

Ministry of Agriculture and Farmers Welfare Budget Insights

VOL 3 | ISSUE 16

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9 February 2026

KEY HIGHLIGHTS



In FY 26-27 Budget Estimates (BEs), the Ministry of Agriculture and Farmers Welfare (MoAFW) has been allocated ₹1,40,529 crore, a 2 per cent increase over the previous year's BEs, and a 5 per cent increase over the previous year's Revised Estimates (REs).



In the budget speech, the Finance Minister announced special support for high-value crops such as coconut, sandalwood, cocoa, and cashew to promote focused cultivation and enhance export competitiveness.¹ For this purpose, ₹350 crore has been allocated in the MoAFW budget.²



The Finance Minister also announced the launch of the Bharat-VISTAAR (Virtually Integrated System to access Agricultural Resources), a multilingual AI tool that will integrate AgriStack portals and best agricultural practices with AI systems. This is aimed at enhancing farm productivity and reducing risk for farmers.³ For this, ₹150 crore has been allocated in the MoAFW budget.⁴

Agriculture and allied activities contribute nearly one-fifth of India's national income at current prices, but account for 46.1 per cent of the country's workforce.⁵ Given the relatively large share of employment in agriculture and allied activities, the sector remains central to India's overall growth trajectory. Strengthening agricultural performance is therefore important for inclusive growth and ensuring food security.

The Ministry of Agriculture and Farmers Welfare is responsible for formulating regulations, policies, and schemes to promote agricultural growth and farmer welfare in the country.

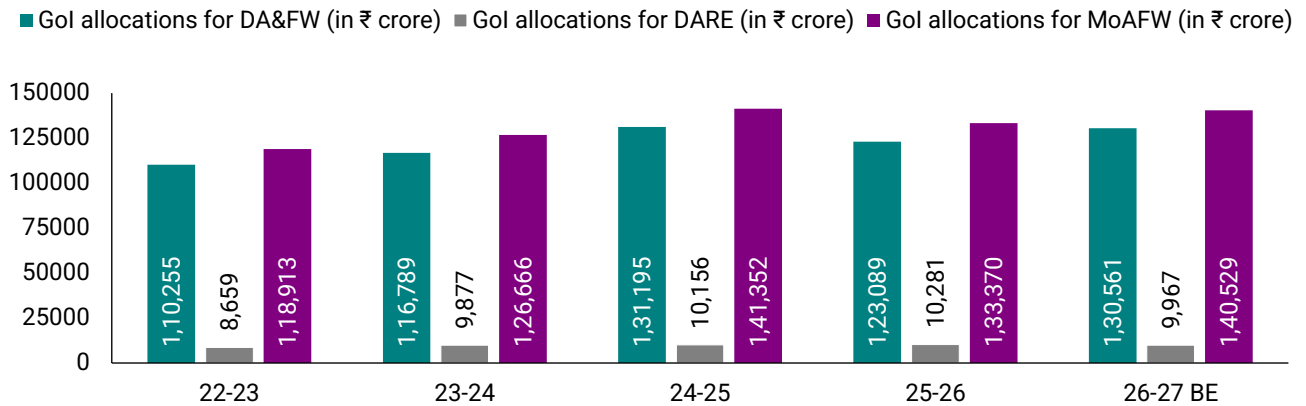
It comprises two departments:

- **The Department of Agriculture and Farmers Welfare (DA&FW)** which is responsible for farmer welfare and agricultural inputs, and
- **The Department of Agricultural Research and Education (DARE)** which coordinates and promotes agricultural research and education in the country.

Trends in Finances for the Ministry of Agriculture and Farmers Welfare

- For FY 26-27 BEs, ₹1,40,529 crore is allocated to the MoAFW, an increase of 5 per cent as compared to the REs of the previous year, but only a 2 per cent increase if compared to the previous year's BEs.
- Across all years, allocations towards DA&FW constitute the larger share of the MoAFW's total allocations. The share of DA&FW in the total allocations has slightly increased in FY 26-27 BEs to 93 per cent, from 92 per cent in the previous year's REs.

Figure 1: Allocations of the Ministry of Agriculture and Farmers Welfare from FY 22-23 to FY 26-27 BEs



Source: Union budget documents, various years. Last accessed 5 February 2026. [Url](#).

Note: Allocation figures for FY 22-23 to FY 25-26 are REs, and for FY 26-27 are BEs.

