

Fiscal Priorities for Indian Agriculture: A Five-Year Review of Union Budget Trends (2021-2025)

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ABSTRACT

India's agriculture sector, contributing around 18% to gross value added while employing over 42% of the workforce, faces persistent issues like small landholdings, climate variability, and infrastructure gaps. This study examines Union Budget allocations from 2021-22 to 2025-26, revealing a nominal increase from Rs.1.23 lakh crore to Rs.1.52 lakh crore, yet stagnant as a percentage of GDP at under 0.6%. Key schemes such as PM-KISAN, PMFBY, and new missions for pulses, oilseeds, and natural farming dominate, with credit targets surging from Rs. 16.5 lakh crore to Rs.25 lakh crore. Findings highlight a welfare-heavy approach (over 90% of funds), sidelining research and infrastructure, which limit productivity gains amid rising input costs and weather risks. Recommendations include reallocating 20-30% to R&D, climate-resilient tech, and private partnerships for sustainable growth. This analysis draws on official budget documents and secondary sources to inform policy for food security and rural prosperity

Keywords: *Union Budget, agriculture, Policy Innovation*

INTRODUCTION

Agriculture has long been the backbone of India's socio-economic structure, employing nearly half of the country's workforce and serving as a critical driver of rural livelihoods, food security, and national development. Despite this centrality, the sector continues to grapple with persistent structural constraints such as fragmented landholdings, dependence on monsoon rains, inadequate post-harvest infrastructure, low productivity levels, and growing climate vulnerabilities. In this context, public expenditure and budgetary support play a vital role in revitalizing agricultural growth and ensuring sustainable, inclusive development. The Union Budget of India serves as a principal policy instrument that reflects governmental priorities, allocates financial resources to key agricultural programmes, and initiates reforms aimed at strengthening the agrarian economy.

The period 2021–2026 represents a significant phase for Indian agriculture, shaped by the aftermath of the COVID-19 pandemic, shifts towards digital and climate-smart farming, rapid technological change, and the government's broader vision of "Atmanirbhar Bharat" (self-reliant India). During these years, Union Budget allocations to agriculture and allied sectors have undergone notable changes, emphasizing areas such as irrigation, crop insurance, soil health, agricultural research, digital agriculture, and post-harvest management. The introduction of new agri-missions, expansion of credit through Kisan Credit Cards (KCC), support for Farmer Producer Organizations (FPOs), and investments in agri-logistics signal a transition from subsidy-driven approaches to investment-led, resilience-oriented strategies.

While budgetary allocations have generally increased, concerns persist regarding the effectiveness of expenditure, the balance between short-term support and long-term sustainability, and the extent to which allocations address core challenges such as climate change, market volatility, and rural distress. Moreover, there is a growing need to evaluate whether budget priorities align with emerging national objectives: enhancing productivity, reducing post-harvest losses, ensuring income stability, promoting resource-efficient farming, and improving market access for small and marginal farmers.

Against this backdrop, the present article examines trends, patterns, and policy implications of Union Budget allocations to India's agriculture sector between 2021 and 2026. Drawing on government budget documents, economic surveys, and relevant literature, the study provides a systematic analysis of sector-wise allocations, emerging themes, and shifting policy orientations. It also assesses how budgetary decisions respond to the sector's evolving challenges and opportunities. By identifying gaps and highlighting areas requiring greater policy attention, the article contributes to a deeper understanding of the role of public finance in shaping India's agricultural transformation in the post-pandemic and climate-constrained era.

REVIEW OF LITERATURE

Budget allocations play a decisive role in shaping India's agricultural performance, influencing investments in irrigation, research, infrastructure, and rural livelihoods. Recent studies highlight a persistent imbalance between welfare subsidies and long-term developmental spending. Gulati (2023) argues that despite moderate agricultural growth, Union Budget allocations remain heavily skewed toward food and fertilizer subsidies, leaving limited fiscal space for research, infrastructure, and productivity-enhancing investments. He emphasizes the need to reorient at least half of agricultural spending toward development rather than short-term safety nets.

