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Amit Kumar
Research Scholar, University Department of Commerce and Business Management Ranchi University, Ranchi, Jharkhand, India

Dr. Mrinal Gaurav
Assistant Professor, Department of Commerce, Yogoda Satsanga Mahavidyalaya, Ranchi, Jharkhand, India

Corresponding Author:
Amit Kumar
Research Scholar, University Department of Commerce and Business Management Ranchi University, Ranchi, Jharkhand, India

An analysis of agricultural schemes in India and their impact on farmers' income: A focus on Agricultural Finance

Amit Kumar and Mrinal Gaurav

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Abstract
Since India gained independence, successive governments have singled out farmers as a key constituency, launching a series of agricultural schemes aimed at improving their livelihoods. In the wake of the 1991 economic reforms and the opening-up that followed, the farm sector has gradually tapped into the opportunities created by globalisation, yielding modest financial gains. To build on this momentum, the State routinely subsidizes a portion of the capital for selected projects, hoping to boost investment, secure ongoing profitability, and favour domestically produced inputs. Under such schemes, enhanced irrigation, feritization, and soil-testing technologies have already lifted yields, improved micro-nutrients, and in turn broadened profit margins, enabling many producers to target premium markets. This article therefore seeks to map these interventions and encourage farmers to claim the benefits on offer. It draws on a conceptual overview of the programme architecture, complemented by empirical data, in order to illustrate the strengths, shortfalls, and real-world impact of India's contemporary farm policies.
Even though a rich menu of subsidies, loans, and knowledge schemes is technically available to farmers, persistent knowledge gaps and bureaucratic hurdles repeatedly inhibit access. By carefully spelling out eligibility rules, enrollment steps, and demonstrated gains, the current analysis not only underscores the upside of participation but also grades the effectiveness of each programme, thereby guiding stakeholders toward the most promising options.

Keywords: Agriculture schemes, government, farmers

Introduction
Agriculture remains an enduring pillar of Indian life, shaping livelihood, culture, and historic identity. Most people living in the countryside depend directly on farming for income and security. Growth in agriculture, therefore, matters far beyond the fields; it raises rural demand by generating jobs on farms and nearby enterprises and helps keep food prices steady. Though the sector supplies only 17 percent of national GDP, it still employs nearly half the workforce, much of it in seasonal, poorly paid tasks. (Mohapatra *et al*., 2022) [1].

India-an agrarian society since independence
When India won independence in 1947, the country confronted deep economic, social, and political turmoil. Development was slow, and population growth outpaced both farm output and industrial expansion. At that time, around 30 percent of national income came from modern public and private industry, while the remainder stemmed from older, pre-capitalist forms of production still rooted in rural daily life.
Persistent pre-capitalist relations continue to hinder Indias economic progress. Landowners, moneylenders, and kulaks remain the chief agents of this obstruction.
Independence marked the start of steady gains in Indian agriculture, most visibly through the 1947 Grow More Food campaign that introduced scientific practices and new technologies. Higher yields eased many farming families financial pressure, establishing a step toward self-sufficiency. A concerted push for sustainable methods and rural empowerment lifted total food-grain output from roughly 51 million tonnes in 1950-51 to more than 314 million tonnes by 2021-22.(D & K B, 2022) [2]. Such a surge has strengthened national food and nutrition security. Today India leads the world in the production of milk, pulses, jute, rice, wheat, cotton, fruits, and vegetables while holding the runners-up position for rice, wheat, cotton, fruits, and vegetables. The country also ranks strongly in spices, fish, poultry, livestock, and plantation crops.

Importance of Agriculture in the Indian Economy
Though the industrial sector has played a transformative role in modern India, the contribution of agriculture to the nation-s economic story cannot be overlooked. A balanced assessment of agriculture- significance involves looking at how the sector influences growth, food security, household incomes, and exports through a range of economic indicators.

Contribution to GDP: For most of history, agriculture consistently supplied a large share of GDP in nearly all economies. In contemporary India, as manufacturing and services have expanded, the agriculture- share of GDP has naturally declined. That shift reflects deeper structural changes and is often interpreted as a standard marker of economic advancement. It is vital to note, however, that a declining percentage does not equal declining output: net agricultural production continues to grow in absolute terms, even when the pace of growth lags behind that of outperforming sectors.

