL YEAR	BUDGET ALLOCATION (RS CRORE)	KEY INITIATIVES	OVERALL SENTIMENT
FY19 (2018-19)	2,11,694	MSP at 1.5x cost, e-NAM expansion, Operation Greens	Highly Positive
FY20 (2019-20)	1,60,000	PM-KISAN launch, PM-KMY pension, 16-point action plan	Exceptionally Positive
FY21 (2020-21)	1,34,399.77	AIF Rs 1 lakh crore, Ken-Betwa project, market reforms	Exceptionally Positive & Transformative
FY22 (2021-22)	1,32,000	7-point smart agriculture strategy, AI & drone focus	Exceptionally Positive & Transformative
FY23 (2022-23)	1,25,000	Digital Agriculture Mission, Natural Farming, Shri Anna	Exceptionally Positive & Transformative
FY24 (2023-24)	1,25,035.79	Digital Public Infrastructure, Agriculture Accelerator Fund	Exceptionally Positive & Comprehensive
FY25 (2024-25)	1,22,528.77	Research overhaul, NMNF 1 crore farmers, climate varieties	Exceptionally Positive & Transformative
FY26 (2025-26)	1,27,290.16	Agriculture as 1st Engine, PM Dhan-Dhaanya Yojana	Exceptionally Positive & Transformative

Key Insights

Evolution of Budget Allocation and Strategic Priority

The sentiment toward farmers in Union Budget speeches from FY19 to FY26 has been consistently positive, with agriculture evolving from a priority sector to being explicitly designated as the "1st Engine" of development in FY26. The budget allocation demonstrates this commitment, growing from Rs 2,11,694 crore in FY19 to Rs 1,27,290.16 crore in FY26 for the Department of Agriculture & Farmers Welfare, representing nearly a 6-fold increase from the 2013-14 baseline.

Direct Income Support and Financial Security

A transformative shift occurred with the introduction of direct income support mechanisms:

- **PM-KISAN:** Launched in FY20, providing Rs 6,000 per year to farmers, with cumulative disbursement reaching Rs 4.09 lakh crore by FY26

- **PM-KMY Pension:** Introduced in FY20, providing **Rs 3,000 monthly pension to small and marginal farmers** upon reaching 60 years
- **Agricultural Credit:** Target increased from **Rs 13.50 lakh crore in FY20 to Rs 20 lakh crore in FY23**, with **KCC disbursement growing from Rs 4.26 lakh crore in 2014 to Rs 10.05 lakh crore by December 2024**
- **Interest Subvention:** Farmers receiving **2% interest subvention on loans up to Rs 3 lakh**, with effective rate of 4% on prompt repayment

Minimum Support Price and Procurement

The government maintained its commitment to providing remunerative prices:

- **MSP Policy:** Historic commitment in FY19 to fix MSP at **least 1.5 times the cost of production**, consistently maintained through FY26
- **Procurement Growth:** Wheat procurement payments increased from **Rs 33,874 crore in FY14 to Rs 75,060 crore in FY21**
- **Paddy Procurement:** Payments grew from **Rs 63,928 crore in FY14 to Rs 1,72,752 crore in FY21**
- **Pulses Procurement:** Increased from **Rs 236 crore in FY14 to Rs 10,530 crore in FY21**
- **Recent MSP Increases:** In FY26, significant increases announced including **Rs 160 per quintal for wheat, Rs 200+ for gram, Rs 300 for lentil**

Infrastructure Development and Market Reforms

Comprehensive infrastructure development emerged as a key theme:

- **Agriculture Infrastructure Fund:** **Rs 1 lakh crore fund approved in FY21**, with **Rs 32,472 crore sanctioned for 43,318 projects by FY24**
- **e-NAM Expansion:** From **585 APMCs in FY19 to 1,361 mandis by FY25**, serving **1.8 crore farmers with Rs 3 lakh crore trading volume**
- **Rural Infrastructure Development Fund:** Increased from **Rs 30,000 crore to Rs 40,000 crore in FY21**
- **Micro Irrigation Fund:** Doubled from **Rs 5,000 crore to Rs 10,000 crore in FY21**
- **Kisan Rail and Krishi Udaan:** Launched in FY20 for **easy marketing and transportation of farmers' products**

Technology Integration and Digital Transformation

A progressive shift toward technology-driven agriculture characterized the period:

