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INDIA AND THE WORLD— THE ECONOMY IN 2024–25

Global growth remained below its long-term average in 2024, hamstrung by geo-economic conflicts, weak productivity growth, halted pace of disinflation, high debt levels, and volatile financial markets. Risks to global growth have amplified in 2025 from the escalation of protectionist tariffs, geopolitical tensions and the associated heightened uncertainty, notwithstanding the salubrious impact of softer international crude oil prices.

Despite a challenging global macro-financial landscape, the Indian economy recorded resilient growth in FY2025, supported by a notable decline in domestic inflation, sustained fiscal thrust on capital expenditure, strong corporate balance sheets, a sound external balance position, and a stable financial system. Robust agricultural growth and vibrant rural demand conditions bolstered the growth momentum. Looking ahead, growth in FY2026 could be expected to receive support from accommodative monetary policy, ample liquidity conditions, deregulation, and fiscal measures aimed at boosting consumption demand through income tax reforms. Unresolved tariff disputes and spillovers from weaker global growth, however, could negatively impact the growth outlook.

1.1 GLOBAL MACRO-FINANCIAL CONDITIONS

Global growth at 3.3% in 2024 was below its long-term average growth of 3.7% recorded during 2000-2019 (Table 1.1). In 2025, as per the assessment of the IMF in its World Economic Outlook, April 2025, global growth is projected to decelerate to 2.8%, impacting both Advanced Economies (AEs) and Emerging and Developing Economies (EMDEs), as a consequence of the escalation in protectionist tariffs and extreme uncertainty. Global trade policy uncertainty index spiked to a record high level, not seen after 1960. The Global Economic Policy Uncertainty Index also scaled new peaks, tending closer to the highest levels reached at the time of the COVID-19 pandemic. Bond, equity and foreign exchange markets went through episodic bouts of volatility.

After the notable disinflation experienced globally in 2024 that raised expectations of sharper interest rate cuts, the pace of disinflation slowed considerably and headline inflation in the first quarter of 2025 hovered above the inflation targets in most countries. With the inflation and growth outlook of countries turning more uncertain till the trade and geopolitical tensions are resolved, financial markets remain on the edge amid lackluster business confidence.

According to the World Trade Organization (WTO) global merchandise trade volume expanded at a steady pace over the successive quarters of 2024 and initial months of 2025, but thereafter, particularly following the wave of tariff escalations and subsequent selective temporary deferment, merchandise trade is projected to contract by 0.2 % in 2025. The contraction could be higher, by 1.5%, if the situation deteriorates. Services, accounting for 26.4% of global trade in 2024, registered higher growth than merchandise trade in recent years, in terms of volume. In value terms, services trade increased by 9% in 2024, as against 2% increase for merchandise trade. In 2025, growth in services trade is also expected to decelerate, because of the indirect impact of tariffs operating through weaker overall global demand conditions. Commodity prices, both oil and non-oil, remained volatile in this environment. While crude oil (Brent) prices surged to above \$ 80 per barrel in October 2024 and again in January 2025, there was a sharp downward correction by March 2025 and prices fell closer to \$ 60 per barrel in early May 2025. After hardening over a brief period in June 2025 in response to renewed geopolitical tensions, oil prices retreated quickly. Gold prices scaled new historical high levels in 2025.

Table 1.1: Global economic indicators (year-on-year growth %)

Indicators	*2023*	*2024*	*2025*
World output	3.3	3.3	2.8
Advanced economies (AEs)	1.7	1.8	1.4
Emerging market and developing economies (EMDEs)	4.4	4.3	3.7
World trade volume (goods and services)	0.7	3.8	1.7
World trade volume (goods)	-1.0	2.9	-0.2
World trade volume (commercial services)	6.8	6.8	4.0
World consumer prices	6.7	5.7	4.3
AEs	4.6	2.6	2.5
EMDEs	8.1	7.7	5.5
Commodity prices($)			
Oil	-16.4	-1.8	-15.5
Non-fuel	-5.7	3.7	4.4

Sources:
- IMF (2025), World Economic Outlook, April 2025, International Monetary Fund, Washington, D.C. https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025.
- World trade volume (goods), World trade volume (commercial services): WTO (2025), Global Trade Outlook and Statistics, World Trade Organization, Geneva, Switzerland, April. https://www.wto.org/english/res_e/booksp_e/trade_outlook25_e.pdf.

1.2 DOMESTIC MACROECONOMIC DEVELOPMENTS

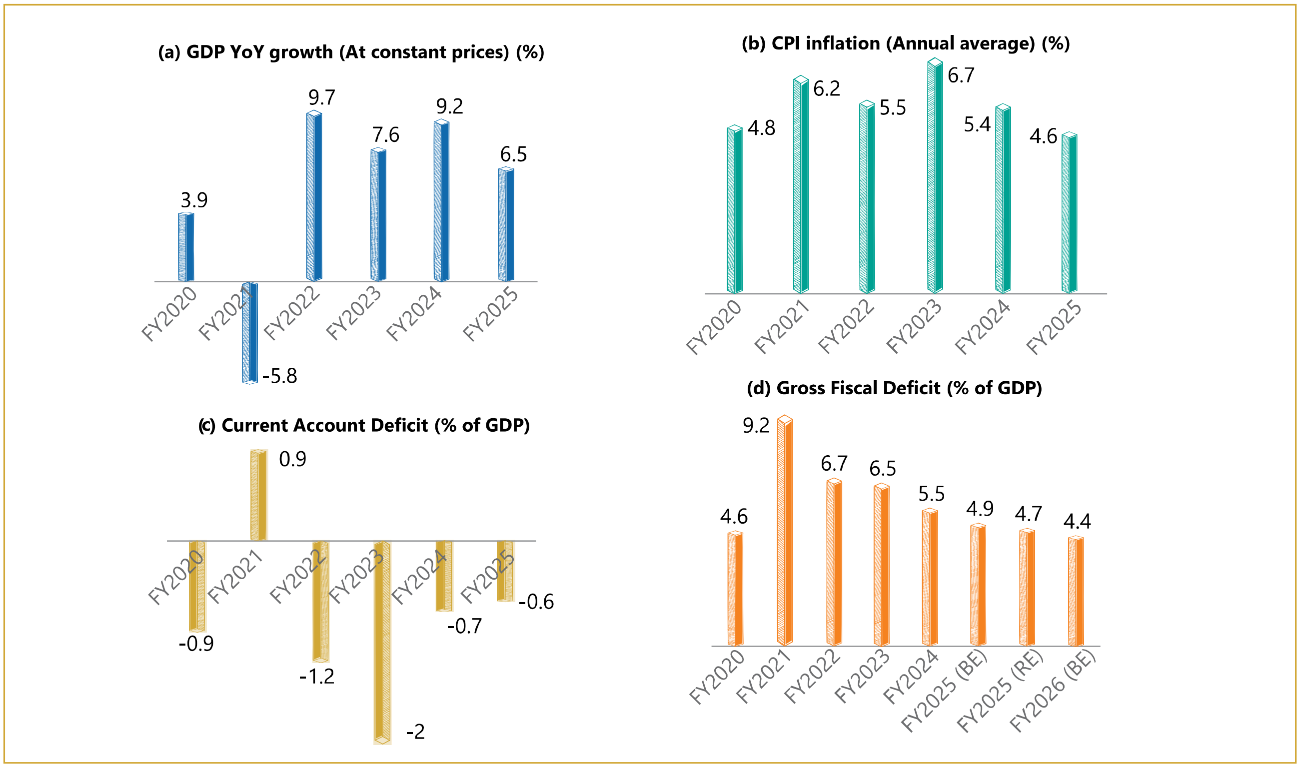
1.2.1 Resilient Growth in a Sound Macroeconomic Policy Setting

