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How digital public infrastructure, rural manufacturing and horticulture recovery are converging to reshape Indian agriculture in 2026

Indian agriculture enters 2026 at a structural turning point. After decades marked by fragmented reforms, uneven market signals, and pilot-heavy policymaking, the sector is now witnessing a rare convergence of forces: technology adoption at scale, digital public infrastructure maturing beyond experimentation, a deeper manufacturing base in rural India, and a sharper export orientation. What distinguishes this moment from earlier reform cycles is not intent, but execution. Systems are moving from proof-of-concept to platformisation, and from scheme-based delivery to ecosystem thinking.

Three interlinked shifts are likely to define Indian agriculture in 2026. The first is the consolidation of digital infrastructure as a core operating layer for farming. The second is the emergence of rural manufacturing and agri-equipment MSMEs as engines of productivity rather than peripheral enablers. The third is a selective but meaningful recovery in horticulture, driven by acreage rationalisation, improving price realisation, and export demand. Together, these shifts suggest that Indian agriculture is edging away from a cost-led, volume-driven paradigm toward a more value-oriented, data-enabled, and globally integrated model.

Agri Stack Crosses the Threshold from Vision to Utility

At the centre of this transformation sits Agri Stack, India's most ambitious attempt to digitally rewire its agricultural economy. While the initiative has often been discussed in abstract terms, it has quietly crossed a critical operational threshold. With more than 70 million Farmer IDs already issued and coverage expanding across states and cropping systems, Agri Stack has moved beyond intent into early execution.



"The Indian agriculture sector is at the cusp of transformation, with policy and market trends converging around technology adoption, digital
From Data Collection to Decision Infrastructure

IDs

As 2026 unfolds, the focus will shift from onboarding farmers to deepening the utility of digital infrastructure. The next phase will be defined by how effectively data is used to integrate credit, insurance, input delivery, procurement, and extension services into a single decision ecosystem. 4AR

Platforms such as VISTAAR are expected to play a critical role in this transition by scaling digital extension and translating raw data into actionable agronomy. This shift matters because India's productivity challenge today is less about access to inputs and more about decision quality. Choices around sowing windows, crop selection, irrigation timing, and harvest scheduling increasingly determine profitability. If executed well, digital public infrastructure can compress information asymmetries that have historically penalised smallholders.

Policy Design Becomes More Targeted, Less Uniform

Parallel to digital scale-up, agricultural policy in 2026 is becoming sharper and more outcome-driven. The PM Dhan Dhanya Krishi Yojana, with its focus on empowering 100 districts, signals a move away from uniform national schemes toward geographically differentiated interventions.



"2025 marked a clear inflection point for Indian agriculture, with measures such as raising the KCC limit under the Modified Interest Subvention Scheme from Rs 3 lakh to Rs 5 lakh and launching the world's largest grain storage plan to bridge a 69 MMT scientific storage gap by 2030. Together, these moves signal growing policy confidence in a phygital model that blends physical infrastructure with digital intelligence. Farmers are no longer treating AI as a buzzword but as a practical tool that saves time, reduces post-harvest losses, and improves price realisation.

Budget 2026 must now double down on this momentum—strengthening phygital agri-infrastructure from farm to fork, enabling a coherent national warehousing policy, and aligning agri-finance with innovation—to ensure growth across the value chain is resilient, balanced, and scalable." — Sandeep Sabharwal, CEO, SLCM Group

This reflects a growing recognition that productivity constraints in rainfed regions differ fundamentally from those in irrigated belts or horticulture-heavy clusters. The emphasis is shifting toward precision—deploying public resources where marginal returns are highest, rather than spreading them thinly across the agricultural landscape.

Export Strategy Shifts from Volume to Architecture

Export policy is also undergoing a quiet recalibration. Continued momentum under the Agricultural Export Policy and refinements to Operation Greens suggest a more coherent attempt to integrate Indian farmers with global markets.

The focus has moved beyond episodic export pushes and headline numbers toward cluster-based production, logistics integration, and compliance readiness. This signals the emergence of a more structural export architecture, where farmers, processors, and exporters operate within a predictable and aligned policy framework.

