Budget 2026 Qua Animal Husbandry

Reading Between the Lines

SHRIDHAR speaks

Tarun Shridhar
Director General,
Indian Chamber of
Food and Agriculture,
and former Secretary,
Ministry of Fisheries,
Animal Husbandry and
Dairying, Govt.of India

The bright red bag the Finance Minister carried to the Parliament for the Budget presentation generated a bit of curiosity. Was it symbolically showcasing the transformation from the erstwhile British inherited Briefcase to the indigenous Bahikhata, albeit a digital one, further signifying our adoption of technology in governance. Interesting to learn that the word "budget" has its origin in the French word bougette, meaning a leather bag, wallet or pouch which later evolved to bouget and then a Middle English word budjet i.e. the king's bag containing the money necessary for public expenditure. This probably explains the prominence in media pictures given to the bag the Finance Minister carries to the Parliament for budget presentation. The discussion too, before and after the budget, centres around money collection and distribution across sectors. The budget now is not just a money bag but a central policy document of the government, defining and prioritising its annual and multi-annual objectives; it is an expression of the values and aspirations the nation holds.

Does the current budget give a fresh lease of life, a healthier one, to the animal husbandry sector? Does it look beyond the run of the mill programmes focussed on distribution of subsidies on sundry investments and activities? Let us take a fine-tooth comb and scratch the surface.

The context of this budget is defined by the Economic Survey 2025-26, which highlights that while the overall agriculture and allied sector grew at an average rate of 4.4% at constant prices over the last five years, the internal dynamics of this growth are increasingly asymmetric. Livestock GVA has surged at approximately 7.1% annually over the last decade, compared to a more modest 3.5% for traditional crops. Consequently, the 2026-27 budget doubles down on these growth engines, rewarding sectors that demonstrate higher productivity gains and export potential while paring back research and subsidy outlays for core crop agriculture.

The 2026-27 budget has been presented in an environment of global upheavals and disruption of the established order, from wars, real and imminent; near collapse of the global rule based engagement; prohibitive, erratic and penal tariffs; a reverse of trade globalisation etc. Rebuilding economic confidence in such an environment is indeed a challenge. The total estimated government expenditure stands at Rs. 53,47,315 crore, reflecting a 7.7% increase over the revised estimates of 2025-26. Within this vast fiscal canvas, the Ministry of Fisheries, Animal Husbandry and Dairying has received a combined allocation of Rs. 8,915.26 crore, with the Department of Animal Husbandry and Dairying (DAHD) alone securing Rs. 6,153.46 crore, a remarkable 27.1% increase over the previous year and 107.8% growth since 2024-25. This allocation comes against the backdrop of the livestock sector contributing nearly 16% of farm income and growing at over 7% annually, outpacing traditional crop agriculture. This fiscal prioritisation also reflects the reality that livestock provides a critical safety net for poor and marginal households during crop failures.

The budgetary architecture for 2026-27 reveals strategic priorities across the livestock value chain. The Livestock Health and Disease Control Programme remains the largest recipient at Rs. 2,010 crore, focused on nationwide vaccination drive against Foot-and-Mouth Disease and Brucellosis. While this may represent only a 1.5% increase from the previous year, the continuity of funding ensures sustained veterinary services and disease surveillance capacity.

The National Programme for Dairy Development (NPDD) received Rs. 1,055 crore, up 5.5% from Rs. 1,000 crore in 2025-26. This allocation targets dairy processing infrastructure, milk chilling facilities, cooperative development, and quality control mechanisms to address the persistent challenge of post-harvest losses and low value addition in India's dairy supply chain. Over the past two years, NPDD funding has surged by 258.9% from its 2024-25 actual expenditure of Rs. 293.92 crore, reflecting an accelerated push toward modernisation.

The Rashtriya Gokul Mission (RGM) secured Rs. 800 crore for indigenous breed improvement and genetic enhancement. This represents a substantive restoration after receiving only a token provision (Rs. 0.01 crore) in Budget 2025-26 before mid-year revision increased it to Rs. 700 crore. RGM's focus on establishing "Gokul Grams" (cattle centres) and conserving native breeds addresses India's chronic low per-animal productivity which is a fundamental constraint of our dairy's competitiveness.

The Animal Husbandry Infrastructure Development Fund (AHIDF) received Rs. 465 crore for interest subvention and credit guarantees. As a part of the flagship Rs. 15,000 crore fund launched under Atmanirbhar Bharat, AHIDF incentivises private investment in dairy processing plants, meat processing facilities, animal feed plants, and breed improvement technologies. This modest 1.1% increase suggests the fund is reaching maturity as

a lending instrument rather than requiring substantial fresh capitalisation.