India's gross domestic product (GDP) growth remained resilient during FY2025, aided by sound domestic macroeconomic conditions in the form of moderation in inflation, sustained thrust on public sector capex and fiscal consolidation, a sustainable level of current account deficit, financial sector stability and healthy balance sheets of corporates. GDP growth at 6.5% in FY2025, however, decelerated from the robust growth of 9.2% recorded in FY2024, but India still remained as the fastest growing major economy in the world, in an unfavorable global environment marred by geoeconomic conflicts and escalation in trade tensions (Figure 1.1).

Inflation, measured by year-on-year change in the consumer price index (CPI), moderated sharply in the last two months of the year to below 4%, and the average inflation for the year at 4.6% was also lower than the average inflation experienced over the previous five years (Figure 1.1). Core CPI (excluding food and fuel) inflation remained subdued all through the year, aided by past tightening of monetary policy and fiscal consolidation, besides firmer anchoring of inflation expectations under the flexible inflation targeting (FIT) framework of monetary policy. With broad based moderation in inflation in the last quarter of the year, and revised softer outlook for inflation in FY2026, the RBI lowered the policy rate cumulatively by 100 basis points and injected ample liquidity to shift the overall liquidity conditions in the system into a surplus, which helped in easing interest rates across the term structure.

India's external balance position remained sound. The current account deficit at $23.3 billion (0.6% of GDP) in FY2025 was lower than the deficit of $26.0 billion (0.7% of GDP) recorded in FY2024. India's current account balance in fact recorded a surplus of $13.5 billion in Q4 FY2025. Higher services exports and remittance inflows helped in containing the current account deficit during the year in an unfavourable global environment for merchandise trade.

Figure 1.1: Key Macroeconomic Trends



BE = Budget Estimates, GDP = Gross Domestic Product, RE = Revised Estimates, YoY = Year-on-Year.

Note: In Figure 1.1 (d), fiscal figures may vary from those published in the Union Budget due to revisions in GDP data.

Sources:

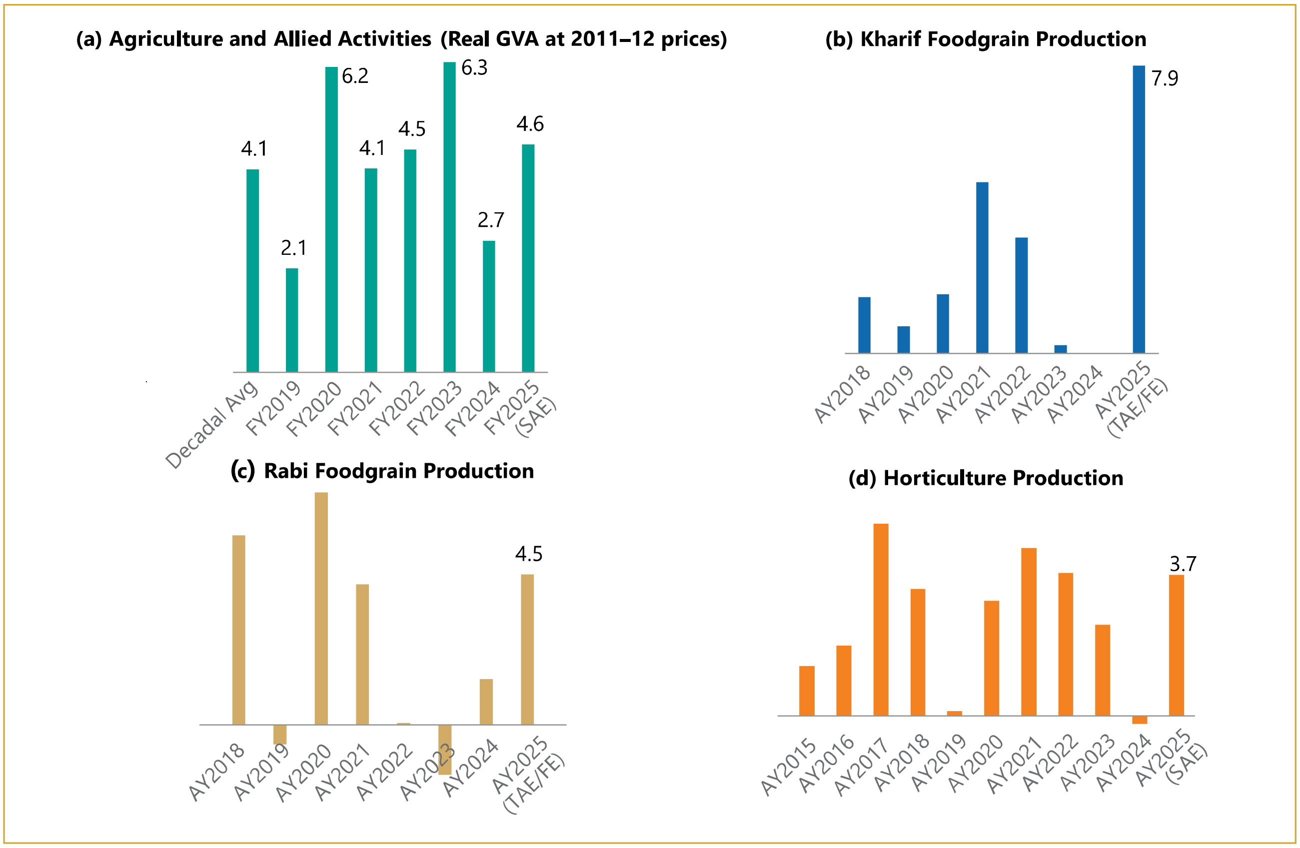
- Figure 1.1 (a): GOI (2025), Provisional Estimates of Annual GDP for 2024-25 and Quarterly Estimates of GDP for Q4 of 2024-25, National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2132688.
- Figure 1.1 (b): GOI (various years), Central Statistical Office, Ministry of Statistics and Programme Implementation, Government of India.| RBI (2025), Monetary Policy Statements (2024–25), Reserve Bank of India, Mumbai.
- Figure 1.1 (c): Database on Indian Economy, Reserve Bank of India. https://cimsdbie.rbi.org.in/DBIE/#/dbie/home.
- Figure 1.1 (d): Union Budgets, Ministry of Finance, Government of India.