Contribution to Employment: Historically, agriculture provided the bulk of jobs in most countries before industry took hold. When economies grow and activities begin to diversify, the share of workers tied to farming usually shrinks, freeing people for new roles elsewhere. In practice, this shift maps out as a slow decline in farm work alongside steady gains in factories and service-oriented industries.

Contribution to Export: A clear indicator of agriculture's economic weight is its share of national exports. Typically, as industry grows, the mix of exports shifts steadily toward manufactured goods and services. Because of this trend, agriculture's slice of the export pie has gradually shrunk over time.

Emphasis on development of agriculture through various schemes in planning era: Economic planning entails the long-term efforts that Indian authorities Design to coordinate growth by using resources wisely. Planning began soon after independence in 1950 and soon became seen as vital for Indias advance. The first eight Five-Year Plans mainly sought to enlarge the public sector with heavy, basic-industry projects. Starting with the ninth plan in 1997, however, the state began to act more as a growth facilitator than as the primary investor.

Green revolution
The Green Revolution marks the period when research and science turned Indian farming into an industrial-like system with high-yield seeds, tractors, step-well irrigation, and stronger herbicides and fertilisers. That first phase of the Green Revolution lasted roughly from the mid-1960s to the mid-1970s.In the first phase of the Green Revolution, the use of high-yield variety (HYV) seeds was largely restricted to Punjab, Andhra Pradesh, and Tamil Nadu; these seeds were especially credited with boosting wheat output. The second phase, often dated between 1970 and 1980, saw the distribution of HYV seeds spread countrywide and yield gains reported for nearly all major crops (Prabhu, 2021) [4].

Problems of farmers (with special emphasis on ignorance of schemes): Despite the governments ambitious welfare initiatives, only a fraction of farmers gain from them, mainly because many remain unaware of the schemes. A national outreach program that combines field demonstrations, local language materials, and partnerships with cooperatives could fill this information gap, raising productivity and improving farm incomes.

Literature Review: This section reviews existing studies to clarify the scope and impact of Indias agricultural programs on farmers incomes.

Ahmad and Haneef (2019) [5]
The Indian Government is steadily intensifying its focus on farmer welfare. Amid ongoing rural distress, policy-makers have begun rolling out a package of initiatives designed both to revive agriculture and to improve the economic standing of cultivators. These efforts now include credits, risk assurances, direct payments and infrastructure investments meant to touch every segment of the farming community.

Jain and Srivastava (2021) [6]: Overview of these yojanas in an attempt to map their reach and impact. Farmers play a dual role as national food-security anchors and as key contributors to Gross Domestic Product; yet their incomes often remain fragile. By documenting available programmes, the authors hope to elevate awareness among farming families about tools they can use for greater economic resilience.

Mishra *et al.* (2021a): The discussion by applying theoretical lenses-efficacy, equity and efficiency-to the same set of schemes. Their analysis demonstrates which policies actually deliver gains, and to whom, while exposing design flaws such as leakages and overlap. They review credit flows, subsidy releases, e-markets, and micro-irrigation grants, weighing each against stated objectives and suggesting data-driven adjustments that could make public spending more impactful.

(Kambali & Panakaje, 2022) [8]: This study aims to identify the factors shaping agricultural finance, understand the obstacles farmers face, compare income growth before and after credit support, and propose steps that make loans easier for growers to obtain. Evidence shows that smallholder farming, along with targeted policies and fresh investment, can upgrade roads and storage, boost productivity, and either expand the workforce or adopt simple machines. Many regions report measurable improvements at formal lending outlets. Yet oversight rules still need to curb lenders charging high rates or taking reckless risks with client's money and keep instances of abuse under control.

Objectives of the study
- To create awareness of various agriculture schemes for farmers.
- To find out whether the schemes are reached to the farmers.

Methodology
The analysis draws entirely on secondary sources: published research, credible websites, journal articles, and items lifted from newspapers. Using this readily available material, the study surveys India's agriculture schemes and measures their impact on farmers income.