The National Livestock Mission (NLM) allocated Rs. 808 crore, is up marginally by 1% from Rs. 800 crore. NLM targets entrepreneurship development in small ruminants, poultry, and piggery sectors, alongside feed and fodder development. The mission's objectives include increasing per-animal productivity through breed improvement and boosting production of meat, eggs, goat milk, wool, and fodder. This allocation reflects the government's commitment to diversified livestock systems beyond cattle and buffalo.

Integrated Entrepreneurship Development Scheme is a new initiative announced in the budget with a landmark Rs. 500 crore allocation encompassing five interconnected components: 1. Credit-Linked Subsidy Programme for animal husbandry entrepreneurship, 2. Scaling-up and modernisation of livestock enterprises, 3. Creation of livestock, dairy, and poultry-focused integrated value chains, 4. Encouragement of Livestock Farmer Producer Organisations (FPOs), 5. Training of veterinary professionals. This integrated approach represents a paradigm shift from sectoral silos toward ecosystem-based development. The scheme's design recognises that enhancing productivity requires simultaneous investments in infrastructure, skills, market linkages, and collective institutions.

While the Budget does not delineate a standalone poultry allocation, the sector could benefit through the National Livestock Mission (Rs. 808 crore) and the Integrated Entrepreneurship Development Scheme (Rs. 500 crore). The Finance Minister explicitly highlighted efforts to establish "integrated value chains focused on livestock, dairy, and poultry" and promote "scaling-up and modernisation of livestock enterprises". Industry leaders welcomed these provisions, noting that credit-linked subsidies and technological advancements address persistent productivity and efficiency challenges in poultry operations. The extension of tax deductions to cattle feed supply by primary cooperatives also benefits the poultry sector indirectly by reducing feed costs which is the single largest input expense comprising about 70% of production costs.

By prioritising allied sectors, the Budget aligns with the structural transformation underway in India's agricultural economy. As farm sizes shrink and climate variability intensifies, livestock and aquaculture offer more resilient and diversified income sources for smallholders.

The new Rs. 500 crore Integrated Scheme for Entrepreneurship Development represents a sophisticated policy design and eco-system approach that moves beyond fragmented interventions. By bundling credit-linked subsidies, value chain creation, FPO promotion, and skills training into a single scheme, there is an acknowledgement that productivity gains require simultaneous action across multiple dimensions.

The extension of tax deductions to cattle feed and cotton seed supply, combined with relief on inter-cooperative dividends, demonstrates a nuanced understanding of cooperative economics. Unlike direct subsidies that create dependency, tax reforms enhance cooperatives' intrinsic financial sustainability. India's dairy cooperatives already return about 70% of the consumer rupee to producers, higher than the 50% typical in private dairies. By reducing the tax burden, the Budget further strengthens this producer-centric model, which has been instrumental in India becoming the world's largest milk producer.

> While the Budget does not delineate a standalone poultry allocation, the sector could benefit through the National Livestock Mission (Rs. 808 crore) and the Integrated Entrepreneurship Development Scheme (Rs. 500 crore)

A sharp focus on veterinary human capital is quite evident. The loan-linked subsidy for establishing private veterinary colleges, hospitals, and diagnostic laboratories addresses a foundational constraint. India's veterinarian-to-livestock ratio is abysmally low. This shortage manifests in unscientific husbandry, delayed disease diagnosis, poor reproductive management, suboptimal feeding practices etc., all directly impacting productivity. By incentivising private sector participation through capital subsidies and facilitating foreign collaborations, the Budget could accelerate capacity building beyond what government institutions alone can achieve. The target of adding 20,000 veterinary professionals represents approximately a 25-30% increase in India's current veterinary workforce over the next 3-5 years.

Still there are certain critical limitations and concerns that seek an answer. And foremost amongst them is that the poultry sector remains an afterthought. Despite India being the second largest egg producer globally and poultry contributing significantly to nutritional security for lower-income households, the Budget lacks dedicated poultry allocations or targeted initiatives. Poultry receives mention only as a part of the broader livestock value chains under NLM and the integrated entrepreneurship scheme. This neglect is particularly glaring given poultry's transformative potential for women's empowerment and rural employment. Backyard poultry requires minimal capital, can be managed by women alongside household activities, and provides both nutrition and cash income. Countries like Bangladesh have achieved significant poverty reduction through targeted poultry development programs for women. India's Budget misses an opportunity to replicate these successes through dedicated funding, breeding stock supply chains, and market linkages for backyard poultry. Commercial poultry faces different challenges: feed cost volatility, disease outbreaks, waste management etc. The Budget's silence on disease surveillance infrastructure, feed security programs, or biosecurity standards leaves these systemic risks unaddressed.