Extending this analysis, Thangaraj and Gulati (2025) critique the Union Budget 2024–25 for allocating Rs. 6.2 trillion to the rural–agrarian sector, where a significant proportion is absorbed by welfare schemes such as MGNREGA and subsidies. They argue that without reallocating funds toward agricultural R&D, irrigation, and skill development, achieving higher rural incomes and Viksit Bharat goals will remain difficult. Lal and Yadav (2024) highlight long-term trends in agricultural budget allocations from 2014 to 2024, noting that while spending has increased, the sector continues to face structural challenges including low productivity, climate vulnerabilities, and inadequate supply chain infrastructure. They stress the need for coherent policy reforms and climate-resilient investments to enhance sectoral efficiency.

Reddy (2021) also points out that historical underinvestment in rural and agricultural infrastructure has constrained productivity. He finds that subsidies often exceed development spending, leading to inefficiencies in markets, storage, and supply chains, and recommends greater allocation toward irrigation, cold storage, and high-value agriculture. Together, these studies consistently show that while agriculture remains a budgetary priority, spending patterns still favour subsidies over capital formation and research. Scholars call for strategic budget reform, greater accountability, and targeted investments to improve productivity, resilience, and rural incomes.

METHODOLOGY

India's farm policies shifted across three eras after independence. First phase (1947-1960s) stressed land reforms, ending landlord systems, and building irrigation for food basics. Second (1960s-1990s) launched Green Revolution gains through better seeds, fertilizers, irrigation expansion, and price protections. Current focus promotes diverse crops, sustainable techniques, climate toughness, and equal opportunities. This study adopts a descriptive research design to examine the Union Budget allocations to the agriculture sector over the fiscal years 2021 to 2026. The research primarily utilizes secondary data sources including official budget documents, economic survey reports, academic literature, and prior empirical studies related to agricultural finance and policy development. By systematically analyzing these sources, the study assesses trends in budgetary allocations, evaluates the focus of government schemes, and interprets policy priorities reflected in the fiscal commitments made during this five-year period.

Objectives

- To examine the trends and magnitude of budget allocations for the agriculture sector in the Union Budget during 2021-2025.
- To analyze various government schemes introduced or expanded through the Union Budget aimed at promoting agricultural development, sustainability, and rural welfare.
- To assess the impact and implications of budgetary allocations on the growth, productivity, and socio-economic wellbeing of the agriculture sector.

Data Collection

The study's secondary data collection involved comprehensive reviews of publicly available government budget reports, policy briefs, and research articles. Key sources include the annual Union Budget documents published by the Ministry of Finance, Economic Survey of India, Press Information Bureau (PIB) releases, and scholarly analyses from economic research institutions. This approach ensures a broad and validated dataset, enabling critical examination and synthesis of quantitative and qualitative information reflecting India's agricultural fiscal landscape.

This methodology facilitates an evidence-based understanding of how budgetary provisions align with agricultural policy objectives and sectoral needs. It also recognizes inherent limitations such as the absence of primary field data and the assumption of accuracy in official government publications.

RESULTS AND DISCUSSION

The Indian agriculture sector continues to grapple with multiple structural and environmental challenges, including small and fragmented landholdings, low productivity, agrarian distress, climate variability, water scarcity, inadequate infrastructure, market inefficiencies, transportation constraints, limited cold storage capacity, and inefficient supply chains. To address these persistent issues, the government regularly allocates funds through various schemes and programmes. These budgetary allocations reflect its commitment to enhancing agricultural productivity, expanding irrigation facilities, modernizing farming practices, strengthening financial support and income security for farmers, and improving rural infrastructure and overall rural development. However, the ultimate impact of these allocations depends largely on effective implementation, monitoring, and ground-level execution. Therefore, reviewing past budget allocations and initiatives becomes

essential for gaining focused insights into agricultural sector development, as these allocations highlight the government’s proactive approach towards resolving critical sectorial challenges.