- Though allocations towards the MoAFW have increased over the years, spending on agriculture, as a share of the Gross Domestic Product (GDP), has declined from FY 22-23 (0.4 per cent) to FY 25-26 REs (0.36 per cent).
- Utilisation of funds or releases by Gol for the DA&FW have improved significantly from 81 per cent in FY 22-23 to spending more than originally budgeted in FY 24-25. In FY 25-26, the REs are 3 per cent lower than BEs.
- Expenditures for DARE have remained close to initial allocations across FYs. The BEs for DARE have increased in each FY, and the utilisation has remained relatively high.
- There are, however, differences between the proposed or requested budgets for both departments and those actually provided by the Ministry of Finance. Between FY 22-23 and FY 24-25, on average, DA&FW allocations have been 4 per cent higher, and DARE allocations have been 8 per cent lower, than the amounts proposed by each department.⁶
- The Standing Committee on Agriculture, Animal Husbandry and Food Processing has also highlighted that allocations to both DA&FW and DARE have seen relative stagnation between FY 21-22 and FY 25-26, which is concerning given that more than 50 per cent of people depend on agriculture for their livelihoods. The Committee has thus recommended increased budgetary allocations for both departments.⁷
- The Committee also noted that in both departments, there has been a consistent delay in spending, with significant expenditure taking place in the last quarter of the FY. In light of these concerns, the Standing Committee recommended that the MoAFW implement mechanisms to monitor fund usage regularly, and proactively address any issues that hamper spending.⁸

Table 1: Trends in allocations and expenditures between FY 22-23 and FY 25-26 (in ₹ crore)

	22-23			23-24			24-25			25-26		
	BE	A	% funds spent	BE	A	% funds spent	BE	A	% funds spent	BE	RE	% funds spent
DA&FW	1,24,000	99,877	81%	1,15,532	1,08,356	94%	1,22,529	1,29,933	106%	1,27,290	1,23,089	97%
DARE	8,514	8,400	99%	9,504	9,791	103%	9,941	9,811	99%	10,466	10,281	98%

Source: Union budget documents, various years. Last accessed 5 February 2026.

Note: Actuals for FY 25-26 are the REs.

Key Schemes of the Ministry of Agriculture and Farmers Welfare

This section summarises financial trends across the MoAFW's major schemes. Detailed descriptions of each scheme are provided in **Annexure-1**.

- The DARE primarily funds autonomous bodies, for instance the Indian Council of Agricultural Research, and supports research in agricultural technologies and practices, for instance on crop yields and farm equipment.

- The MoAFW's schemes are funded entirely by the DA&FW. The DA&FW's schemes fall under Central Sector Schemes, which are funded and implemented by the Centre, and Centrally Sponsored Schemes, where the Centre and states share costs, and the states are responsible for implementation. On average, 85 per cent of the Department's expenditure goes into Central Sector Schemes.
- While the MoAFW consists of over 20 schemes, there are 6 schemes that add up to nearly 90 per cent of the Ministry's total allocation.
- **Pradhan Mantri Kisan Samman Nidhi (PM KISAN)** has remained the MoAFW's largest scheme. However, its share has declined over time, from 51 per cent of total allocations in FY 22-23 to 45 per cent in FY 26-27 BEs.
- PM KISAN is followed by the **Modified Interest Subvention Scheme (MISS)**, which accounts for 16 per cent of Ministry allocations in FY 26-27 BEs, and the crop insurance scheme or **Pradhan Mantri Fasal Bima Yojana (PMFBY)**, which accounts for 9 per cent.
- Of the Ministry's six big schemes, PM KISAN and MISS saw no difference in FY 26-27 BEs compared to previous year REs, PMFBY had a marginal decline, and PM AASHA saw a modest 4 per cent increase.
- **Krishionnati Yojana** had a 65 per cent increase, and the **Rashtriya Krishi Vikas Yojana** had a 22 per cent increase in FY 26-27 BEs compared to previous year REs.
- **Krishionnati Yojana** recorded a 15 per cent decline in FY 25-26 REs compared to that year's BEs. Similarly, **Rashtriya Krishi Vikas Yojana** also had a 18 per cent decline in previous year's REs compared to BEs. For the other schemes, there was almost no change between FY 25-26 BEs and REs.
- Actual expenditure has varied across schemes and FYs. In FY 22-23 and FY 23-24, spending was relatively lower across almost all schemes, and has increased in FY 24-25.
- **PM KISAN** has had consistently high spending, crossing 100 per cent in FY 23-24 and FY 24-25. **PM Fasal Bima Yojana** has had similarly high spending, rising from 95 per cent in FY 23-24 to 100 per cent in FY 24-25. The **Modified Interest Subvention Scheme** rose from 62 per cent spending in FY 23-24, and reached 100 per cent in FY 24-25, with FY 25-26 REs unchanged from BEs.
- On the other hand, **Rashtriya Krishi Vikas Yojana** and **Krishionnati Yojana** have had inconsistent spending. RKVY increased from 50 per cent in FY 22-23 to 98 per cent in FY 24-25, but FY 25-26 REs again declined to 82 per cent of BEs. Similarly, Krishionnati Yojana spending went from 66 per cent spending in FY 22-23 to 81 per cent in FY 23-24, again declining to 75 per cent in FY 24-25.
- **PM Annadata Aay Sanrakshan Yojna (PM AASHA)** spending increased exponentially, from zero spending in FY 22-23 to ₹5,438 crore spent in FY 23-24, and FY 25-26 REs standing at ₹6,941. PM AASHA is an umbrella programme comprising multiple schemes, like the Price Support Scheme (PSS) and the Market Intervention Scheme (MIS), and is operationalised based on requests from states depending on market price fluctuations.⁹

