

6. India's Agricultural Sector In 2025 – Economy

The year 2025 marked a transformative milestone for India's agricultural sector, showcasing the cumulative impact of policy continuity, institutional reforms, and strategic investments made over the past decade

Key Highlights of India's Agricultural Sector (2025)

Macroeconomic Role of Agriculture– Agriculture and allied activities continue to form the backbone of India's rural economy, contributing ~16% to GDP while sustaining the livelihoods of over 46% of the population. Despite structural transformation toward industry and services, agriculture remains–

1. A critical shock absorber during economic slowdowns
2. Central to food security, inflation control, and rural demand generation

The Union Budget 2025–26 allocation of ₹1.52 lakh crore reflects a calibrated shift from mere subsidies toward

1. Agricultural research and innovation
2. Infrastructure creation
3. Income stability and risk mitigation

Record Production and Food Security Consolidation– Foodgrain production reached an all-time high of 357.73 million tonnes (2024–25)

1. ~8% growth over the previous year
2. ~106 million tonnes higher than 2015–16 levels

Crop-wise performance

1. Rice (150.184 MT) – Driven by assured MSP procurement, irrigation expansion, and improved seed varieties
2. Wheat (117.945 MT) – Reflects resilience despite climate variability
3. Pulses and Oilseeds – Gains supported by targeted missions, price support, and import-substitution focus
4. Millets (Shree Anna) – Steady rise reinforcing India's leadership in climate-resilient and nutrition-rich cereals

Outcome

1. Strengthened **national food security buffer**
2. Reduced vulnerability to global commodity price shocks

Strengthening Farmer Incomes and Income Assurance

MSP and Procurement Architecture– MSP policy continues to guarantee at least 50% return over cost of production (A2+FL). Since 2014

1. ₹20 lakh crore transferred via MSP procurement
2. ₹14.16 lakh crore for paddy
3. ₹6.04 lakh crore for wheat

Impact

1. Income certainty for millions of small and marginal farmers
2. Stabilisation of farm prices and rural consumption

Direct Income Support and Credit

PM-Kisan Samman Nidhi

1. ₹3.90 lakh crore transferred directly
2. 11 crore farmers benefited through 20 instalments (by Aug 2025)

Kisan Credit Card (KCC)

1. ₹10 lakh crore credit disbursed
2. 7.71 crore beneficiaries, including livestock and fisheries farmers

Significance

1. Reduced dependence on informal credit
2. Improved working capital availability

Risk Management and Irrigation Expansion

Crop Insurance- Pradhan Mantri Fasal Bima Yojana (PMFBY)

1. ₹1.83 lakh crore in claims disbursed since 2016
2. Rising participation of non-loanee farmers, indicating Greater trust, Improved transparency and claim settlement mechanisms

Water Security and Efficiency

Pradhan Mantri Krishi Sinchai Yojana (PMKSY)

1. Accelerated completion of long-pending irrigation projects
2. Expanded micro-irrigation (drip and sprinkler) under *Per Drop More Crop*

Outcome

1. Improved water-use efficiency
2. Facilitation of shift toward high-value horticulture and allied activities

Infrastructure and Market Ecosystem Strengthening

Agricultural Infrastructure- Agriculture Infrastructure Fund (AIF)

1. Over 1 lakh projects sanctioned
2. Includes warehouses, cold chains, grading units, Custom Hiring Centres

Benefits

1. Reduction in post-harvest losses
2. Non-farm rural employment creation
3. Improved price realisation

Input and Advisory Access- PM Kisan Samridhi Kendras Strengthened last-mile access to Quality seeds and fertilisers, Soil testing and advisory services

Market Reforms and Farmer Collectives

e-NAM expansion- Enhanced price discovery and inter-state trade integration

10,000 Farmer Producer Organisations (FPOs)- Collective input procurement, Aggregation, value addition, and market access. Greater participation of women farmers and smallholders

Growth in Allied Sectors- Diversification of Rural Income

Dairy

1. 239.30 MT (2023-24)
2. Boosted by productivity improvement and breed enhancement programmes

Fisheries

1. 195 lakh tonnes (2024-25)
2. Inland fisheries driving growth

Horticulture

1. Record expansion in fruits and vegetables
2. Supports nutrition security and export potential

Food Processing

1. Exports crossed USD 49.4 billion (July 2025)
2. Indicates rising value addition and global integration

Sustainability and Climate Resilience

Natural and organic farming scaled up through cluster-based approaches. Soil Health Card (SHC) Promoted balanced nutrient use via soil testing and advisories. Ethanol Blending Programme

1. Achieved 19.05% blending (July 2025)
2. Reduced crude oil imports

3. Supplemented sugarcane farmers' income

PM-KUSUM

1. Expanded solar pump installations
2. Reduced energy costs and promoted decentralised renewable energy

Human Capital and Rural Skill Development

Krishi Vigyan Kendras (KVKs)- Large-scale hands-on training and on-field demonstrations

Extension and Skilling Schemes- ATMA, STRY, PMKVY strengthened rural skill ecosystems. Skill integration across

1. Horticulture
2. Livestock
3. Mechanisation
4. Processing and agri-enterprises

Result- Enhanced employability. Growth of agri-entrepreneurship

Inclusive Growth and Local-Level Transformation- Convergence of

1. Income support
2. Irrigation
3. Infrastructure
4. Skill development

Outcomes

1. Higher rural incomes
2. Reduced distress migration
3. Improved quality of life

Women farmers, SHGs, and FPOs emerged as key agents of grassroots transformation.

Related Initiatives- Strategic Policy Architecture

1. MISS – Affordable short-term crop credit
2. NBHM – “Sweet Revolution” via beekeeping
3. Namo Drone Didi – Technology empowerment of women SHGs
4. NMNF & PKVY – Natural and organic farming transition
5. PM-AASHA – Price support for pulses and oilseeds
6. AgriSURE – Innovation and agri-startup financing
7. RAD & Agroforestry (Har Medh Par Ped) – Climate-resilient farming systems
8. NMEO-Oil Palm – Edible oil self-reliance
9. Digital Agriculture Mission – DPI for agriculture
10. National Bamboo Mission – Sustainable livelihoods and green economy

Overall Assessment

India's agricultural sector in 2025 reflects a transition from production-centric to income-, resilience-, and value-chain-centric agriculture. The emphasis on infrastructure, diversification, sustainability, and human capital positions agriculture as

1. A growth stabiliser
2. A climate-adaptive system
3. A driver of inclusive rural transformation

Source- <https://ddnews.gov.in/en/year-ender-2025-indias-agricultural-sector-growth-governance-and-ground-level-impact/>