



India Union Budget 2025-26

Point of view

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Agriculture and Allied Sectors

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Key announcements for the sector

The budget yet again affirms its conviction in driving the economy through Agriculture by identifying it as one of the four powerful engines. The budget focuses on interventions for promoting agricultural growth and productivity.

- Transforming the most under-developed agri districts with PM Dhan Dhanya Krishi Yojana
 - PM Dhan Dhanya Krishi Yojana (PMDDKY) intends to cover 100 districts with low productivity, moderate crop intensity, and below – average credit parameters through convergence of existing schemes and specialised measures
 - The focused areas under PMDDKY would be enhancing agricultural productivity, adopting crop diversification and sustainability, augmenting post-harvest storage at panchayat and block level, improving irrigation facilities, and facilitating availability of long-term and short-term credit for farmers to invest in better farming practices.
- Generating Employment Opportunities by focusing on skilling, investment and technology
 - Rural Prosperity and Resilience programme in partnership with state governments is designed to tackle underemployment in agriculture by focusing on skilling, investment, and technology adoption to strengthen the rural economy. It aims to create opportunities at local level to ensure migration to urban centers becomes a choice rather than a necessity. Global and domestic best practices will be incorporated, and appropriate technical and financial assistance will be sought from multilateral development banks. In Phase-1, 100 developing agri-districts will be covered
 - A National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) will be established in Bihar to revolutionise food processing activities in Eastern Region. It will support in filling the skill gap resulting in employment opportunities and enhanced income through value addition.
- Mission for becoming Self-Reliant in Pulses and Interventions to address changing consumer preferences
 - A six-year programme for 'Atmanirbharta' in pulses will be launched with a special focus on tur, urad, and masoor. Central agencies such as National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and National Co-operative Consumers' Federation of India (NCCF) will offer guaranteed procurement of these pulses from registered farmers over the next four years
 - A comprehensive programme for fruits, vegetables and shree anna (millets) to promote production, efficient supplies, processing, and remunerative prices for farmers in partnership with states through appropriate institutional mechanisms

- A Makhana Board to be set up in Bihar to improve production, processing, value addition and marketing of Makhana. The people engaged in these activities will be organised into Farmer Producer Organisations (FPOs). The Board will provide handholding and training support to Makhana farmers and will also work to ensure that they receive the benefits of all relevant government schemes.
- Promoting R&D in agri ecosystem
 - A gene bank with 10 lakh germplasm lines will be set up to provide conservation support to both public and private sectors for genetic resources and ensure future food and nutritional security
 - National Mission on High Yielding Seed is aimed to bridge the gap between laboratory and field. Under this programme high-yielding seeds will be launched aimed at strengthening research ecosystem, targeted development, and propagation of seeds with high yield, pest resistance and climate resilience. It will ensure commercial availability of more than 100 seed varieties released since July 2024
 - A five-year Mission for Cotton Productivity will facilitate significant improvements in productivity and sustainability of cotton farming and promote extra-long staple cotton varieties by providing science and technology support to farmers to rejuvenate India's traditional textile sector.
- Augmenting credit availability for co-operatives and farmers
 - National Co-operative Development Corporation (NCDC) will be supported for augmenting its lending operations for the cooperative sector
 - The loan limit under the Modified Interest Subvention Scheme will be enhanced from INR 3,00,000 to INR 5,00,000 for loans taken through the Kisan Credit Card.
- Promoting sustainable development in fisheries sector
 - Government will bring in an enabling framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone and High Seas, with a special focus on the Andaman & Nicobar and Lakshadweep Islands.

Implications for the sector

The budget intends to transform the agriculture sector by improving productivity, leveraging technology, institutional & capacity development, and enabling credit availability.

- Focused intervention in 100 districts under PM Dhan Dhanya Krishi Yojana (PMDDKY) will require the district administration to work in mission mode to achieve desirable outcomes intended under the scheme. The initiative can transform the most underdeveloped agri districts by focusing on strength of each district and tracking incremental progress. It will be important that baseline data is captured and clear KPIs are defined for monitoring progress. Best practices from well-performing districts should be disseminated for adoption by others
- Rural Prosperity and Resilience Programme can have a ripple effect in stimulating the rural/local economy through appropriate skilling, investment and technology. It would be important that the training programmes address localised problems, and technological interventions are appropriate for lab to land adoption. Rural Business Incubation Centers could be set-up at District level for promoting innovation and entrepreneurship in rural areas
- India is a large producer and consumer of pulses, and it meets a significant portion of its consumption needs through imports. Ad-hoc measures like duty free imports only helps to temporarily resolve availability issue. The focus needs to be on increasing domestic production to make India Atmanirbhar on pulses. Ensuring guaranteed procurement from farmers for next four years will certainly increase the cropped area under the said pulses
- To address the changing consumption pattern due to growing disposable income and urban population with more health consciousness, the focus on fruit, vegetables and millets was much needed. The program should cover aspects right from pre-production to post-harvest including access to finance, capacity building on crop-specific good practices, post-harvest management to improve shelf life and market linkages

- Makhana has a growing super food market, and the initiative comes at the right time to promote its production. The key in Makhana economics lies in its processing and value-addition. As part of the Year of Co-operatives initiative, promotion of Makhana could be undertaken so that farmers take up the production and realise better price
- Increasing credit limit under KCC from INR 3,00,000 to INR 5,00,000 will spur the agricultural growth at individual farmer level. Augmenting NCDC lending operations will enable credit availability for co-operative Societies fueling local growth.

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