Fiscal policy sustained the delicate balancing act of further fiscal consolidation while supporting growth through targeted public expenditure. While the former could help overall growth in the economy by improving resource allocation, the latter, in the form of higher capital expenditure and tax-cut induced more disposable income for the middle class could spur a virtuous broad-based growth process where both investment and consumption demand support growth, which was needed at a time when sectoral indicators had started showing signs of moderation in urban demand. The fiscal deficit as % of GDP is budgeted to decline to 4.4% of GDP, while capital expenditure of the central government at ₹11.2 lakh crore is 10 % higher than revised estimates for the last year (of ₹10.2 lakh crore), and personal income tax reforms with a special focus on the middle class will entail a boost to consumption by transferring about ₹1 lakh crore in the form of a lower tax burden. It is evident from the robust GDP growth of recent years that the combination of fiscal consolidation and improved quality of expenditure has been supportive of growth.

1.3 ROBUST GROWTH IN AGRICULTURE BOOSTED RURAL DEMAND

Gross value added (GVA) in agriculture and allied activities registered a strong growth of 4.6% in FY2025, aided by a robust pick up in the production of both foodgrains and horticulture output (Figure 1.2). After witnessing subdued growth in kharif foodgrains production and horticulture production in AY2024, and weak rabi foodgrains production during the last three years, the vigorous rebound in momentum of activity in AY2025 in all three segments contributed to the broad-based expansion of the farm sector in AY2025 (Figure 1.2). With about one fifth of the average rural household income accruing from cultivation and another 7% from livestock rearing (as per NABARD's All India Rural Financial Inclusion Survey, 2021-22), a healthy growth in the farm sector GVA provided a major boost to rural demand. Total production of horticulture crops at 3,677.2 lakh MT (second advance estimates) exceeded total foodgrains production of 3,539.6 lakh MT (third advance estimates), as in the previous years.

Figure 1.2: Agriculture and allied sector GVA, foodgrains, and horticulture production: YoY Growth (%)

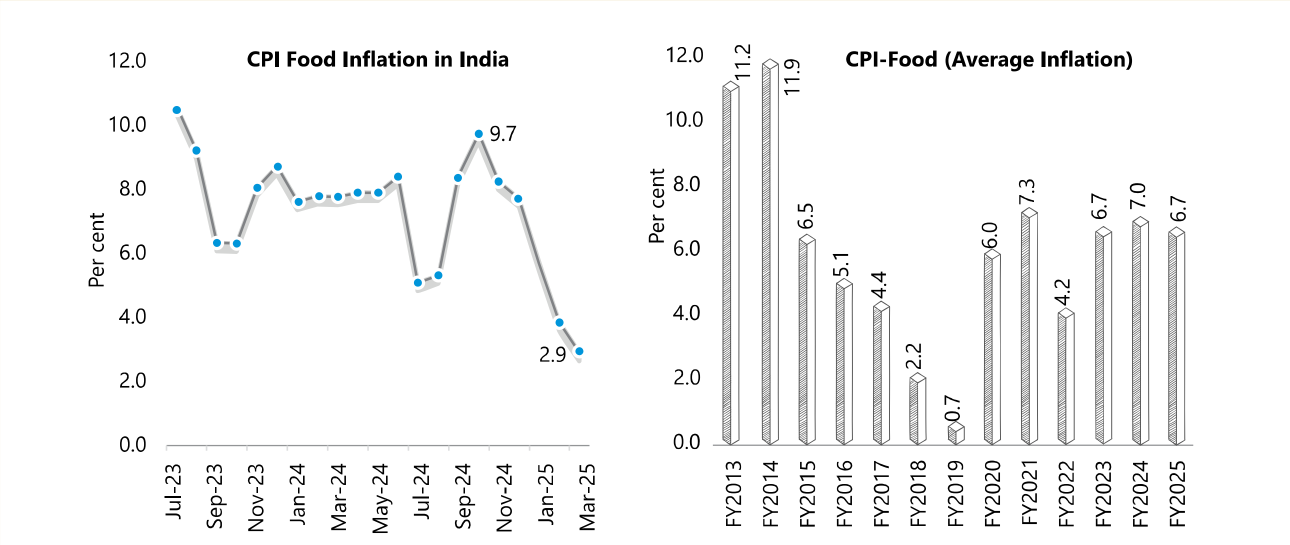


FE = Final Estimates, GVA = Gross Value Added, SAE = Second Advance Estimates, TAE = Third Advance Estimates, YoY = Year-on-Year.
Sources:
- Figure 1.2 (a): Central Statistical Organisation, Ministry of Statistics and Programme Implementation, Government of India.
- Figure 1.2 (b, c, d): Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, Government of India.