Table 1: Union Budget Analysis (2020–2026) – Agriculture Sector		
Year	Budget Allocation (Rs. Crore)	Credit Target (Rs. Lakh Crore)
2020-21	1,50,000	15.0
2021-22	1,65,000	16.5
2022-23	1,80,000	18.0
2023-24	2,00,000	20.0
2024-25	2,15,000	24.0
2025-26	2,25,000	25.0

“Credit targets” refer to the governments planned or set goals for the amount of institutional loans (credit) made available to farmers and the agriculture sector during a specific financial year. From 2020–21 to 2025–26, budget allocation rose from about Rs.1.5 lakh crore to over Rs. 2.2 lakh crore, while credit targets increased sharply, particularly between 2022–23 and 2024–25 demonstrating a greater policy emphasis on strengthening formal credit access to boost agricultural productivity.

Table 2: Union Budget Allocation as % of GDP (2021–2025)				
Year	Allocation to Agriculture (Rs. crore)	India’s GDP (Rs. lakh crore)	% of GDP	Key Notes
2021–22	1,23,017	225	0.55%	Included PM-KISAN, crop insurance, and irrigation schemes.
2022–23	1,24,000	250	0.50%	PM-KISAN got Rs.68,000 crore (over 50%).
2023–24	1,15,531	272	0.42%	Slight dip; focus shifted more to allied sectors.
2024–25	1,27,500	295	0.43%	Budget highlighted tech-driven agriculture, digital public infrastructure.
2025–26	1,45,300	315–320	0.45%	Includes Department of Agriculture, Fisheries, and Food Processing.

The above Table 2 shows that while the absolute budget allocation to agriculture increased over the years, its share as a percentage of GDP remained relatively low, generally between 0.4–0.5% and seldom crossing 0.6%. Within these allocations, PM-KISAN consistently accounted for the largest portion, reflecting its priority as a major income-support scheme for farmers. In later years, funding for digital agriculture initiatives, climate-resilient infrastructure, and expanded agri-credit targets grew significantly, indicating a shift toward modernization and enhanced financial access.

In the Union Budget 2021-22, a total of Rs. 1,31,531 crore has been allocated to the Ministry of Agriculture, of which the Department of Agriculture, Cooperation and Farmers Welfare received Rs. 1,23,018 crore (94%), marking an increase of Rs. 1,997 crore from the previous year, while the Department of Agricultural Research and Education (DARE) obtained Rs. 8,514 crore (6%). Beyond these core allocations, several provisions were introduced to strengthen the agriculture and allied sectors, including Rs. 16.5 lakh crore to enhance credit availability for farmers and those

engaged in dairy, fisheries, and animal husbandry; an increased outlay of Rs. 40,000 crore for the Rural Infrastructure Development Fund; and Rs. 10,000 crore for the Micro-Irrigation Fund to promote water-efficient farming under the ‘per drop more crop’ initiative. Additional measures include the extension of the Operation Green Scheme to cover 22 more perishable commodities, assurance of MSP at a minimum of 1.5 times the cost of production, integration of 1,000 additional mandis into the e-NAM platform, and allowing APMCs to access the Agriculture Infrastructure Fund for infrastructure improvement. Furthermore, the budget proposed expanding the Stand-Up India scheme to include agriculture-allied activities, implementing the SVAMITVA scheme to enhance transparency in rural property records, investing in modern fishing harbours and inland fish-landing centres, and establishing a multipurpose Seaweed Park in Tamil Nadu to promote seaweed cultivation.

Table 3: Allocation – FY 2021–22 (Rs. in crore)			
Department	Allocation (in crore)	Percentage Share	Change from FY 2020–21
Department of Agriculture, Cooperation & Farmers Welfare	1,23,018	94%	+1,997
Department of Agricultural Research & Education (DARE)	8,514	6%	–
Total	1,31,531	100	–

Table 4 presents the major financial provisions for key schemes in FY 2021–22, highlighting a strong push toward credit access, rural infrastructure, water-efficient irrigation, and modernization of agricultural markets. The largest component is the agriculture and allied sector credit target of Rs. 16,50,000crore, aimed at supporting farmers, dairy, fisheries, and related activities. The Rural Infrastructure Development Fund received Rs. 40,000 crore to strengthen roads, storage, and other rural facilities, while Rs. 10,000 crore was allocated to the Micro Irrigation Fund under NABARD to promote water-efficient farming through the “per drop more crop” initiative. Although allocations were not specified for the Agriculture Infrastructure Fund for APMCs, the Operation Green Scheme (extended to 22 additional perishables), and the SVAMITVA scheme, these initiatives focus on market infrastructure, price stabilization, and transparent land records. Significant but unquantified investments were also proposed for modern fishing harbours, inland fisheries, and the establishment of a seaweed park in Tamil Nadu, reflecting growing support for blue economy and coastal livelihood development.

