

Budget On Agriculture Fy2019-fy2026

Dhruv - [Notebook Link](#)

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Questions

1. Summarize agriculture emphasis in Union Budget speeches FY2019-FY2026 and exposed companies

Union Budget Agricultural Policy Evolution - Consolidated Analysis (FY2019-FY2026)

Overview

This summary analyzes the emphasis and framing of agriculture across Union Budget speeches from Financial Year 2019-20 through FY 2025-26, examining the evolution of agricultural policy priorities, strategic frameworks, and implementation mechanisms. The analysis also identifies companies most directly exposed to these policy directions and broader budget fiscal measures.

Agricultural Policy Framework Evolution - Key Data

FISCAL YEAR	BUDGET ALLOCATION (₹ CRORE)	CENTRAL THEME	FLAGSHIP INITIATIVE
FY 2019-20	2,11,694 (2014-2019 period)	Income-Centric Approach	MSP at 1.5x cost of production
FY 2020-21	1,60,000 (Agriculture Ministry)	Integrated Development	16-point action programme
FY 2022	1,32,000	Modern & Smart Agriculture	Seven strategic pillars
FY 2023	1,25,000	Natural Farming & Technology	Chemical-free Natural Farming
FY 2024	1,25,035.79	Value Addition Focus	Atmanirbhar Oilseeds Abhiyan
FY 2025	1,52,000	Research Transformation	Digital Public Infrastructure
FY 2026	1,27,290.16	District-Level Transformation	PM Dhan-Dhaanya Krishi Yojana

Key Insights

Strategic Evolution Across Budget Years

The agricultural policy framework evolved through distinct phases, each building upon previous initiatives while introducing transformative elements:

FY 2019-20: Foundation of Income-Centric Agriculture

The budget established the fundamental shift from production-centric to income-centric agriculture. The landmark announcement that **MSP for all unannounced crops of kharif would be at least 1.5 times production cost** represented a historic policy commitment. The budget allocated substantial resources across multiple initiatives:

- ₹200 crore for Medicinal and Aromatic Plants

- ₹1,400 crore for Ministry of Food Processing (doubled from ₹715 crore)
- ₹500 crore for Operation Greens targeting tomato, onion, potato value chains
- ₹1,290 crore for Restructured National Bamboo Mission

FY 2020-21: Integrated Ecosystem Approach

The budget positioned agriculture within the "Aspirational India" framework with ₹2.83 lakh crore allocated for Agriculture and allied sectors, Irrigation, and Rural Development combined. The 16-point action programme introduced transformative initiatives including converting farmers into energy producers through 20 lakh solar pumps and 15 lakh grid connection pumps. The budget provisioned ₹15 lakh crore for Agriculture Credit with enhanced interest subsidy.

FY 2022: Technology Integration and Natural Farming

The budget articulated seven strategic pillars for modern agriculture, with emphasis on natural farming along the Ganges, modern technology integration including Kisan drones, and Mission Oil Palm. The MSP regime's impact was quantified through procurement data showing wheat payments increased from ₹33,874 crore in 2013-14 to ₹75,060 crore in 2020-21, rice payments from ₹63,928 crore to ₹1,72,752 crore, and pulses from ₹236 crore to ₹10,530 crore.

FY 2023: Natural Farming Revolution and Millets Promotion

The budget allocated ₹459 crore for Natural Farming with target to support 1 crore farmers over 3 years through 10,000 Bio Input Research Centers. With 2023 declared International Year of Millets, the budget gave special recognition to "Shri Anna" with support for post-harvest value addition and branding. The Digital Agriculture Mission received ₹450 crore and Agriculture Accelerator Fund received ₹500 crore over 5 years. The Ken-Betwa Link Project received ₹4,300 crore in RE 2021-22 and ₹1,400 crore in 2022-23.