1.3.1 Food Inflation Moderated Sharply During the Year

Food accounts for 45.86 % of the average consumption basket in India (as per the current consumption basket used in measuring CPI inflation) and, therefore, lower food inflation helps not only in achieving overall price stability but also in supporting stronger growth because of improved purchasing power of income and the associated boost to real demand in the economy. During the second half of the year, food inflation softened from 9.7% in October 2024 to 2.9% in March 2025, but the average food inflation in FY2025 stayed elevated at 6.7%. In the last five out of six years, average annual food inflation has been 6% or more, suggesting the need for sustained measures to augment crop yields, improve food supply chains to reduce mark ups, and reduce food waste (Figure 1.3).

Figure 1.3: CPI Food Inflation



Source: MoSPI and RBI

The average consumption pattern of the Indian households has changed since 2011-12, as evident from the findings of the household consumption expenditure survey (HCES, 2022-23) relating to the period August 2022–July 2023, which was released after a gap of 11 years, and (HCES, 2023-24) relating to the period August 2023–July 2024 (Table 1.2). While the share of food declined significantly in 2022–23 relative to 2011–12 for both rural and urban areas, the corresponding shares increased marginally in 2023–24 over 2022–23, which indicates that when food inflation remains elevated, a higher proportion of consumption (for given disposable income) may be devoted to food. With the share of food in the average consumption basket remaining still high in 2023–24, supply side measures will continue to be critical for non-inflationary growth in the economy.

Table 1.2: Share of cereals/food as a percentage of average MPCE

Period	Rural		Urban	
	Cereals	Food	Cereals	Food
1999–2000	22.2	59.4	12.4	48.1
2004–05	17.5	53.1	9.6	40.5
2009–10	13.8	57.0	8.2	44.4
2011–12	10.8	52.9	6.7	42.6
2022–23	4.9	46.4	3.6	39.2
2023–24	5.0	47.0	3.8	39.7

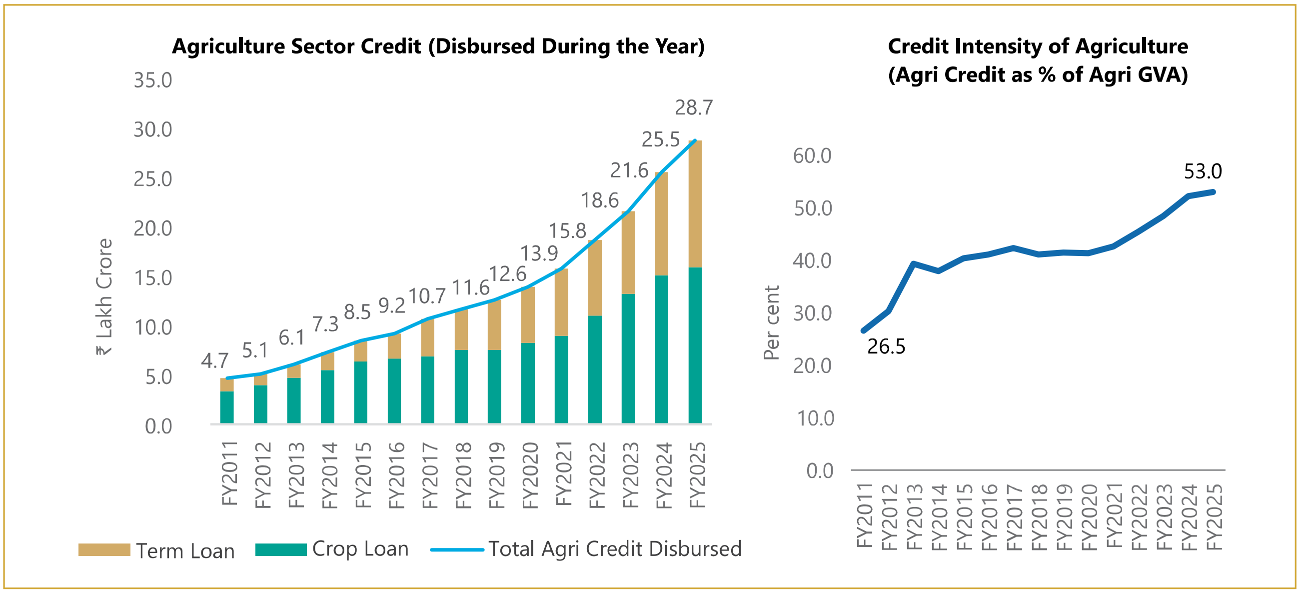
MPCE = Monthly Per Capita Consumption Expenditure.

Source: NSSO (2024), Survey on Household Consumption Expenditure: 2023-24, NSS Report no. 592, National Sample Survey Office, Ministry of Statistics and Programme Implementation, Government of India.

1.3.2 Farm Sector Buoyancy Spurred by Sustained High Growth in Credit Flows to Agriculture

Sustained policy emphasis of the Government in the form of mandating targeted flow of credit to agriculture under the priority sector norms and comprehensive coverage of Kisan Credit Card (KCC) beneficiaries through the KCC saturation drive has led to consistent uptrend in the credit intensity of agriculture. While the annual target set for the flow of credit to the agriculture sector has consistently been overachieved in recent years, importantly, the share of investment credit (term loan) has also progressively increased to more than 40% now, contributing to increase in both crop yields and value addition. In FY2025, as against the target of ₹27.5 lakh crore, actual disbursement of farm credit was at ₹28.7 lakh crore, for both crop production and farm sector investment taken together. Credit intensity, i.e., credit flows to the agriculture sector as percentage of annual agricultural GVA, which was at about 10% at the beginning of the current century, has surpassed 50% now (Figure 1.4). With the increase in KCC limit in the Union Budget for FY2026 from ₹3 lakh to ₹5 lakh for receiving interest rate subventions under the modified interest subvention scheme, and also the increase in the limit of collateral free agricultural lending per borrower by the RBI from ₹1.6 lakh to ₹2 lakh, the uptrend in credit intensity could be expected to continue.