Limitations

The analysis focuses on eleven selected agricultural schemes that have reached a broad number of farmers, and it therefore does not cover every initiative in the sector. Because the research primarily draws on available secondary material, some conclusions may still reflect the limitations or biases present in those original sources.

Major schemes for development of agriculture

Agriculture remains a cornerstone of the Indian economy, sustaining the livelihoods of roughly half the population. Besides securing national food supplies, it underpins financial activity in rural areas. During the first quarter of fiscal year 2020-21, when overall GDP contracted by 23.9 percent, the agriculture sector alone posted modest growth of 3.4 percent, illustrating its role as a quick stabilizer. Such performance underlines the critical need for sustained and strategic public-sector intervention if agricultural productivity and resilience are to improve. In this context, the following section reviews the principal government programs designed to achieve those goals.

National Mission for Sustainable Agriculture (NMSA)

Launched in the 2014-15 fiscal year, the National Mission for Sustainable Agriculture NMSA aims to make Indian farming more productive, environmentally sound and profitable while also shielding it from climate extremes. To meet these objectives, the programme encourages on-farm practices tailored to specific regions, promotes soil and moisture conservation, supports balanced nutrient application, and integrates efficient rainfed and irrigated water-use techniques into the agricultural cycle.

Central to this mission is On-Farm Water Management OFWM, which seeks to lift irrigation efficiency by introducing micro-netting, drip and sprinkler systems, pairing each with modern distribution channels and supplementary storage facilities that capture rainwater for dry spells.

Pradhan MantriFasalBimaYojana (PMFBY)

Drought, floods and hail routinely ruin harvests and push many Indian farmers into debt, yet nationwide crop-insurance coverage had lagged for decades. To close that gap, the government merged dozens of earlier schemes and rolled out Pradhan MantriFasalBimaYojana PMFBY for the Kharif 2016 season, offering low-cost, accessible protection that pays out quickly when weather disasters strike and thereby helps stabilize production and livelihoods.

From the Kharif 2017 season onwards, the central government requires farmers to use their Aadhaar numbers in order to secure crop insurance. Under the revised policy, each state can assess average yields at the district level and decide the scale of finance needed for coverage.

Pradhan Mantri Krishi Sinchai Yojana (PMKSY)

The Pradhan Mantri Krishi SinchaiYojana PMKSY was launched with the goal of expanding irrigation access nationwide while making every drop of water count. To achieve this, the programme offers a complete approach that includes creating sources of water, building delivery systems, managing supply, applying water in the field, and training farmers. The Cabinet Committee on Economic Affairs formally approved the scheme on 1 July 2015.

As part of PMKSY, the central government has folded together earlier initiatives such as the Accelerated Irrigation Benefit Programme AIBP, the Integrated Watershed Management Programme IWMP, and the On-Farm Water Management OFWM scheme. For the five-year period, the government has earmarked a total budget of 50,000 crore to carry the flagship irrigation project forward throughout India.

Paramparagat Krishi Vikas Yojana (PKVY)

The Paramparagat KrishiVikasYojana (PKVY) is a flagship programme designed to revitalize traditional, organic farming in the country by offering tangible incentives to growers. Through this initiative, the Central Government commits Rs 50,000 per hectare once every three years, funding organic inputs, certification, labelling, packaging, transport, and market promotion. By substituting synthetic fertilizers with composts, biofertilizers, and biopesticides, the scheme directly addresses soil degradation linked to chemical overuse and, in turn, builds organic carbon levels that improve moisture retention and fertility. PKVY thus creates a virtuous circle in which healthier soils sustain higher, more sustainable yields.

Micro Irrigation Fund scheme: Launched by NABARD in 2019-20, the Micro Irrigation Fund now has an initial corpus of Rs 5,000 crore earmarked exclusively for pressurized and drip systems. Its goal is to give states access to interest-subsidized loans that can be deployed for special pilot projects or innovations not covered under PM-KUSUM, thereby broadening the reach of micro-irrigation. By supplementing existing subsidies with targeted financial support, the Fund aims to accelerate installation, reduce water wastage, stabilize dry land incomes and support national water-security targets.

Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) MOVCDNER set out to grow certified organic farming across the North-East by building a complete value chain that links growers directly with buyers. To do this, the programme works on every step, from supplying organic seeds and inputs, securing the necessary certification, and putting up collection centres, aggregation points, processing units, marketing outlets, and brand-support structures. The initiative now covers the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura.

e-NAM: The Government of India launched e-National Agriculture Market, or e-NAM, on April 14, 2016, to bring existing agricultural markets, or mandis, onto a single online platform where farmers can trade commodities across the country. As of now, almost 1,000 mandis in 18 states and 3 Union Territories have been linked to the portal. Managed by the Small Farmers Agribusiness Consortium-SFAC-e-NAM aims to cut transaction costs, close information gaps, and widen market access for farmers and other players in the food supply chain. Since going live, e-NAM has attracted 1.66 crore farmers, 1.31 lakh traders, 73,151 commission agents, and 1,012 farmer producer organisations (FPOs) to its digital marketplace.

Kisan Credit Card (KCC): To ensure that farmers receive timely credit for their seasonal expenses, the Central Government introduced the Kisan Credit Card (KCC)

scheme in 1998. Through this initiative, the loan carries a heavily subsidized interest rate of 4 per cent per year. In 2019 the benefit was broadened to fishers and those involved in dairy and animal husbandry, and the upper limit for collateral-free lending was raised from 1 lakh to 1.6 lakh rupees.

Later, as part of the Aatmanirbhar Bharat package, the Government pledged to bring an additional 2.5 crore farmers under the KCC umbrella and to inject 2 lakh crore rupees in fresh credit through a special drive. By October 19, 2020, official figures showed that 1.5 crore farmers had received 1.35 lakh crore rupees under this accelerated rollout.

Soil Health Card

Aims to conserve soil nutrients and boost fertility, the Soil Health Card (SHC) programme issues farmers a personal card every two years that highlights where their land is short. After testing, experts spell out which crops need which nutrients, so growers can apply fertiliser in the right type and amount. Over time, this practice cuts costs because it stops the waste that comes from guessing.

In the next five years, the Centre plans to sample and test land from every farm in 400,000 villages, host 250,000 on-field demonstrations, set up 250 village labs, upgrade 200 district centres, and encourage micro-nutrients on 200,000 hectares.

PM-KISAN

Launched on 24 February 2019, the Pradhan Mantri Kisan Samman Nidhi Yojana channels 6,000 rupees a year directly into farmers bank accounts through the Direct Benefit Transfer system, disbursing the amount in three quarterly instalments of 2,000 rupees each. This income support eases the immediate financial burden of small and marginal farmers, helping them purchase seeds, fertilisers, and other essential inputs. By reducing reliance on exploitative local moneylenders and assuring a basic cash cushion, the scheme aims to encourage continued farming and shield households from acute economic distress.

PM-KUSUM

To curb heavy diesel and grid-electricity use in agricultural irrigation, the Cabinet Committee on Economic Affairs approved the Pradhan Mantri Kisan Urja Suraksha Evam Utthaan Mahabhiyaan-PM KUSUM-on 19 February 2019. With a planned central outlay of 34,422 crore rupees, the programme targets the installation of 25,750 megawatts of solar, wind, and other renewable capacity through thousands of off-grid pumps and large community projects by 2022.

Under its current programme, the Ministry of New and Renewable Energy aims to set up 10,000 megawatts of small, grid-connected renewable energy stations, each no larger than 2 megawatts; install 2 million solar water pumps with a capacity of up to 7.5 horsepower; and solarise an additional 1.5 million grid-linked irrigation pumps of the same horsepower rating.

Green Revolution Phases

Phase 1 (1965-66 to 1980)

- The country faced a pressing need for food and aimed to grow enough grain to feed itself.
- Because Punjab had stronger infrastructure, work began there first, while nearby Haryana and western U.P. also benefitted from new canals.
- Efforts kicked off with the Intensive Agricultural Districts Programme (IADP) and the Intensive Agricultural Area Programme (IAAP) on a trial basis, but the High-Yielding Variety (HYV) push in the 1965-66 Annual Plan became the core initiative.
- In 1974 the Command Area Development Programme (CADP) renewed emphasis on improving irrigation, so the Green Revolution strategy was reactivated.
- Overall food output jumped from 33 million tonnes in 1965-66 to 100 million tonnes by 1980, a threefold raise in just ten years, with wheat alone growing two-and-a-half times in five seasons.

