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BUSINESS

Budget 2026: Agriculture sector seeks higher agri-infra investment to boost farmer incomes

Stakeholders suggest a holistic Budget focussing on the agri value chain from production to markets, a key to resilience, higher farmer incomes, and global competitiveness.



Varsha Agarwal

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Ahead of the Union Budget 2026, stakeholders in agriculture sector seek scaled-up investments in agri-infrastructure, scientific warehousing, and post-harvest logistics to cut wastage and boost farmer incomes.

Stakeholders add that a holistic Union Budget, strengthening the agri value chain from production and post-harvest management to market access, is crucial to building resilience, boosting farmer incomes, and positioning Indian agriculture as a globally competitive growth engine.

For context, the Union Budget allocation for the Department of Agriculture and Farmers' Welfare has increased steadily from FY23 to FY25, with Rs 1.25 lakh crore in FY24 (Revised) and over Rs 1.22 lakh crore in the FY25 Budget Estimates.

Meanwhile, the Economic Survey 2026 notes that agriculture and allied activities contribute nearly one-fifth of national income and employ a large share of the workforce. Over the past five years, the sector grew at an average 4.4% annually at constant prices, with decadal growth of 4.45% during FY16–FY25—the highest among past decades.

"Champion a 'Phygital' framework by blending physical infrastructure with digital platforms for increased traceability, quality assessment, financing, and risk management. Alignment of warehousing with digital markets, credit systems, and exports to unlock full ecosystem value," says Sandeep Sabharwal, Group CEO, Sohan Lal Commodity Management (SLCM) Group.

"As India takes strides toward its ambition of becoming a \$ 5 trillion economy, the Union Budget 2026 presents a critical opportunity to solidify the agricultural and rural ecosystem, particularly in light of emerging trade opportunities such as the India–EU Free Trade Agreement. FTA with the EU reinforces the imperative for Indian agriculture to become globally competitive, traceable, and aligned with stringent quality and sustainability standards. This requires moving beyond incremental support to scaled investments in all sectors of the agro-logistics chain," adds Sabharwal.

Stronger focus on export support

The industry also urges the government to sharpen its focus on exports, seeking easier access to global markets, pragmatic quality and certification systems aligned with international standards, and branding support for high-value markets such as the US, EU, and ASEAN. Stakeholders say export-linked incentives, freight support, and government-backed market development initiatives could materially improve price realisation for farmers and producer cooperatives.

“To sustain this export push, continued support under the Pradhan Mantri Matsya Sampada Yojana remains essential. Higher allocations for hatcheries, seed production, technology-driven farming and climate-resilient aquaculture would help scale operations while maintaining quality and supply stability,” says Divya Kumar Gulati, Chairman, CLFMA of India. The Compound Feed Manufacturers Association (CLFMA) of India is the apex body representing the country’s livestock sector.

“Cost pressures also remain a key concern. Building on the reduction in Basic Customs Duty on key aquaculture inputs in the previous Budget, the industry is expecting further duty relief on pond and hatchery equipment, quality feed inputs, and cold-chain and processing infrastructure, along with better GST rationalisation. These steps would help lower production costs and strengthen the sector’s long-term competitiveness,” adds Gulati.

Boost innovation

Ankur Aggarwal, Chairman of CropLife India, an association of 17 R&D-driven crop science companies, and Executive Chairman & Managing Director of Crystal Crop Protection, urges the government to use the Union Budget to strengthen innovation and on-ground adoption in agriculture, while addressing rising input costs and emerging risks from climate change and pest resistance.

“The association welcomes the Government’s continued focus on enhancing farmers’ income and promoting innovation across the agricultural value chain. CropLife India notes that recent GST 2.0 reforms, including lower GST on tractors and other agricultural products, demonstrate the Government’s intent to ease cost pressures and improve access to modern farm technologies,” says Aggarwal.

“Climate change and insect resistance are already affecting farm-level outcomes. Encouraging focused R&D and enabling faster adoption of modern crop protection solutions will help farmers manage costs more efficiently and protect yields,” adds Aggarwal.