Table 2: Trends in allocations and expenditures across key schemes (in ₹ crore)

Schemes		22-23	23-24	24-25	25-26	26-27
PM KISAN	BE	68,000	60,000	60,000	63,500	63,500
	Actuals	58,254	61,441	66,121	63,500	
	% funds spent	86	102	110	100	
Crop Insurance Scheme/ PM Fasal Bima Yojana	BE	15,500	13,625	14,600	12,242	12,200
	Actuals	10,296	12,949	14,473	12,267	
	% funds spent	66	95	99	100	
Modified Interest Subvention Scheme	BE	19,500	23,000	22,600	22,600	22,600
	Actuals	17,998	14,252	22,600	22,600	
	% funds spent	92	62	100	100	
Rashtriya Krishi Vikas Yojana	BE	10,433	7,150	7,553	8,500	8,550
	Actuals	5,247	5,693	7,386	7,000	
	% funds spent	50	80	98	82	
Krishionnati Yojana	BE	7,183	7,066	7,447	8,000	11,200
	Actuals	4,716	5,736	5,600	6,800	
	% funds spent	66	81	75	85	
PM AASHA	BE	1	2,200	6,438	6,941	7,200
	Actuals	0	2,200	5,438	6,941	
	% funds spent	0	100	85	100	

Source: Union budget documents, various years. Last accessed 5 February 2026. [Url](#).

Note: Actuals for FY 25-26 are REs. For PM AASHA, we use FY 23-24 RE as the FY's BE because the scheme became operational after demand from states in the FY's latter half.