Phase 2 (1980-1991)

- The sixth and seventh Five-Year Plans specifically aimed at wet rice agriculture.
- In the first phase rice output grew only 1.5 times. High-rainfall areas such as West Bengal, Bihar, Assam, and the coastal plains were then selected.
- The initiative had partial success; the Krishna-Godavari delta and the Cauvery basin achieved the desired results. West Bengal recorded higher yields, and the Bhojpur region of Bihar also benefited from the new varieties.
- Still, full production potential remained out of reach because of institutional issues such as uneven land reforms and tenancy laws. In states like Uttar Pradesh, West Bengal, and Bihar, reform measures were often delayed.

Phase 3 (1991-2003)

- During the Eighth and Ninth Plans, policymakers renewed their focus on dryland farming, promoting high-yield-variety (HYV) seeds for oilseeds, pulses, and millets; the effort gained only modest ground.
- To enhance productivity in Indias sub-humid and semiarid belts, authorities rolled out the Integrated Watershed Management Programme, which yielded encouraging results mainly in the Narmada-Tapi Doab and the Tungabhadra basin.
- Following the Ninth Plan, policy direction changed in response to the ecological fallout from the Green Revolution; the Tenth Plan therefore emphasised balanced agricultural growth rooted in agro-ecology, conservation farming, and sustainable development.
- Collectively aimed at all subsectors of agriculture, this broad strategy, dubbed the Rainbow Revolution, built on earlier initiatives such as the Yellow Revolution for oilseeds, the Blue Revolution for fish, the White Revolution for milk in the 1970s, and the Silver Revolution for poultry.

Post-globalization schemes of agriculture finance

To encourage investment and stable income in agriculture, the Government of India funds a partial subsidy for selected farmer-led projects viewed as nationally significant. NABARD acts as the intermediary, forwarding any subsidy received from the relevant ministry to the banks that finance these initiatives (Government Sponsored Schemes-NABARD-National Bank for Agriculture and Rural Development).

New Agricultural Marketing Infrastructure (AMI)
The Ministry of Agriculture and Farmers Welfare now runs the AMI sub-scheme as part of the broader ISAM programme.
Under ISAM, the AMI scheme applies only to new projects that have secured a term loan from an eligible lender. NABARD then releases a subsidy of 25 to 33.33 percent of project cost, provided the lending institution is either NABARD-refinanced or a State Financial Corporation (SFC) approved by the Department of Agriculture, Cooperation and Farmers Welfare.

Agri - Clinic and Agribusiness Centres Scheme (ACABC Scheme): The Ministry of Agriculture and Farmers-Welfare of the Government of India runs the ACABC Scheme, with NABARD serving as the agency that channels the subsidy money.

The main aims of the scheme are

- To supplement public extension with extension services and other help for farmers, charging a fee or offering the service free, depending on what agri-preneurs can afford and what local people need.
- To support agricultural development.
- To create good self-employment jobs for unemployed agricultural graduates, holders of agricultural diplomas, school leavers with intermediate qualifications in agriculture and life sciences, and post-graduate degree holders in related fields.

National Livestock Mission
The National Livestock Mission also comes from the Ministry of Agriculture and Farmers-Welfare. Launched in 2014-15, it aims to develop the livestock sector in a sustainable way. NABARD acts as the subsidy channeling agency under the Entrepreneurship Development and Employment Generation EDEG part of the mission. The scheme emphasizes building livestock-based businesses and improving breeds of poultry, sheep, goats, and pigs, while also developing feed and fodder supplies.