Figure 1.4: Credit Flows to Agriculture

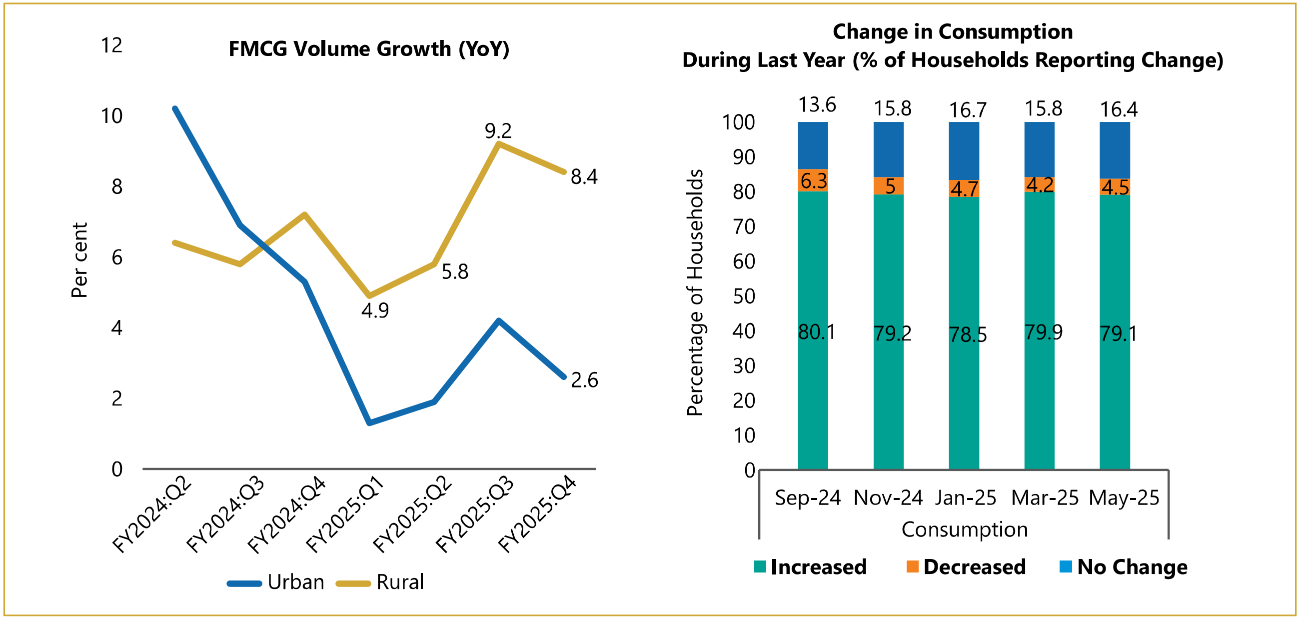


Source: NABARD

1.4 RURAL ECONOMIC ACTIVITY REMAINED BUOYANT

Several indicators of economic activity suggested stronger consumption-led growth momentum in rural areas during the year. Volume growth in fast moving consumer goods (FMCG) not only exceeded the subdued pace of growth witnessed in urban areas but also showed gradual acceleration over successive quarters of FY2025 before slackening modestly in the last quarter (Figure 1.5). As per NABARD's bi-monthly Rural Economic Conditions & Sentiments Survey, consumption expenditure of rural households remained upbeat all through the five rounds of the survey (conducted in September 2024, November 2024, January 2025, March 2025 and May 2025), with a high percentage of them (79.1% in May 2025) reporting to have experienced an increase in their consumption expenditure during the last one year (i.e., 12 months preceding the period

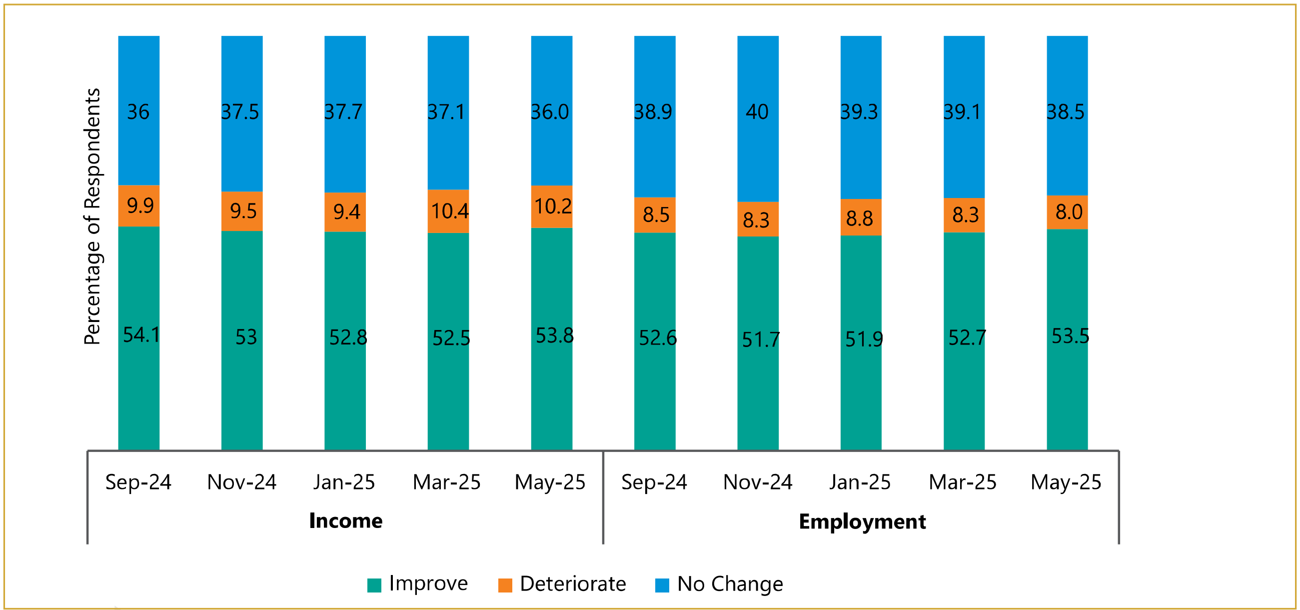
Figure 1.5: Rural Consumption Demand in 2024–25



Source: NIELSENIQ and NABARD

when they participated in the survey round). Importantly, the share of those households in total households that reported to have experienced a decline in their consumption remained low over all the five rounds of the survey (at only 4.5% in May 2025). A majority of the households (more than 50%) also have consistently revealed that they expect an improvement in their income and employment conditions during the next quarter (Figure 1.6).

