

Budget 2026: What the agriculture sector wants from the government

Industry leaders say this budget needs to prioritise technology, climate resilience, credit flow, value-added production and better supply-chain systems to unlock the sector's full potential.



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As Budget 2026 approaches, India's agriculture and allied sectors are calling for a shift from yearly schemes to long-term structural reforms that can improve productivity, strengthen value chains and help farmers move towards more stable, sustainable incomes.

Industry leaders say this budget needs to prioritise technology, climate resilience, credit flow, value-added production and better supply-chain systems to unlock the sector's full potential.

Need for deeper reforms in seeds, soil, water and subsidies

Ravindra Agrawal, Chairman of KisanKraft Ltd, said the budget could deliver the architecture-level reforms that agriculture has been waiting for.

He pointed out that agriculture contributes nearly 18% to India's GDP and employs more than 45% of the workforce, yet continues to face chronic challenges related to poor productivity, inefficient water use, and fragmented markets.

According to him, a major priority should be redesigning input subsidies so that they reward efficiency instead of consumption.



Budget 2026 must treat agriculture not as a welfare obligation but as a sector with the potential to drive sustained economic growth.

"We need scientifically designed, Package of Practice linked incentives tied to production outcomes. Performance-based support improves soil health, enhances resource efficiency and strengthens farmer incomes," he said.

Agrawal also stressed the need for mechanisation subsidies to be delivered entirely through DBT and restricted to FMTI or BIS-approved equipment. He said states should continue selecting beneficiaries to ensure last-mile impact.

On long-term competitiveness, he called for integrated water, soil and climate management on a mission footing, along with new climate-resilient seeds, better crop rotations, and universal digitised land records.

He also highlighted the need for modern, technology-enabled supply chains. According to him, better grading, storage, logistics and traceability can sharply cut post-harvest losses and increase farm incomes.

Sanjiv Kanwar, Managing Director, Yara South Asia, said agriculture should be seen as a strategic growth engine. "Strengthening farmer income security through predictable markets, higher productivity, affordable credit and effective crop insurance supported by climate-smart, technology-led agriculture is essential," he said.

Kanwar also called for a nationally harmonised regulatory framework for agricultural inputs to accelerate innovation and ensure timely access to high-quality solutions.

Dairy, food processing and value addition need targeted policy support

Ranjith Mukundan, CEO and Co-Founder of Stellapps Technologies, said India has scale but not value in dairy.

"We are the world's largest producer of milk, but our share in global dairy exports remains disproportionately low," he said. He believes Budget 2026 should focus on digital dairy procurement, cold-chain expansion and a shift towards export-ready value-added dairy products.

He said such a move would help farmers improve productivity, quality and global competitiveness.

In the food and FMCG sector, Sparsh Sachar, Director and Business Head for FMCG at Nutrica, said Budget 2026 can address India's dependence on imported edible oils.

He wants a sharper push on oilseed productivity, climate-resilient farm infrastructure and a more predictable import-duty framework. Sachar also pointed to the growing role of nutrition-led categories.

He said incentives for food processing, storage and value-added products like honey and peanut butter can support both healthier consumer choices and better realisations for farmers.

Across seeds, soil, dairy, food processing and rural infrastructure, stakeholders are looking for a Budget that moves beyond incremental changes and focuses on long-term reforms that improve productivity, strengthen supply chains and deliver stable incomes.

The expectation is clear. Budget 2026 must treat agriculture not as a welfare obligation but as a sector with the potential to drive sustained economic growth.