Interest Subvention Scheme: In her Budget speech for 2006-07, the then Finance Minister announced that the Government would enable farmers to access short-term credit at a nominal interest rate of 7 per cent on a principal amount limited to Rs 3 lakh. This measure took effect from the Kharif season of 2006-07. Under the scheme, the value of the subvention is calculated on the disbursed crop loan from the day funds are released until the date the farmer repays or until the repayment date set by the lender, whichever comes first, with a ceiling of twelve months.
To give practical effect to the announcement, the Union Government granted a 2 per cent interest subsidy to Public Sector Banks, Regional Rural Banks, and Cooperatives for short-term production loans up to Rs 3 lakh, as long as these institutions, using their own funds, charged farmers the promised 7 per cent at the ground level. Since 2013-14, the same rates and conditions have applied to loans disbursed by rural and semi-urban branches of Private Sector Banks, thus broadening the reach of the scheme.

Problems of agriculture sector
Over the decades, India's agriculture has benefited from productive soils, diverse climates, and consistent water sources. Although the bulk of its cultivated area supports wheat, rice, and cotton, the country still ranks among the world's leading exporters of spices, pulses, and dairy products.
India remains one of the world's most important agricultural nations, and its farming community-the farmers themselves and everyone else who supports them-is undeniably the sectors backbone. Yet, like several other industries, agriculture is still confronted by long-standing troubles and some very recent surprises that must be addressed. The following paragraphs outline a few of the biggest hurdles that Indian farmers are tackling today.

Insufficient Water Supply
In terms of sheer volume, India's yearly rainfall and river flow should, in principle, provide enough water for every acre of cultivation. The crux of the matter, however, is that we have not yet pieced together a network of affordable, dependable systems that actually deliver that potential to the fields on time and at the right pressure. As a result, many farmers continue to gamble on the monsoon season, receiving far too little water-or none at all-because the channels, pumps, or wells simply fail to reach them when growth demands it.

Less Use of Modern Farming Equipment
Because the average farmer in India operates on only a few hectares-and in some regions on much less-buying, maintaining, and mastering large tractors or high-tech planting rigs still feels like a luxury instead of a necessity. Consequently, ploughs fashioned from wood or simple metal frames still take centre stage in many villages, mainly because they cost little, can be made locally, and suit the small, piecemeal fields that dominate the countryside. Without cooperative trusts, rental services, or government pushes that lower the entry barrier, modern equipment remains an admirable option that only a minority can afford to adopt.

Overdependence on Traditional Crops
For centuries rice and wheat have dominated Indian agriculture in many growing zones. This heavy focus, however, often causes surplus, storage bottlenecks, and a missing mix of other market-ready produce. The U.S. Department of Agriculture noted, "India is heading toward a fourth record wheat harvest and near-record rice production for 2020-21" (2020, world-grain.com).
Such statistics highlight that reliance on just two staples not only clogs warehouses but also leaves growers exposed to weak prices for a narrow portfolio.

Poor Storage Facilities: Across vast rural belts modern silos, refrigerated warehouses, and pest-proof bins are either battered or completely absent. As soon as the harvest arrives, growers are forced to unload their grain before spoilage, often accepting a fraction of fair-market value.

Transportation Problems: The Indian agricultural sector suffers profoundly from a shortage of affordable, reliable transport. Many smallholders still depend on bullock carts that move slowly and carry limited weight. Furthermore, hundreds of thousands of villages are linked to highways and market towns only by unpaved kutcha roads that turn to mud with the first heavy rain. Because of these barriers,

farmers frequently lose the chance to sell at fair prices, forced instead to unload their produce on local buyers who drive the price even lower.

High Interest Rates: Every year thousands of farmers take their own lives, crushed by debts that never seem to shrink a myriad related pressures. The interest charged by local moneylenders can be astronomically high, yet regulators have so far failed to make such terms illegal, a change that should be both straightforward and urgent. In addition, small and marginal farmers often confront long, confusing application processes whenever they seek loans from banks or cooperatives, and many simply give up before they learn the system.

Government Schemes Are Still Not Reaching Small Farmers: In 2008 the central government launched a debt-waiver and debt-relief scheme meant to assist more than thirty-six million farmers across India. That initiative included the cancellation of direct agricultural loans for many distressed households. Yet, many similar welfare programs and subsidies, whether from New Delhi or from the states, still fail to reach the poorest farmers and instead tend to benefit larger landlords who already enjoy considerable resources.