Table 4: Major Financial Provisions (Key Schemes) – FY 2021–22		
Provision / Scheme	Allocation (in crore)	Purpose
Credit Target for Agriculture & Allied Activities	16,50,000	Ensuring credit access for farmers, dairy, fisheries, etc.
Rural Infrastructure Development Fund (RIDF)	40,000	Boosting rural infra like roads, warehouses
Micro Irrigation Fund (MIF) via NABARD	10,000	Efficient water use – “Per drop more

		crop”
Agriculture Infrastructure Fund for APMCs	Not Specified	Infrastructure improvement in APMCs
Operation Green Scheme (extended to 22 perishables)	Not Specified	Price stabilization for TOP and other perishables
SVAMITVA Scheme	Not Specified	Transparent rural property records

Table 5: Union Budget 2022–23: Agriculture Sector Allocation		
Component	Allocation (in crore)	Remarks
Total Agriculture Sector Allocation	1,32,513.62	Increased from 1,26,807.86 crore (RE) in FY 2021–22
Department of Agriculture, Cooperation & Farmers’ Welfare	1,24,000	Main department for implementation of schemes
PM-KISAN (PradhanMantriKisanSammanNidhi)	68,000	55% of department’s allocation
Modified Interest Subvention Scheme (MISS)	19,840	16% of department’s allocation
PMFBY (PradhanMantriFasalBimaYojana)	16,120	13% of department’s allocation
Other Schemes, Programs, Admin Expenses	19,840	Remaining 16% of department allocation
Department of Agricultural Research & Education	8,514	69% for ICAR, 31% for other research and education
Indian Council of Agricultural Research (ICAR)	~5,875	69% of DARE allocation
Other Research & Education Initiatives	~2,639	31% of DARE allocation
Market Intervention & Price Support Scheme (MISPSS)	1,500	Price support for farmers
Rashtriya Krishi Vikas Yojana (RKVY)	10,433	For agricultural development projects
Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA)	1	Drastic cut from ₹400 crore (2021–22 RE)
Food & Nutritional Security	1,395	Nutritional assistance
Agriculture Infrastructure Fund (AIF)	500	Financing agri-infrastructure
Support for Agri Startups	Not specified (Fund created)	For startups in agri supply chains
PPP Model Scheme for Digital/High-Tech Services to Farmers	Not specified (new scheme)	To enhance access to market, data, and precision agri tools
Agro forestry Legislative Promotion	Planned	Policy reforms to incentivize agro forestry
Modern Fishing Harbours + Inland Fisheries	Significant (not quantified)	Strengthening blue economy
Seaweed Park – Tamil Nadu	Not Specified	Promote seaweed-based livelihoods

The overall allocation for the agriculture sector rose modestly to Rs.1,32,513.62 crore in Union Budget 2022–23 from the revised estimate of Rs. 1,26,807.86 crore in 2021–22, reflecting a steady but cautious expansion in agricultural spending. The Department of Agriculture, Cooperation and

Farmers' Welfare received Rs.1,24,000 crore, with a major share directed toward PM-KISAN (55%), interest subvention (16%), and PMFBY crop insurance (13%), indicating continued emphasis on income support and risk mitigation for farmers. The Department of Agricultural Research and Education was allotted Rs.8,514 crore, largely for ICAR-led research and education. Key schemes such as PM-KISAN (Rs. 68,000 crore), PMFBY (Rs.15,500 crore), MIS-PSS, food and nutritional security, AIF, and RKVY highlight efforts to stabilize farm incomes, ensure MSP operations, strengthen market interventions, and promote infrastructure development. Notably, minimal funding for PM-AASHA signals reduced focus on MSP-based procurement reforms. New initiatives including a fund for agri-startups, legislative support for agro-forestry, and a PPP-based digital agriculture ecosystem reflect a strategic shift toward innovation, technology adoption, diversified livelihoods, and climate-resilient farming systems.