MAIN DEVELOPMENTS

- The Standing Committee has suggested the DA&FW be renamed as 'Department of Agriculture, Farmers and Farm Labourers Welfare'. This will acknowledge the significant role of farm labourers, who belong to marginalised communities and are a critical part of the agricultural workforce. The Committee is of the view that such a name change would emphasise a more holistic approach to agricultural welfare, and address labourers' unique challenges such as low wages, lack of social security, and poor working conditions.¹⁰ The same has not yet been accepted.
- **PM KISAN** was launched by the Centre in 2019, and since then, ₹4.09 lakh crore has been disbursed in 21 installments to eligible farmers. The number of farmers changes for each installment, with new additions and deletions.¹¹ The 21st installment, released in November 2025, reached approximately 9 crore eligible farmers.¹² The DA&FW stated in a reply to the Standing Committee that there were no plans to increase the entitlement amount keeping in mind inflation.¹³ The Committee has also recommended that PM KISAN be extended to farm labourers¹⁴, which has not been accepted by the DA&FW.
- The DA&FW reported that between FY 13-14 and FY 24-25, farmers had availed ₹1.6 lakh crore in interest subvention through loans obtained under the **Modified Interest Subvention Scheme**, through Kisan Credit Cards. In this time, total credit flow to the agriculture sector increased by nearly four times, from ₹7.3 lakh crore to ₹28.7 lakh crore. Given the success of the scheme, with effect from January 2025, the RBI increased the collateral-free loan limit from ₹1.6 lakh to ₹2 lakh,¹⁵ and the MoAFW increased the limit for loans taken through KCC from ₹3 lakh to ₹5 lakh in the FY 25-26 budget.¹⁶
- As on 5 February 2026, under the **PM Fasal Bima Yojana**, 9,345 farmer applications for crop insurance had been approved, of which 65 per cent were small farmers and 17 per cent were marginal farmers. In total, 5,574 lakh hectares of land have been insured under the scheme, and ₹1.92 lakh crore worth of claims have been cleared.¹⁷ However, the scheme suffers from delays in fund releases, lengthy claim processing, and disputes over yield assessments. The Standing Committee has recommended that damages caused to crops by stray animals also be considered for coverage under PMFBY,¹⁸ and in December 2025, the MoAFW extended the scheme to include this, although at the cost of the respective state government.¹⁹
- The **PM-AASHA** scheme has had some success in providing support to farmers who harvest tomatoes, onions, and potatoes, for which Minimum Support Price is not available.²⁰ The MoAFW reported in 2023 that between FY 18-19 and FY 22-23, around 70 lakh farmers had benefitted from the scheme.²¹ The Standing Committee suggested that the MoAFW expand the range of crops covered under the scheme and conduct extensive awareness campaigns to ensure increased coverage of the scheme.²²
- The **NaMo Drone Didi scheme** aimed to provide 15,000 drones to women Self-Help Groups (SHGs) between FY 23-24 and FY 25-26.²³ On 16 December 2025, the DoRD reported that 1,094 drones had been distributed to SHGs by the Lead Fertilizer Companies (LFCs) in 2023-24 utilising their internal resources. Out of these 1,094 drones, 500 (46 per cent) drones have been distributed to SHGs under Namu Drone Didi scheme.²⁴
- The **National Makhana Board**, launched in the FY 25-26 Union Budget, held its first meeting on 12 December 2025, where a roadmap was approved. The scheme has an outlay of ₹476 crore for the period FY 25-26 to FY 30-31.²⁵

ANNEXURE- 1

Scheme Name	Description
Pradhan Mantri Fasal Bima Yojana/ Crop Insurance Scheme	Provides a simple and affordable crop insurance product to ensure comprehensive risk cover for crops to farmers against all non-preventable natural risks from pre-sowing to post-harvest, and to provide adequate claim amount. The scheme is demand driven and available for all farmers.
Modified Interest Subvention Scheme	MISS provides concessional short term agri-loans to farmers practicing crop husbandry and other allied activities like animal husbandry, dairying and fisheries. It is available to farmers availing short term crop loans up to ₹3 lakh at an interest rate of 7 per cent per annum for one year.
Pradhan Mantri Annadata Aay Sanrakshan Yojna (PM-AASHA)	PM-AASHA consists of Price Support Scheme (PSS), Price Stabilization Fund (PSF), Price Deficit Payment Scheme (PDPS) and Market Intervention Scheme (MIS). It aims to provide remunerative prices to farmers and to control price volatility of essential commodities for consumers.
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	PM-Kisan provides a financial benefit of ₹6,000 per year to eligible landholding farmers. The money is transferred in three equal installments into the bank accounts of farmers' families across the country through Direct Benefit Transfer mode.
Krishionnati Yojna	This scheme aims to develop the agriculture and allied sector in a holistic and scientific manner to increase the income of farmers by enhancing production, productivity and better returns on produce.
NaMo Drone Didi	The scheme aims to promote advanced technology in agriculture and empower women SHGs as drone service providers.
Scheme for Development of Makhana (previously 'National Makhana Board')	To be established for improving production, processing, value addition and marketing of Makhana in Bihar and other States.
Bharat-Virtually Integrated System to Access Agricultural Resources (Bharat-VISTAAR)	The scheme aims to develop a multilingual AI Chatbot integrating the Agristake portals with ICAR package on agricultural practices with AI systems.
Rashtriya Krishi Vikas Yojna	RKVY is being implemented with a view to ensure more inclusive and integrated development of agriculture and allied sectors with a major focus on pre & post-harvest infrastructure, including promotion of agri-entrepreneurship, innovations & value addition.

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Suggested Citation: Tamang, L., Kapur, A., and Pandey, S. (2026), Ministry of Agriculture and Farmers Welfare, Budget Insights, Volume 3, Issue 16, Foundation for Responsive Governance, New Delhi. 9 February 2026.

Acknowledgements

We are grateful to Sucheta Bhattacharyya for the assistance in data collection.

Design Credit: Yashoda Banduni

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