Present status of agriculture industry

The agricultural industry has seen impressive growth over the last two years. In 2021-22 the sector, still the biggest employer in the country, contributed 18.8 per cent to Gross Value Added (GVA) and recorded annual increases of 3.6 per cent in 2020-21 and 3.9 per cent in 2021-22. ("Economic Survey 2024-25")

Each sub-sector of agriculture has performed well recently, as explained below.

Gross Value Added (GVA) In Agriculture

Historically, agriculture and its allied industries provide about 18 per cent of total national GVA. That share rose to 20.2 per cent in 2020-21 before slipping to 18.8 per cent in 2021-22.

Agricultural Production

According to the Fourth Advance Estimates for 2020-21, total food-grain output reached a record 308.65 million tonnes, up 11.15 million tonnes from 2019-20. During the past six years-only from 2015-16 to 2020-21-rice, wheat and coarse cereals each grew at compound annual rates of 2.7, 2.9 and 4.8 per cent. Between 2014-15 and 2021-22, compound annual growth rates for pulses, oilseeds and cotton stood at 7.9, 6.1 and 2.8 percent, respectively.

Sugar Sector: The importance of sugarcane and the sugar industry to the Indian economy is illustrated by its rank as the second-largest agro-based industry after cotton, with a 50 million-strong farming community depending on it. India is the world's largest sugar consumer and its second-biggest producer. Average annual cane output hovers around 355 million tonnes and yields roughly 30 million tonnes of sugar. Domestic use was estimated at 26 million tonnes during 2020-21. This steady supply owes much to government policy, including the Fair and Remunerative Price scheme, whose floor rate for farmers has roughly doubled over the past decade.

Agricultural Credit: During the financial year 2020-21, total credit extended to the agricultural sector reached ₹15,75,398 crore, some ₹75,398 crore higher than the official target of ₹15,00,000 crore. For the following year, 2021-22, the lending goal has been set at ₹16,50,000 crore, and by 30th September 2021 banks had disbursed ₹7,36,589.05 crore, or 44.5 per cent of that annual target. In addition, under the Aatmanirbhar Bharat (ANB) stimulus package, the Centre announced a concessional credit boost of ₹2 lakh crore to be channeled through Kisan Credit Cards (KCCs) for approximately 2.5 crore farmers.

As a step toward this objective, data as of 17th January 2022 show that banks had issued KCCs to 2.70 crore eligible cultivators. To further diversify credit support, the government extended the KCC scheme to fish and animal husbandry producers in 2018-19, thereby enabling them to access timely working capital. Since then, 67,581 cards have been granted to fishers and aquaculture operators, while more than 14 lakh fresh KCCs were approved for dairy, poultry, and allied livestock farmers by 10th December 2021.

Water and Irrigation: Water is vital to farming, consuming roughly eighty percent of the nations water supply. Nearly half of all land farmed in the country is now covered by irrigation, and of that irrigated area, forty percent relies on canal networks while sixty percent draws from groundwater.

Agricultural Marketing

Wholesale agricultural marketing in India occurs through a network of 6,946 regulated wholesale markets established under the respective State Agricultural Produce Market Committee (APMC) Acts. The central government has pursued a series of deliberate reforms to connect farmers with these markets, thereby enabling them to achieve fair and rewarding prices for their products. As part of this effort, the APMCs have been designated eligible institutions under the Agriculture Infrastructure Fund (AIF), allowing them to improve facilities at the mandis. The AIF programme offers a 3 per cent annual interest subsidy on loans of up to ₹ 2 crore, valid for a maximum term of seven years. Each APMC may undertake multiple infrastructure projects within its market area-cold storage units, sorting and grading facilities, silos, and so forth-and still qualify for separate subsidy on the full loan ceiling of ₹ 2 crore for every distinct initiative.

Allied sectors: animal husbandry & dairying

The livestock industry represents a vital component of Indian agriculture. Between 2014-15 and 2019-20, value added by the sector expanded at a compound annual growth rate of 8.15 per cent in real terms. According to National Accounts Statistics 2020, the share of livestock in the overall gross value added of agriculture and allied activities climbed from 24.32 per cent in 2014-15 to 29.35 per cent in 2019-20. In absolute terms, the livestock sector accounted for 4.35 per cent of total national GDP in 2019-20, facilitating greater availability of milk, eggs, and meat for consumers across the country.

