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## Union Budget 2026–27: An Analysis of Support to India's Agricultural Sector

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The Government of India presented the Union Budget for the financial year 2026–27 on 1st February 2026, outlining its fiscal roadmap and development priorities. Agriculture and the rural economy continue to remain central pillars of India's economic framework. With a total proposed expenditure of approximately ₹53.47 lakh crore, the budget reflects sustained attention toward strengthening agricultural growth, improving farmers' income, and promoting rural development. Agriculture is the backbone of India's economy, employing millions of farmers and contributing significantly to food security, employment generation, and socio-economic stability. In Budget 2026–27, the government has allocated approximately ₹1.62–₹1.63 lakh crore to agriculture and allied activities, slightly higher than the previous year. This allocation indicates the government's commitment to enhancing productivity, promoting diversification, and integrating technology into farming practices.

### Overall Agricultural Allocation and Major Components

#### Total Allocation

The key allocations under the agricultural sector are as follows:

- Ministry of Agriculture and Farmers' Welfare: Approx. ₹1.40 lakh crore
- Total Agriculture & Allied Activities: Approx. ₹1.63 lakh crore
- Rural Development (impacting agriculture): Approx. ₹1.97 lakh crore
- Agricultural Research and Education: ₹9,967 crore
- Rashtriya Krishi Vikas Yojana (RKVY): ₹8,550 crore
- Pradhan Mantri Krishi Sinchai Yojana (PMKSY): ₹6,587 crore
- Pradhan Mantri Matsya Sampada Yojana (PMMSY): ₹2,500 crore

These allocations demonstrate a structured approach toward strengthening crop production, irrigation infrastructure, fisheries, research, and rural livelihoods.

**Comparative Allocation Trends:** Over the past three years, agricultural allocation has shown gradual growth:

- 2024–25: ₹1,55,000 crore
- 2025–26: ₹1,60,000 crore
- 2026–27: ₹1,63,000 crore

Although the growth rate is moderate, the steady upward trend reflects long-term policy prioritization of agriculture.

### Major Announcements and Strategic Focus Areas

**1. High-Value Agriculture and Diversification:** One of the most notable features of Budget 2026–27 is its emphasis on high-value agriculture. The government has introduced a dedicated support program for crops such as coconut, cashew, cocoa, sandalwood, and other export-oriented plantation crops. A new allocation of approximately ₹350 crore has been

announced to promote production, processing, and value addition in these crops. This initiative aims to:

- Increase farmers' income through diversification
- Enhance export potential
- Promote agro-processing industries
- Strengthen rural entrepreneurship

By shifting focus from traditional low-value crops to high-value commodities, the government seeks to transform Indian agriculture into a more profitable and globally competitive sector.

**2. “Bharat Vistaar” – AI-Based Digital Agricultural Initiative:** A major technological intervention announced in the budget is the launch of “Bharat Vistaar”, a multilingual Artificial Intelligence (AI)-based digital platform. This initiative is designed to provide farmers with:

- Local-language farming advice
- Real-time mandi (market) prices
- Crop management solutions
- Irrigation guidance
- Data-driven decision-making tools

The platform will integrate AgriStack data and scientific practices developed by agricultural research institutions. It will also encourage the use of drones and AI-powered analytics to improve productivity and reduce input costs. This digital transformation represents a shift toward smart agriculture, where technology supports precision farming, better risk management, and improved market linkages.

**3. Climate-Resilient Irrigation and Water Management:** Under the **Pradhan Mantri Krishi Sinchai Yojana (PMKSY)**, ₹6,587 crore has been allocated for expanding irrigation coverage and enhancing water-use efficiency. Although the allocation is slightly lower compared to the previous year, the focus remains on:

- Micro-irrigation systems
- Water conservation techniques
- Sustainable farming practices
- Climate adaptation strategies

Given the increasing risks posed by climate change, efficient water management is essential for ensuring long-term agricultural sustainability.

**4. Livestock and Dairy Sector Strengthening:** The livestock and dairy sector continues to be an important source of supplementary income for rural households. The budget highlights the promotion of animal husbandry, cooperative dairy systems, and allied activities as part of the broader “Viksit Bharat 2047” vision. Improving breed quality, veterinary services, and cooperative marketing systems can significantly enhance rural income diversification and reduce dependence solely on crop production.

**5. Fisheries and Blue Economy:** The allocation under the Pradhan Mantri Matsya Sampada Yojana (PMMSY) has increased to ₹2,500 crore. This step is expected to:

- Boost fish production
- Improve cold-chain infrastructure
- Enhance export competitiveness
- Generate rural and coastal employment

Fisheries are emerging as a high-growth segment within agriculture, contributing to nutritional security and foreign exchange earnings.

## Economic and Social Implications

### 1. Income Enhancement and Employment Generation

The core objective of Budget 2026–27 in agriculture is income enhancement. Through high-value crop promotion, digital integration, irrigation expansion, and allied sector support, the government aims to:

- Increase productivity

- Reduce production costs
- Improve price realization
- Generate non-farm rural employment

These measures can collectively strengthen rural purchasing power and stimulate economic growth.

## 2. Promotion of Atmanirbhar Agriculture

Self-reliance in agriculture remains a strategic priority. By encouraging domestic production, value addition, and technological adoption, the government seeks to enhance India's global competitiveness while ensuring food security. Diversification into export-oriented and high-value crops aligns with the broader goal of increasing India's share in global agricultural trade.

## Conclusion

The Union Budget 2026–27 presents a balanced and forward-looking approach toward agricultural development. With a focus on high-value agriculture, digital transformation through AI, irrigation efficiency, livestock development, and fisheries expansion, the budget aims to modernize India's farming system. While incremental increases in allocation demonstrate policy continuity, greater attention to research investment and targeted farmer support may further strengthen the sector. If implemented effectively, the provisions of Budget 2026–27 can significantly enhance farmers' income, promote rural prosperity, and move India closer to its vision of a self-reliant and globally competitive agricultural economy. In essence, the budget reflects not just financial allocation, but a strategic attempt to reshape Indian agriculture into a technology-driven, diversified, and sustainable growth engine for the nation.