The Rs. 800 crore allocation to RGM reflects the government's ideological commitment to conserving indigenous cattle breeds. While breed conservation has scientific merit for genetic diversity, RGM's primary focus on "Gokul Grams" and native breed promotion may be misaligned with productivity imperatives. India's average milk yield per indigenous cow is approximately 3-4 litres per day, compared to 9-10 litres for crossbred and exotic breeds. This productivity gap explains why India requires a massive bovine population of over 300 million to produce its milk output—creating significant methane emissions and feed resource strain. RGM's emphasis on indigenous breeds, while culturally and

politically popular, risks diverting resources from more impactful interventions like artificial insemination infrastructure, sexed semen technology, and genomic selection programmes that could work with both indigenous and crossbred populations. The scheme's design should explicitly balance conservation objectives with productivity enhancement through scientifically validated breeding strategies rather than merely breed nationalism.

The Rs. 500 crore Integrated Entrepreneurship Development Scheme is conceptually compelling but operationally ambiguous. The Budget does not provide clarity regarding allocation breakdown among the five components (credit-linked subsidies, modernisation, value chains, FPOs, training), eligibility criteria for beneficiaries across different livestock categories, institutional mechanisms for scheme delivery, subsidy rates and loan terms, monitoring frameworks to assess value chain creation and FPO effectiveness. Without clear operational guidelines, transparent delivery mechanisms, and robust monitoring, the Rs. 500 crore allocation risks becoming another underutilised scheme with limited transformative impact.

The Rs. 2,010 crore allocation to Livestock Health and Disease Control represents only a 1.5% increase from Rs. 1,980 crore in 2025-26. While foot-and-mouth disease (FMD) and brucellosis control programs are important, this allocation appears insufficient to address emerging challenges. Post-COVID-19, the One Health framework recognising human-animal-environment health inter-connections has gained prominence. Yet the Budget lacks specific provisions for strengthening disease surveillance at the human-animal interface, diagnostic capacity for emerging pathogens, or coordinated response mechanisms. Rising temperatures and changing rainfall patterns alter disease vectors and stress livestock physiologically, reducing immunity. Heat stress alone reduces milk production by 10-25% during summer months. Climate-resilient animal health infrastructure deserves targeted investment. The modest increase in health allocations suggests that livestock health is primarily being viewed through the lens of specific disease control programs rather than as a comprehensive system requiring continuous innovation, adaptation, and strengthening.

While NPDD received Rs. 1,055 crore for dairy development, India's milk processing rate remains at a low of about 30-35%, with the rest consumed as raw or loose milk. Developed dairy economies process nearly 100% of production, enabling quality control, value addition, and extended shelf life. The persistent processing gap indicates that several constraints remain inadequately addressed: a) Cold chain infrastructure: Last-mile refrigeration at village collection centres and bulk cooling facilities remain insufficient, especially in Eastern and North Eastern states. The Budget provides no explicit allocation for expanding cold chain density; b) Processing technology: Indian dairy plants predominantly produce liquid milk and basic products (butter, ghee, paneer). High-value products like cheese, yogurt, whey proteins, and dairy-based nutraceuticals require sophisticated processing technology and skilled workforce—areas receiving insufficient attention, d) Cooperatives versus private sector: AHIDF theoretically supports both cooperatives and private processors, but cooperative-dominated states (Gujarat, Rajasthan) have far superior infrastructure than private-dominated regions (Bihar, Uttar Pradesh). The Budget lacks mechanisms to accelerate cooperative formation in underserved regions or ensure equitable AHIDF access.

A glaring omission in Budget 2026-27 is the near-absence of dedicated allocations for fodder and feed security—the foundational constraint on livestock productivity. India faces a green fodder deficit of up to 32%, dry fodder deficit of 23.4%, and concentrate feed deficit of 28.18% according to various estimates. In fact, feed and fodder shortage is often referred to as the invisible crisis plaguing the livestock sector. Feed costs constitute 60-70% of production costs in dairy and poultry operations. Volatile maize and soybean prices, inadequate fodder cultivation area, and poor quality silage infrastructure directly constrain productivity and profitability. The National Livestock Mission includes feed and fodder components, but the Rs. 808 crore NLM allocation is spread across multiple objectives (entrepreneurship, breed improvement, insurance), diluting focus on feed security. A comprehensive feed and fodder strategy should include: i) Fodder block/seed programs to incentivise

cultivation of high-yielding fodder varieties, ii) Silage-making infrastructure at cooperative and FPO levels for year-round quality feed availability, iii) Research and extension on crop residue utilisation, protein supplements, and area-specific fodder systems, iv) Policy interventions to ensure livestock farmers have equitable access to agricultural by-products currently diverted to industrial uses or burned. The Budget's silence on this foundational constraint suggests that productivity enhancement may remain aspirational rather than operational.