Dairy Sector

Dairy remains India's largest single agricultural commodity, contributing roughly 5 per cent of GDP and directly

employing over 80 million rural households. The country now ranks first in global milk production, supplying 23 per cent of the worlds total. Driven by enhanced breeding practices and cooperative models, annual milk output jumped from 146.31 million tonnes in 2014-15 to 209.96 million tonnes in 2020-21, reflecting a compound growth rate of about 6.2 per cent.

Egg and Meat Production

FAO Statistics for 2020 place India third in the world for egg production and eighth for meat output. Between 2014-15 and 2020-21, national egg numbers climbed from 78.48 billion to a provisional 122.11 billion. This improvement translated into per capita egg availability of roughly ninety-one eggs per person per year, also for 2020-21. During the same overall period, meat production rose from around 6.69 million tonnes to an estimated 8.80 million tonnes, confirming steady sector growth.

Fisheries

India is now the world's second-largest fish producer, providing 7.56 percent of total global landings. This activity contributes about 1.24 percent of national gross value added and over 7.28 percent of agricultural GVA. Since 2014-15, the fishery sector has averaged double-digit annual growth of 10.87 percent, culminating in provisional production of 14.5 million tons in FY 2020-21. More than 28 million people, especially from marginalized groups, rely on activities along the fishing value chain for their daily livelihoods. Export revenue during 2019-20 exceeded ₹ 46,662.85 crore, highlighting the sectors strong foreign-market demand.

Conclusion

India is routinely listed among the world's leading agricultural nations, often placed in the top two positions for output. The sector absorbs nearly 50 percent of the countries workforce and contributes approximately 17 percent to national GDP. For about two-thirds of India's labourers, farming or farming-related activities provide the principal means of support. In recognition of this, the government maintains a suite of policies and financial aids designed to meet the immediate monetary needs of farmers and agricultural labourers.

Although agriculture remains the economic backbone, it teeters under a constellation of structural weaknesses: surplus manpower, patchy irrigation, poor storage, tangled credit routes, and fragmented markets. Collectively, these bottlenecks slow productivity and threaten livelihoods across the rural landscape. Although multiple reforms have been tried, deeper, coordinated action is still needed if the sector is to gain the dynamism the economy demands. Indias identity is inseparable from its fields, and neglecting agriculture risks destabilizing broader social and economic fabric. Strategic, evidence-based planning and execution will be essential to clear the remaining hurdles. Encouragingly, the present administration is making farmer welfare a focal point and rolling out programmes intended not only to shield incomes but also to modernise agricultural practices and institutions.

The government has rolled out a range of new benefits, plans, and programs designed to assist farmers across the country. Each initiative offers tangible advantages, and ongoing outreach seeks to ensure that every farmer understands the potential impact these measures can have on daily work and long-term sustainability. First among them is the Soil Health Card scheme, which provides individual farmers with a detailed analysis of nutrient levels in their fields, allowing data-driven decisions about fertilizer applications that restore and maintain productivity. The Pradhan Mantri Fasal Bima Yojana (PMFBY) offers a risk-sharing insurance model in which farmers pay a modest premium—about 2 per cent on Kharif crops, 1.5 per cent on Rabi and oilseed varieties, and 5 per cent across annual horticulture—and the rest is borne equally by state and central governments. To further cut costs, the Neem-Coated Urea programme limits the misuse of subsidized urea by coating it with neem oil; the process slows nitrogen release, improves crop uptake, and ultimately reduces spending on additional fertilizer. Complementing these efforts, the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) pursues a holistic approach to irrigation, emphasising integrated water management, circular supply networks, and scalable on-farm installations. While most initiatives have met their initial enrolment targets, several schemes still face hurdles, and concerted work is under way to bring every programme to its full potential across diverse agro-ecological regions. Successful implementation of these agricultural programmes is critical if the productive sector is to gain their intended advantages.

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