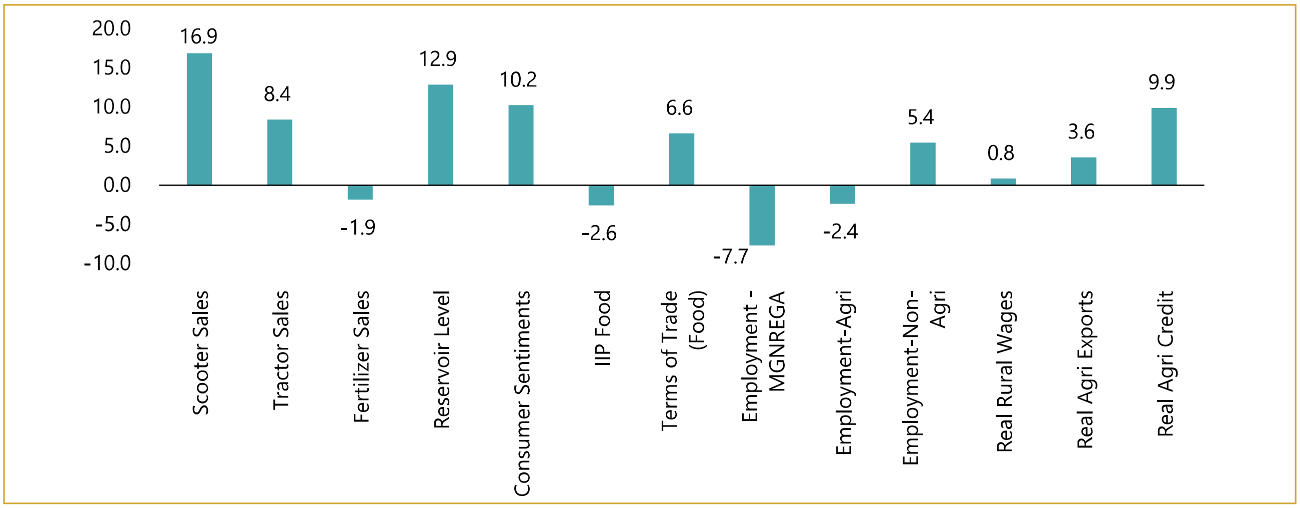
Figure 1.6: Rural Household Sentiments – Income and Employment (Expected Change During Next Quarter)



Source: NABARD

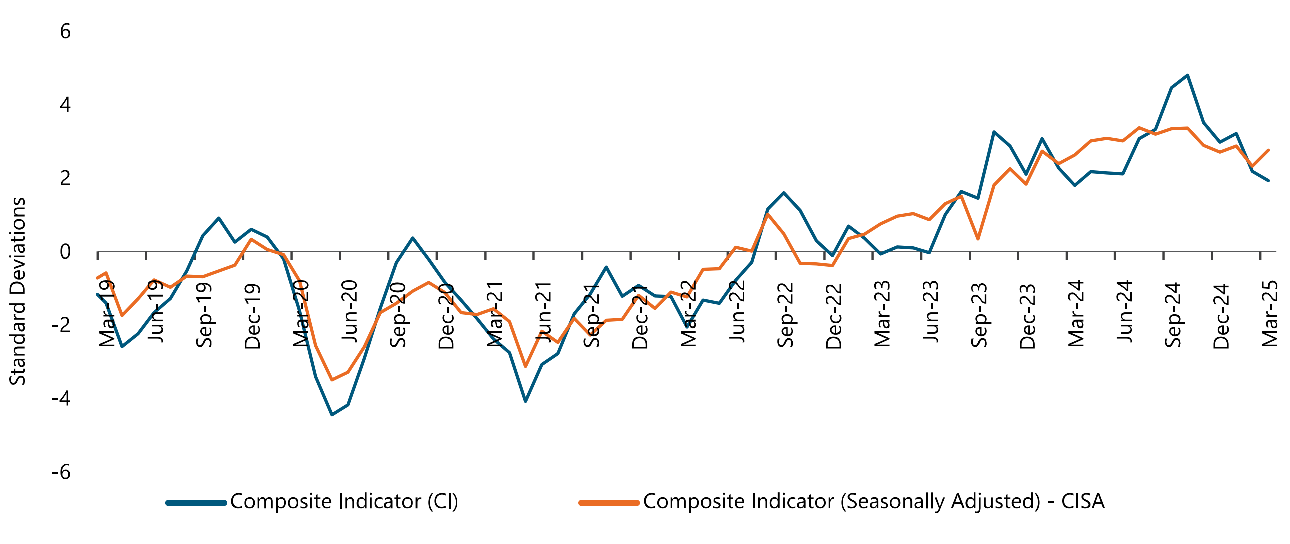
The state of the rural economy could be tracked by assessing movements in several high-frequency (monthly) indicators individually, and also by constructing a composite index of rural economic activity. The set of multiple indicators comprise scooter, fertilizer, and tractor sales, agricultural and non-agricultural employment, agricultural exports, bank credit flows to agriculture, MGNREGA demand, rural wages, terms of trade (i.e., the ratio of food prices to non-food prices, as sourced from the wholesale price index), reservoir water level (which could impact crop prospects), and rural sentiment (as per the CMIE survey). Nominal indicators (like agricultural exports, agricultural credit and rural wages) are deflated by CPI-rural inflation to ensure comparability across indicators. For assessing the performance in FY2025 over FY2024, the twelve-month average values for each indicator are generated first, and then the growth rate is estimated from these annual average values. As per this approach, several indicators exhibited robust growth in FY2025 (Figure 1.7). It may be noted that a decline in employment under MGNREGA and employment in agriculture coincided with expansion in non-agri employment, and therefore, all these three indicators taken together point to an improvement in the state of the rural economy.