Table 6: Agriculture Budget 2022–23 Allocation	
Scheme Name	Allocation (in Crore)
PM-KISAN	68000
Modified Interest Subvention Scheme (MISS)	19840
PM Fasal Bima Yojana (PMFBY)	16120
Other Schemes & Admin Expenses	19840
Dept. of Agricultural Research & Education (DARE)	8514
Rashtriya Krishi VikasYojana (RKVY)	10433
Market Intervention & Price Support Scheme (MISPSS)	1500
Food & Nutritional Security	1395
Agriculture Infrastructure Fund (AIF)	500
PM-AASHA	1

The Union Budget 2023–24, presented as the first “Amritkaal” budget, reflects India’s long-term vision for transforming agriculture through technology, sustainability, and strengthened rural institutions. With an allocation of Rs. 1.25 lakh crore to the Ministry of Agriculture and Farmers’ Welfare, the budget prioritizes farmer support schemes such as PM-KISAN, Kisan Credit Card, and food and nutritional security, while also investing significantly in innovation through the Digital Agriculture Mission, Agriculture Accelerator Fund, and Bio-Input Research Centres to promote natural farming. The emphasis on millets, declared “Shri-Anna” and the Atmanirbhar Clean Plant Programme highlights a shift toward nutrition security and high-quality horticultural planting material. Major allocations for the digitization of PACS, expansion of fisheries under PMMSY, incentives for alternative fertilizers through PM-PRANAM, and the creation of decentralized storage underscore efforts to modernize agricultural value chains. Additionally, the enhanced agriculture credit target of Rs. 20 lakh crore and plans to establish cooperative, dairy, and fishery societies in uncovered villages demonstrate a strong push toward rural financial inclusion, diversification, and cooperative-led development.

Table 7: Union Budget 2023–24: Agriculture Sector Allocation		
Scheme / Initiative	Allocation (in Crore)	Remarks
Ministry of Agriculture & Farmers' Welfare (total)	1,25,000	Includes agricultural education & research
PradhanMantriKisanSammanNidhi (PM-KISAN)	60,000	Direct income support to farmers
Kisan Credit Card (KCC)	23,000	Credit support for farmers
Digital Agriculture Mission	450	Promoting digital technology in agriculture
Technology promotion in agriculture	600	General tech enhancement initiatives
BioInput Research Centres (10,000 over 3 years)	459	Supports natural farming
Formation of new Farmer Producer Organisations (FPOs)	955	Empowering farmers through collectives
Food and Nutritional Security	1,623	Safety nets for food security
Agriculture Accelerator Fund	500	Boost to agri-start-ups in rural areas
Promotion of Millets (Shri-Anna)	Not specified	Centre of Excellence: Indian Millets Research Institute, Hyderabad
Atmanirbhar Clean Plant Programme	2,200	Disease-free, quality planting material for horticulture
Digitization of Primary Agricultural Credit Societies (PACS)	2,516	63,000 PACS to be digitized
PradhanMantriMatsyaSampadaYojana (New Sub-Scheme)	6,000	Enhancing fisheries, fish vendor support
PM-PRANAM Yojana	Not specified	Incentive to states for alternative fertilizers
Agriculture Credit Target	20,00,000	Emphasis on animal husbandry, dairy, and fisheries
Decentralized Storage Infrastructure	Not specified	To reduce post-harvest losses
Multipurpose Cooperative Societies (5-year plan)	Not specified	In uncovered panchayats and rural areas

Table 8: Union Budget 2023–24: Agriculture Allocations	
Scheme / Initiative	Allocation (in Crore)
Ministry of Agriculture & Farmers' Welfare (total)	125000
PradhanMantriKisanSammanNidhi (PM-KISAN)	60000
Kisan Credit Card (KCC)	23000
Digital Agriculture Mission	450
Technology promotion in agriculture	600
BioInput Research Centres	459
Formation of new FPOs	955
Food and Nutritional Security	1623
Agriculture Accelerator Fund	500
Atmanirbhar Clean Plant Programme	2200
Digitization of PACS	2516
PradhanMantriMatsyaSampadaYojana	6000
Agriculture Credit Target	2000000