While the Budget mentions support to women-led groups in fisheries value chains, it lacks explicit gender-targeted interventions in animal husbandry and dairying. Women perform 70-80% of livestock-related work in India—feeding, cleaning, milking, processing-yet face persistent barriers such as: a) Asset ownership: Livestock often remain registered in men's names, excluding women from credit access and scheme benefits, b) Decision-making power: Marketing decisions and technology adoption choices are typically male-dominated despite women's operational role, c) Skills and confidence: Extension services and training programs disproportionately reach male farmers. Progressive states like Kerala and Tamil Nadu have experimented with women-exclusive livestock groups and gender-specific training programs with positive outcomes. Scaling such approaches requires dedicated budget allocations, gender-disaggregated monitoring frameworks, and institutional mechanisms ensuring women's participation. The Budget 2026-27 misses an opportunity to mainstream gender equity across livestock schemes.

The livestock sector contributes significantly to greenhouse gas emissions (methane from enteric fermentation), water pollution (manure runoff), and land degradation (overgrasing). While the Budget speech invokes "sustainable growth of the livestock economy," actual provisions for environmental sustainability are minimal. Sustainable growth would require the following interventions: 1. Methane reduction technologies: Feed additives, breeding for low-emission animals, and manure management systems can significantly reduce emissions. The Budget includes no dedicated R&D or adoption support. 2. Integrated crop-livestock systems: Utilising crop residues for livestock feed and manure for organic fertilizer creates circular economies. This requires extension services, equipment support, and farmer training. 3. Pasture and grassland restoration: India's common grazing lands have shrunk from 13 million hectares to 8-9 million hectares, forcing higher stocking densities and degradation. Pasture development and community-based management deserve dedicated funding. Without addressing environmental externalities, India's livestock growth risks becoming unsustainable and facing export barriers as global markets increasingly demand climate-certified products.

Some of the strategic recommendations worth a serious consideration would be as follows: 1. Create a National Poultry Mission with Rs. 300-500 crore annual allocation focused on backyard poultry for women, disease surveillance infrastructure, and feed security programs. 2. Refocus and reorient RGM on Productivity Enhancement to explicitly balance conservation with productivity. Allocate 40% of funds to indigenous breed conservation (germplasm centres, community-based breeding programs) and 60% to productivity enhancement interventions (AI infrastructure, genomic selection, sexed semen) that work across breed types. 3. Operationalise Integrated Entrepreneurship Scheme rapidly. Issue detailed operational guidelines for the scheme soon, specifying eligibility, subsidy rates, application procedures, and implementing agencies. Establish dedicated entrepreneurship cells in state animal husbandry departments with business development professionals, not just technical officers. 4. Launch a National Fodder Security Mission. Create a time-bound Fodder and Feed Security Mission with at least Rs. 1,000 crore annual allocation to address the feed deficit crisis. Focus on fodder seed multiplication, silage infrastructure, technology demonstration, and policy reforms to improve access to agricultural by-products. 5. Mainstream Gender in all schemes. Mandate that all livestock schemes allocate minimum 30-40% benefits to women through targeted components. Introduce women-exclusive FPOs, gender-sensitive extension approaches, and asset ownership documentation support. 6. Strengthen Veterinary education quality. While expanding veterinary professional numbers by 20,000 is welcome, ensure quality through accreditation standards, faculty development programs, and competency-based curricula. Partner with international institutions for curriculum design and teaching faculty exchanges. 7. Create a dedicated Rs. 500 crore Climate Adaptation Fund within LHDC for heat stress mitigation infrastructure, climate-adjusted disease management, and resilient breed development.

To conclude, while the Union Budget 2026-27 marks a significant financial and policy commitment to animal husbandry, dairying, poultry sectors, critical gaps persist. The Budget's ultimate success will depend on the following factors: speed and clarity of operational guidelines for new schemes, institutional capacity building at state and district levels for effective implementation, and continuous monitoring with mid-course corrections based on field realities. If these conditions are met, Budget 2026-27 could catalyse a genuine transformation in India's Animal Husbandry sector, enhancing rural incomes, nutritional security, and global competitiveness. If not, it risks joining the long list of well-intentioned but inadequately executed schemes. A robust monitoring framework that tracks outcomes (productivity, income, employment) rather than just outputs (funds released, beneficiaries covered) should be established forthwith to convert the immense possibilities the Budget offers into realities; this would require committed professional leadership, robust institutional structure, innovative approach and a relentless focus on implementation. As the proverb goes: the proof of the pudding is in the eating.

The Budget's ultimate success will depend on the following factors: speed and clarity of operational guidelines for new schemes, institutional capacity building at state and district levels for effective implementation, and continuous monitoring with mid-course corrections based on field realities