- **Digital Agriculture Mission:** Approved in FY24 with **Rs 2,817 crore outlay** for creating Digital Public Infrastructure
- **Agriculture Accelerator Fund:** **Rs 500 crore allocated in FY23** to encourage agri-startups
- **Drone Technology:** Promoted from FY22 onwards, with **Namo Drone Didi scheme providing drones to 14,500 SHGs**
- **Agri-Startups Growth:** From negligible in 2014 to **more than 700 by FY22 and over 3,000 by FY23**
- **Artificial Intelligence:** Emphasized in FY22 as **transformative for 21st century agriculture**

Farmer Producer Organizations (FPOs)

Institutional strengthening through FPOs showed remarkable progress:

- **Formation Target:** 10,000 new FPOs announced in FY20 with Rs 4,496 crore budgetary provision
- **Registration Progress:** 2,315 FPOs registered by FY22, growing to 6,319 FPOs by FY24
- **Financial Success:** By FY26, 1,100 FPOs achieved crorepati status with collective turnover exceeding Rs 15,000 crore
- **Farmer Participation:** Over 52 lakh farmers became shareholders in FPOs

Crop Insurance Enhancement

The Pradhan Mantri Fasal Bima Yojana underwent significant improvements:

- **Coverage Expansion:** From 6.11 crore farmers insured in FY21 to 4 crore farmers in FY25
- **Claims Disbursement:** Over Rs 1,46,664 crore paid to 14.06 crore farmers in 7 years, reaching Rs 1.83 lakh crore by FY26
- **Budget Allocation:** Increased from Rs 5,501.15 crore in FY17 to Rs 14,000 crore in FY20, with Rs 69,515.71 crore outlay for 2021-22 to 2025-26
- **Premium Reduction:** Premium rates reduced from 15.9% in 2020-21 to 10.8% in 2023-24
- **Technology Integration:** Introduction of YES-Tech Manual, WINDS portal, and AIDE app in FY24

Sustainable Agriculture and Natural Farming

A strong emphasis on sustainability emerged across the period:

- **Natural Farming Mission:** Announced in FY22, formalized in FY25 with Rs 2,481 crore outlay
- **Target Coverage:** 1 crore farmers to be initiated in 3 years (FY23), expanded to 1 crore farmers in 2 years (FY25)
- **Bio-Input Centers:** 10,000 need-based bio-input resource centres to be established
- **Organic Farming Growth:** Market reached Rs 11,000 crore with exports of Rs 7,000 crore by FY22
- **Climate-Resilient Varieties:** 109 high-yielding and climate-resilient varieties of 32 crops released in FY25

Millets Revolution - "Shri Anna"

Recognition of millets as a strategic crop gained momentum:

- **International Recognition:** 2023 declared International Year of Millets
- **New Identity:** Millets rebranded as "Shri Anna" in FY23
- **Centre of Excellence:** Indian Institute of Millet Research, Hyderabad supported as Centre of Excellence
- **Global Leadership:** India positioned as largest producer and second largest exporter of Shri Anna

Self-Sufficiency Missions

Strategic missions for achieving atmanirbharta in critical crops:

- **Oilseeds Mission:** Rs 10,103 crore National Mission on Edible Oils-Oilseeds approved in FY25 for 2024-25 to 2030-31
- **Pulses Mission:** 6-year Mission for Aatmanirbharta in Pulses announced in FY26 with focus on Tur, Urad, and Masoor
- **Assured Procurement:** Central agencies ready to procure 3 pulses for 4 years from registered farmers
- **Historical Success:** Cultivated area for pulses increased by 50% over previous decade

Cooperative Sector Transformation

Revolutionary changes in the cooperative sector:

- **PACS Computerization:** 63,000 Primary Agricultural Credit Societies computerized with Rs 2,516 crore investment
- **Tax Benefits:** Rs 10,000 crore benefit to sugar cooperatives through tax exemption
- **Enhanced Limits:** Rs 3 crore limit for TDS on cash withdrawal for cooperative societies
- **New Ministry:** Separate ministry for cooperatives created in FY22

Targeted Regional Development

Special programmes for addressing regional disparities:

- **PM Dhan-Dhaanya Krishi Yojana:** Announced in FY25, covering 100 districts with low productivity, benefiting 1.7 crore farmers
- **Convergence Approach:** Saturation-based convergence of 36 schemes

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