The Interim Budget 2024–25 reinforces the government’s commitment to strengthening agricultural value addition, farmer welfare, and income enhancement by allocating Rs. 1,27,469.88 crore to the Ministry of Agriculture, with the Department of Agriculture receiving Rs. 1,17,528.79 crore and DARE Rs. 9,941.09 crore. The proposals signal significant forward movement in key areas, including expansion of the Blue Revolution, formalization of micro food-processing enterprises, and continued income support under PM-KISAN. Enhanced crop insurance coverage, wider integration of mandis under e-NAM, and encouragement of post-harvest investments demonstrate a strong push toward improving market efficiency and supply chain resilience. The nationwide rollout of Nano DAP, alongside support for dairy development and an expanded PM MatsyaSampadaYojana, highlights efforts to boost productivity across diverse agro-climatic systems and allied sectors. Furthermore, the Atmanirbhar Oilseeds Abhiyaan reflects a strategic shift toward achieving self-sufficiency through improved varieties, modern practices, and value-chain integration. Collectively, these measures underscore a multi-dimensional approach prioritizing financial support, technological innovation, research advancement, and public–private collaboration to modernize Indian agriculture and enhance its long-term sustainability.

Table 9: Union Budget 2024–25: Agricultural Sector – Key Allocations and Initiatives

Category / Scheme	Allocation (in Crore)	Details / Objective
Total Allocation – Ministry of Agriculture	1,27,469.88	Overall budget to boost farmers’ income and agri-sector modernization
Department of Agriculture	1,17,528.79	Core department allocation (↑ ₹1,997 crore from previous year)
Department of Agricultural Research & Education (DARE)	9,941.09	To strengthen agri-research, education, and extension
PM-KISAN (Direct Cash Transfer to Farmers)	--	Assistance to 11.8 crore farmers
PM FasalBimaYojana	--	Insurance coverage extended to 4 crore farmers
e-NAM Integration	--	1,361 mandis integrated; target trade of ₹3 lakh crore
Blue Revolution (Fisheries Development)	2,352	For boosting fishery and aquaculture productivity
PM Matsya Sampada Yojana	--	Doubling seafood exports and generating 55 lakh jobs
PM Formalisation of Micro Food Processing Enterprises	880	Support for small and micro food businesses
Nano DAP Fertiliser Promotion	--	Expansion across all agro-climatic zones
Dairy Sector Development Programme	--	Focus on better breeds, vet services, and market linkages
Atmanirbhar Oilseeds Abhiyaan	--	For self-sufficiency in oilseeds (R&D, techniques, value addition, insurance)

4.1 Major Agricultural Initiatives (FY 2021–22 to FY 2024–25)

Across FY 2021–22 to FY 2024–25, the Government of India introduced a diverse set of initiatives to modernize agriculture, strengthen rural livelihoods, and improve market linkages. Programmes

such as **SVAMITVA**, **e-NAM expansion**, and **Operation Greens** strengthened land record transparency, digital marketing, and price stabilization for perishable commodities. In FY 22–23 and FY 23–24, technological interventions accelerated with the introduction of **Kisan Drones**, the **Digital Agriculture Mission**, AgriStack, and advanced crop estimation systems to improve data accuracy, resource management, and precision agriculture. Initiatives like the **National Mission on Natural Farming**, the **Atmanirbhar Horticulture Clean Plant Programme**, and the promotion of **millets (Shri-Anna)** emphasized sustainability, climate resilience, and nutrition-focused agriculture. In the allied sectors, programmes such as **PM MatsyaSampadaYojana**, **Blue Revolution**, and dairy development undertakings highlighted the growing economic importance of fisheries and livestock.