Figure 1.7: Rural Activity Indicator (% Change in Annual Average Values of FY2025 over FY2024)



When multiple high frequency indicators move in opposite direction, and their relative significance to the state of the rural economy is not very clear, the well-known dimension reduction technique, the principal component analysis (PCA), could be employed to construct a composite indicator. The composite indicator of rural economic activity for India shows that the momentum of rural economic activity was buoyant in FY2025, with some moderation in the second half (Figure 1.8).

Figure 1.8: Composite Indicator of Rural Economic Activity



Source: NABARD

Note: Since the underlying variables are heterogeneous, they are standardised first (each with zero mean and unit variance). Higher/lower values of the index, therefore, are in terms of standard deviations above/below the average value. Since monthly data often have seasonality, they are de-seasonalised for constructing a seasonally adjusted composite index also.

1.4.1 Policy Initiatives Drive Transformative Changes in the Rural Economy

Recognising that the challenges facing the rural economy and the agriculture sector remain complex but interconnected, a multipronged policy approach has been adopted by the Government for driving transformative changes in the rural economy. Some of the major recent policy interventions are set out in Table A1.1. These initiatives collectively aim at reducing poverty, raising income of farmers, enhancing resilience to climate shocks, promoting adoption of technology and modern cropping practices to enhance farm productivity, strengthening marketing infrastructure and rural supply chain, harnessing the potential of digital infrastructure and deepening financial inclusion. In the Union Budget for FY2026, several specific measures were announced to raise farm sector productivity and enhance rural prosperity (Box A1.1).

1.5 THE MACROECONOMIC OUTLOOK

India's resilient growth performance in the recent years has been an outcome of its sound macroeconomic policies and past structural reforms, but the required rate of annual GDP growth for achieving the envisioned status of an advanced economy by 2047 is higher, warranting sustained focus on pro-growth policies to raise the country's growth potential. The Union Budget for FY2026 has rightly emphasised reforms as the fuel for the four powerful engines of growth – Agriculture, MSME, Investment, and Exports – to achieve the destination of Viksit Bharat. Policies for reducing resource misallocation, enhancing competition, and supporting innovations would be critical to raise the medium-term growth potential of the country. In the near term, however, India's growth outlook has been impacted by the escalation of protectionist tariffs and elevated levels of uncertainty in the global economy, which could impinge on two of the four engines of growth directly, i.e., exports and investment.

Global trade growth is now assessed by the WTO to contract in 2025, with North America expected to experience a contraction in imports by 9.6%. For India, USA being its key export market, an early completion of its bilateral trade agreement with the USA and/or resolution of the tariff tensions globally, would be critical for improving India's export prospects. Buoyant services exports, and new opportunities for merchandise exports that may arise for India—depending on how other countries retaliate or negotiate their tariff structure, however, may limit the adverse impact of any contraction in global trade on India's exports and growth prospects. Private investment demand in India was subdued even before the wave of tariff escalations started, and the potential risk of cheaper imports entering India from other countries, expected moderation in domestic demand reflecting spillovers from likely global growth slowdown, possible lowering of tariff protection by India in some sectors as part of trade agreement, and volatile financial markets may depress investment sentiment. With more than one third of India's merchandise exports coming from MSMEs and about one tenth of exports coming from the farm sector, if the overall global trade situation deteriorates, even agriculture and MSMEs may witness some downside risks to their prospects. Successful completion of the India-UK trade deal, however, is a major upside for the growth outlook.

In this unfavourable global environment, domestic macroeconomic policy setting has distinctly turned growth supportive. With the sharp moderation in inflation since February 2025, hovering below 4%, and the projected lower inflation for FY2026 by RBI, monetary policy rate has been lowered cumulatively by 100 bps, system level liquidity position has been switched to a perpetual surplus using relevant liquidity management instruments, and policy deregulations have provided impetus for boosting credit growth. The Union Budget for FY2026 has provided direct stimulus to consumption demand of ₹1 lakh crore, besides sustaining the thrust on capital expenditure and raising incentives for the states to augment their capex, which together provide the fiscal impulse to growth. India's growth process being dominated by services, an adverse external environment for merchandise trade may not pose much downside risks to overall growth. Softer commodity prices, reflecting weak global demand, and an above normal monsoon projected by the IMD are likely to offset the adverse impact of spillovers from any slowdown in global trade and growth. Healthy balance sheet positions of the Indian corporates and major financial sector entities should also help in preserving resilience of the growth process. Taking into account the balance of risks, the RBI has assessed CPI inflation in 2025-26 to average at 3.7% with projected GDP growth pegged at 6.5%. This growth inflation balance is likely to help sustain India's global enviable position as among the fastest growing major economies with overall macro-financial stability.

In FY2025, buoyant rural demand and robust performance of agriculture sector had helped in limiting the adverse impact of weakening urban demand and subdued growth in manufacturing. For sustaining the same level of support to overall non-inflationary growth in FY2026, implementing key reforms announced in the budget would be critical, ranging from giving special attention to 100 aspirational districts where growth potential remains untapped to enhancing climate resilience, achieving self-sufficiency in edible oil and pulses, improving supply chains for vegetables, raising productivity though adoption of technology and modern cropping practices, and creating greater non-farm employment opportunities. A favourable monsoon outlook and adequate flow of credit to agriculture ensured through priority sector lending norms and targeted financial inclusion measures provide congenial conditions for the sector. It is important, however, to ensure that food inflation remains contained during the year, through timely supply side measures, if needed, so as to avoid any domestic adverse supply shock induced disruption to growth and macro stability. Both decline in rural inflation and fiscal transfers from the government under different welfare schemes have helped in improving rural living conditions, but to enhance rural economic prosperity on a durable basis it would be critical to sustain the policy thrust on creating adequate non-farm employment opportunities, by incentivising rural MSMEs, start-ups, rural housing, e-commerce and local innovations, while also containing risks to employment from wider adoption of artificial intelligence (AI) for greater business efficiency and productivity.