FY 2024: Value Addition and Self-Reliance

The interim budget emphasized value addition with PM Formalisation of Micro Food Processing Enterprises allocation increased from ₹880 crore in FY25 to ₹2,000 crore in FY26. The Atmanirbhar Oilseeds Abhiyan was formulated to cover research for high-yielding varieties, widespread adoption of modern farming techniques, market linkages, procurement, value addition, and crop insurance. The budget highlighted that PM Formalisation scheme assisted 2.4 lakh SHGs and 60,000 individuals with credit linkages.

FY 2025: Digital Infrastructure and Mission-Mode Interventions

The budget announced comprehensive research transformation with funding in challenge mode including to private sector, with 109 high-yielding and climate-resilient varieties of 32 crops to be released. The Digital Agriculture Mission was approved with outlay of ₹2,817 crore to cover 6 crore farmers and their lands in 3 years. Natural farming expansion targeted 1 crore farmers in 2 years with 10,000 bio-input resource centres. The National Mission on Edible Oils was approved with ₹10,103 crore outlay over seven years from 2024-25 to 2030-31.

FY 2026: District-Level Convergence and Rural Prosperity

The budget introduced the Prime Minister Dhan-Dhaanya Krishi Yojana covering 100 districts with convergence of 36 schemes from 11 ministries, expected to help 1.7 crore farmers. The comprehensive Rural Prosperity and Resilience programme was launched to generate ample opportunities in rural areas so that migration is an option, but not a necessity. The six-year Mission for Aatmanirbharta in Pulses focused on Tur, Urad and Masoor with commitment that Central agencies will procure as much as offered during next 4 years from registered farmers.

Thematic Shifts and Policy Continuity

Across the seven-year period, several thematic shifts are evident:

- **From National to District Focus:** Evolution from national-level schemes to district-level convergence through PM Dhan-Dhaanya Krishi Yojana in FY26
- **From Production to Value Addition:** Progressive emphasis on post-harvest infrastructure, processing, and marketing rather than production alone
- **From Chemical to Natural:** Systematic promotion of chemical-free natural farming from pilot projects to mission-mode implementation targeting 1 crore farmers
- **From Analog to Digital:** Comprehensive digital infrastructure rollout covering farmer registries, land records, and crop surveys across 400 districts
- **From Single Commodity to Integrated Approach:** Evolution from crop-specific interventions to integrated missions covering oilseeds, pulses, vegetables, and fruits
- **From Government-Led to Partnership Model:** Increasing emphasis on PPP mode, private sector participation in research, and multilateral development bank involvement

Sector Performance and Impact Metrics

The agricultural policy framework delivered measurable outcomes across multiple dimensions:

- **Fisheries Growth:** Fish production increased from 95.79 lakh tonnes in FY 2013-14 to 197.75 lakh tonnes in FY 2024-25, representing 106% increase
- **Agricultural Exports:** Reached all-time high of US\$ 50.2 billion in 2021-22
- **Horticulture Production:** Increased 13 times from 25 million tonnes in 1950-51 to 331 million tonnes during 2020-21
- **PM-KISAN Coverage:** Direct financial assistance provided to 11.8 crore farmers with more than ₹2.81 lakh crore released
- **Crop Insurance:** 49.44 crore farmer applications enrolled and over 14.06 crore farmers received claims of over ₹1,46,664 crore
- **Agricultural Credit:** Increased from ₹7.3 lakh crore in 2013-14 to ₹21.55 lakh crore in 2022-23
- **e-NAM Integration:** 1,361 mandis integrated, providing services to 1.8 crore farmers with trading volume of ₹3 lakh crore

Companies Most Exposed to Agricultural Policy Priorities

The analysis identifies companies across multiple sectors with direct exposure to agricultural policy instruments:

Food Processing Sector - Primary Beneficiaries

Food processing companies are most comprehensively aligned with budget priorities, benefiting from the **PMFME scheme allocation increased from ₹880 crore in FY25 to ₹2,000 crore in FY26** and **GST reforms placing key staples, dairy, bakery, and packaged food products under 5% or nil tax bracket**. Key companies include ITC Limited, Britannia Industries, Dabur India, Mondelez India, PepsiCo India, Coca-Cola India, Mrs. Bector's Food Specialities, and Cremica Foods.