Rural Manufacturing Becomes Central to Farm Productivity

If digital infrastructure represents the nervous system of Indian agriculture's next phase, rural manufacturing increasingly functions as its muscle. Between 2020 and 2025, rural manufacturing momentum was driven by sustained MSME support, improvements in ease of doing business, and a deliberate push toward domestic value addition.



"India's rural manufacturing momentum since 2020 shows that scale emerges when policy incentives meet ground reality. With over 6.3 crore MSMEs contributing nearly 30% of GDP and employing around 11 crore people, many in rural and semi-urban India, adoption in agri-equipment accelerates only when products are designed for small landholdings, unreliable power, and seasonal cash flows. Technologies that cut operating costs and reduce input wastage don't just support farmers—they convert manufacturing policy into measurable economic outcomes."

Designing for Rural Realities Accelerates Adoption

What is often overlooked is how deeply agri-manufacturing success depends on product design aligned with rural realities. Experience from companies building agri-equipment in India shows that adoption accelerates when manufacturing incentives align with small landholdings, unreliable power supply, seasonal cash flows, and tight cost structures.

Tools that reduce operating costs, minimise input wastage, and perform reliably across multiple seasons tend to scale faster. Their uptake is driven less by subsidies and more by measurable improvements in farm economics, reinforcing the effectiveness of manufacturing policy.

Trade Reforms Reshape Incentives for Domestic Players

Trade policy reforms are reinforcing this transition. Measures such as higher duties on processed agri-inputs and tighter value-addition norms are reshaping incentives across the value chain.

These reforms reward MSMEs that invest in local sourcing, technology, and long-term capacity, while discouraging arbitrage-driven imports. Although smaller enterprises may face short-term adjustment pressures, the longer-term effect is a more predictable and stable environment for domestic manufacturers, processors, and logistics players.

Horticulture Emerges as a Near-Term Growth Engine

Against this structural backdrop, horticulture is emerging as a near-term outperformer. The rabi marketing year 2026 is expected to deliver relatively faster growth than other field crops, supported by acreage rationalisation, improving price realisation, and a favourable statistical base.

This recovery follows a difficult rabi MY 2025, when prices of key vegetables fell sharply. Onion prices declined by nearly 38 per cent year-on-year, potatoes by around 34 per cent, and tomatoes by roughly 24 per cent. Spices were under pressure as well, with garlic prices falling close to 60 per cent and cumin declining by about 5 per cent.



"Horticulture is likely to outperform other crops in rabi MY 2026, driven by acreage rationalisation, improving price realisation, and a favourable low base. After steep price corrections last season—onion, potato and tomato prices fell roughly 38 per cent, 34 per cent and 24 per cent year-on-year, while garlic and cumin declined about 60 per cent and 5 per cent—supply discipline is now setting the stage for recovery. With sowing in onions and tomatoes expected to drop 2–6 per cent, prices are projected to rise 15–25 per cent for onions, 15–20 per cent for potatoes, 20–30 per cent for garlic and 2–5 per cent for cumin, while export-led fruits like bananas and grapes continue to see firm demand." – Pushan Sharma, Director-Crisil Intelligence

Export-Oriented Fruits Add Structural Upside

Fruits provide a more durable growth layer within horticulture. Banana and grape exports rose by around 35 per cent and 19 per cent, respectively, during April–October 2025, reflecting stronger overseas demand and improving supply-chain readiness.

Fruit acreage is expected to remain largely stable in 2026, with selective expansion in bananas driven by both domestic consumption and export momentum. Yield outcomes, however, will vary. Weather-related stress could affect grapes, peas, pomegranates, and potatoes, while cumin and bananas are expected to benefit from improved agronomic practices and favourable conditions.

From Volatility Management to Strategic Optionality

Taken together, these developments point to a subtle but consequential shift. Indian agriculture is gaining optionality. Digital infrastructure improves decision-making, manufacturing depth lowers the cost of productivity, export integration expands market access, and policy design becomes more precise.

Risks remain—climate volatility, global price swings, and fiscal constraints among them. But as 2026 approaches, the system is better equipped to absorb shocks and reallocate resources efficiently. If execution holds and smallholders remain central to this transformation, 2026 may be remembered as the year Indian agriculture moved decisively from scale without value to value at scale.

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