APPENDIX TO CHAPTER 1

Table A1.1: Transformative Policy Changes in the Farm Sector

Sr. No.	Name of the Scheme	Objectives
01.	Market Intervention Scheme and Price Support Scheme (MIS-PSS)	The Government introduced a new component of Price Differential Payment under Market Intervention Scheme (MIS) from AY2025 season for direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers of perishable crops. States/UTs have an option to choose either the physical procurement of the crop or to make the differential payment between the MIP and Sale Price to the farmers. This was introduced to protect farmers of perishable crops from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below cost of production. Additionally, a new feature has been included under MIS to reimburse central nodal agencies for the storage and transportation costs of Tomato, Onion, and Potato (TOP) crops when moved from surplus-producing states to consumer markets, ensuring farmer welfare and market stability.
02.	Modified Interest Subvention Scheme (MISS)	Under the Modified Interest Subvention Scheme (MISS), the limit of the subsidized KCC loans have been increased from ₹3 lakh to ₹5 lakh. Further, the collateral-free agricultural loan limit has also been increased from ₹1.6 lakh to ₹2 lakh per borrower. These changes shall strengthen financial inclusion, support the agricultural sector, and foster credit-driven economic growth, aligning with the government's long-term vision for sustainable agriculture.
03.	Namo Drone Didi	A Central Sector Scheme, it aims at providing drones to the Women Self-Help Groups (SHGs), with Central Financial Assistance @ 80% of the cost of drone and accessories/ancillary charges up to a maximum of ₹8 lakh. The Cluster Level Federations (CLFs) of SHGs may raise the balance amount (total cost of procurement minus subsidy) as loan under Agriculture Infrastructure Fund (AIF), and interest subvention @ 3% on the AIF loan will be provided to the CLFs.
04.	Digital Agriculture Mission	The Government approved the Digital Agriculture Mission with a total allocation of ₹2,817 crore to build a robust digital ecosystem for Indian agriculture, enabling timely access to accurate crop-related information and fostering the development of farmer-centric digital innovations. The Mission aims to develop a Digital Public Infrastructure (DPI) for Agriculture, encompassing platforms like AgriStack, the Krishi Decision Support System, and a comprehensive Soil Fertility and Profile Map. The AgriStack DPI is built upon three core registries maintained by State Governments and Union Territories—Geo-Referenced Village Maps, a Crop Sown Registry, and a Farmer Registry. As part of the Mission's goals, the Government aims to generate Farmer IDs for 11 crore farmers across the country by FY2027 and implement a Digital Crop Survey in all States and UTs starting from Kharif 2025.
05.	Agri Fund for Start-ups & Rural Enterprises (AgriSURE)	Agri Fund for Start-ups & Rural Enterprises (AgriSURE), a ₹750 crore Category-II Alternative Investment Fund was established to boost rural innovation and entrepreneurship. This blended capital fund is comprised of ₹250 crore each from the Department of Agriculture and Farmers Welfare and NABARD, with an additional ₹250 crore mobilized from financial institutions. Under the management of NABVENTURES, a NABARD subsidiary, the fund aims to support scalable agri-based start-ups and rural enterprises across the agricultural value chain.
06.	Credit Guarantee Scheme for e-NWR Based Pledge Financing (CGS-NPF)	With the objective to reduce distress sales, the Government of India launched the Credit Guarantee Scheme for electronic Negotiable Warehouse Receipts (e-NWRs) based Pledge Financing (CGS-NPF), providing a ₹1,000 crore corpus to support post-harvest financing for farmers. Under this scheme, farmers can access credit by pledging their produce stored in Warehousing Development and Regulatory Authority (WDRA) accredited warehouses, backed by e-NWRs.

Box A1.1: Highlights of Measures Announced in the Union Budget FY2026 for Agriculture and Rural Economy

1. **Prime Minister Dhan-Dhaanya Krishi Yojana** – Through the convergence of existing schemes and specialized measures, the programme will cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters, and aim to (1) enhance agricultural productivity, (2) adopt crop diversification and sustainable agriculture practices, (3) augment post-harvest storage at the panchayat and block level, (4) improve irrigation facilities, and (5) facilitate availability of long-term and short-term credit. This programme is likely to help 1.7 crore farmers.
2. **Aatmanirbharta in Pulses** – Government will launch a 6-year "Mission for Aatmanirbharta in Pulses" with a special focus on Tur, Urad and Masoor.
3. **Comprehensive Programme for Vegetables & Fruits** – A comprehensive programme to promote production, efficient supplies, processing, and remunerative prices for farmers will be launched in partnership with states.
4. **National Mission on High Yielding Seeds** – A National Mission on High Yielding Seeds will be launched, aimed at (1) strengthening the research ecosystem, (2) targeted development and propagation of seeds with high yield, pest resistance and climate resilience, and (3) commercial availability of more than 100 seed varieties released since July 2024.
5. **Mission for Cotton Productivity** – This 5-year mission will facilitate significant improvements in productivity and sustainability of cotton farming and promote extra-long staple cotton varieties. The best of science & technology support will be provided to farmers.
6. **Building Rural Prosperity and Resilience** – A comprehensive multi-sectoral 'Rural Prosperity and Resilience' programme will be launched in partnership with states, to address under-employment in agriculture through skilling, investment, technology, and invigorating the rural economy.
7. **Grameen Credit Score** – The Grameen Credit Score, a framework will be developed by public-sector banks for the credit needs of members of Self-Help Groups (SHGs) and people in rural areas.
8. **Development of Fisheries in India's EEZ** – Government will bring a framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone (EEZ) and High Seas, with a special focus on the Andaman & Nicobar and Lakshadweep Islands.
9. **Jal Jeevan Mission** – Since 2019, 15 crore households representing 80% of India's rural population have been provided access to potable tap water connections. To achieve 100% coverage, the Mission is extended until 2028 with an enhanced total outlay.
10. **Gene Bank for Crops Germplasm** – The 2nd Gene Bank with 10 lakh germplasm lines will be set up for future food and nutritional security. This will provide conservation support to both public and private sectors for genetic resources.