Dairy Sector

Dairy companies benefit from **Development Programmes for Animal Husbandry and Dairying with allocation increased from ₹369 crore in FY25 to ₹1,050 crore in FY26**. Key players include Gujarat Cooperative Milk Marketing Federation (Amul), Heritage Foods, Parag Milk Foods, and Dodla Dairy.

Pulses and Oilseeds Sector

Companies directly exposed to the **6-year Mission for Aatmanirbharta in Pulses where Central agencies will procure as much as offered during next 4 years from registered farmers** include NAFED, NCCF, Adani Wilmar, and Ruchi Soya Industries (Patanjali Foods).

Agricultural Inputs

Companies providing seeds, fertilizers, and agrochemicals benefit from the **PM Dhan-Dhaanya Krishi Yojana covering 100 districts with objectives to enhance agricultural productivity**. Key players include UPL Limited, PI Industries, Rallis India, Bayer CropScience, Corteva Agriscience, Coromandel International, Chambal Fertilisers, and Deepak Fertilisers.

Fisheries and Aquaculture

Fisheries companies benefit from **Pradhan Mantri Matsya Sampada Yojana with allocation of ₹2,465 crore in FY26**. Key companies include Avanti Feeds, Waterbase Limited, Apex Frozen Foods, and Devi Sea Foods.

Companies Exposed to Broader Budget Fiscal Measures

Beyond agriculture, companies across multiple sectors have direct exposure to Union Budget policy instruments from FY2019 to FY2026:

Infrastructure Sector

The **commitment to invest ₹100 lakh crores in infrastructure over five years** benefits Larsen & Toubro Limited, Adani Ports and Special Economic Zone, IRB Infrastructure Developers, GMR Infrastructure, Container Corporation of India, and Inland Waterways Authority of India.

Labour-Intensive Manufacturing (FY2026 Focus)

The **FY2026 budget's focus on employment-led growth across footwear, leather and toy industry** benefits Bata India, Relaxo Footwears, Liberty Shoes, Mirza International, Funskool India, and Hamleys (Reliance Retail).

Technology and Digital Infrastructure

Companies benefiting from digital economy push include Tata Consultancy Services, Infosys, Wipro, Dixon Technologies, Amber Enterprises, Bharti Airtel, and Reliance Jio.

MSME Financing

Financial institutions with MSME exposure benefit from the **Interest Subvention Scheme with ₹350 crore allocated for 2% interest subvention for GST registered MSMEs**. Key institutions include SIDBI, State Bank of India, HDFC Bank, and ICICI Bank.

Strategic Policy Continuity and Evolution

The seven-year analysis reveals strategic continuity in core policy objectives while demonstrating progressive sophistication in implementation mechanisms:

- **Income Enhancement:** Consistent focus from MSP commitment in FY2019 to comprehensive value addition emphasis in FY2024-26
- **Technology Integration:** Evolution from e-NAM expansion to comprehensive Digital Public Infrastructure covering 6 crore farmers
- **Natural Farming:** Systematic scale-up from pilot projects along Ganges to mission-mode implementation targeting 1 crore farmers
- **Self-Reliance:** Progressive focus on oilseeds (FY2024-25) and pulses (FY2026) with guaranteed procurement mechanisms
- **Infrastructure Development:** Consistent emphasis on post-harvest infrastructure, storage, and cold chain across all budget years
- **Allied Sector Integration:** Growing recognition of fisheries, dairy, and animal husbandry as integral to agricultural growth
- **Research Transformation:** Shift from government-led research to challenge-mode funding with private sector participation
- **District-Level Convergence:** Evolution from scheme proliferation to convergence of 36 schemes across 11 ministries in FY2026

Conclusion

The Union Budget agricultural policy framework from FY2019 to FY2026 demonstrates a coherent evolution from income-centric foundations to comprehensive rural transformation. The budget allocation increased from

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