4.2 Policy Innovations, Credit Support & Farmer Welfare

Farmer welfare schemes continued to remain central, with PM-KISAN, expanded crop insurance under PMFBY, and increasing agriculture credit targets providing direct financial assistance and risk protection. The government promoted digital credit access through Jan Samarth-based KCC issuance and enhanced institutional financial inclusion. Programmes like Namo Drone Didi empowered women through tech-enabled agricultural entrepreneurship, while the push for post-harvest value addition, micro food processing, and FPO formation aimed to integrate farmers into modern supply chains. Further, missions such as NMEO-Oilseeds, National Mission on High-Yielding Seeds, and Mission for Pulses Aatmanirbharta sought to reduce import dependence by improving seed quality, strengthening R&D, expanding cultivation areas, and ensuring MSP-based procurement. These measures collectively signaled a strategic shift toward increasing self-sufficiency, crop diversification, and sustainable intensification of production systems.

4.3 Structural Reforms and Long-term Sectorial Transformation

Structural reforms formed the backbone of long-term agricultural transformation. Investments under PMKSY, PMGSY, and the Agriculture Infrastructure Fund enhanced irrigation, rural connectivity, cold storage, and agri-logistics, reducing post-harvest losses and strengthening value chains. The launch of large-scale initiatives such as the Ken–Betwa Link Project, decentralized storage expansion, and the PM Dhan-DhaanyaKrishiYojana targeted irrigation gaps, productivity enhancement, and credit access in low-performing districts. Meanwhile, the proposed National Cooperation Policy aimed to revive cooperatives, expand rural entrepreneurship, and energize the rural economy. However, the reform agenda, especially market liberalization laws, sparked debates concerning farmer protection and market volatility. Taken together, the widespread adoption of technology, expansion of digital agriculture, investments in climate-resilient seeds, natural farming promotion, and improved rural infrastructure indicate a multi-dimensional approach to modernizing India's agriculture and ensuring long-term sustainability, competitiveness, and rural prosperity.

4.4 Comparison with previous budgets

Across FY2021–22 to FY2025–26, budgetary intent shows a clear evolution rather than a sharp spending surge: absolute allocations for agriculture have inched upward each year while the sector's share of GDP remained modest, indicating steady prioritization but limited fiscal re-weighting. Early years emphasized direct income support and risk-mitigation (PM-KISAN, PMFBY), whereas later budgets increasingly prioritized credit expansion, value-addition, and structural investments, markedly higher agriculture credit targets, larger outlays for RIDF/AIF, micro-irrigation, and decentralized storage. Simultaneously, a technological and sustainability thrust emerged: Digital

Agriculture/AgriStack, Kisan drones, Nano-DAP rollout, natural-farming and clean-plant programmes, and strengthened fisheries and allied-sector funding reflect diversification beyond core crops. Research and education (DARE/ICAR) continued to receive smaller proportions relative to operational schemes, raising questions about long-term innovation capacity even as implementation of market reforms, e-NAM expansion, and cooperative revival signalled attempts to modernize value chains. Overall, the trend is toward blending welfare with modernization, greater emphasis on credit, technology, allied sectors and infrastructure, while outcomes will hinge on effective delivery and targeted investment in research and ground-level institutions.

CONCLUSION

The Union Budget allocations to the agriculture sector from 2021 to 2025 reflect the Government of India's steady commitment to improving rural livelihoods, enhancing productivity, and promoting sustainable farming systems, with funding rising from Rs. 1.31 lakh crore in FY 2021–22 to over Rs. 1.45 lakh crore in FY 2025–26. However, as a share of GDP, these allocations remained between 0.42% and 0.55%, indicating that while absolute spending increased, agriculture's relative priority in the national economy has not grown at the same pace. Consistent support for major schemes such as PM-KISAN, PM Fasal Bima Yojana, the Digital Agriculture Mission, e-NAM, and RKVY underscores efforts to provide both immediate relief and long-term infrastructure, alongside a policy shift toward climate resilience, natural farming, agri-tech innovation, and digitization. A notable trend is the sharp rise in agriculture credit targets from Rs. 15 lakh crore in FY 2020–21 to Rs. 25 lakh crore in FY 2025–26 signaling a transition from subsidy-driven support to credit-led empowerment, though this demands better access and financial literacy for small and marginal farmers. Overall, while budget trends are positive, their success will depend on effective implementation, stronger research investment, climate-adaptive strategies, and improved rural infrastructure. For India to achieve inclusive growth and the vision of Viksit Bharat @2047, agriculture must remain central to long-term development planning.

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