

Agriculture in India

Issues & Priorities

AGRI BULLETIN



Agriculture Cost Management Board



ICMAI

**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**

भारतीय लागत लेखाकार संस्थान

Statutory Body under an Act of Parliament

(Under the Jurisdiction of Ministry of Corporate Affairs)

Behind every successful business decision, there is always a **CMA**

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The Institute of Cost Accountants of India (ICMAI)-formerly known as the Institute of Cost and Works Accountants of India (ICWAI) is set up by an Act of Parliament (viz. Cost and Works Accountants Act, 1959) to develop and regulate the profession of Cost Accountancy in the country and is under the administrative control of the Ministry of Corporate Affairs, Government of India. The Institute is the 2nd largest Cost & Management Accounting body in the world and the largest in Asia. The Institute is a founding member of the International Federation of Accountants (IFAC), the Confederation of Asian & Pacific Accountants (CAPA) and the South Asian Federation of Accountants (SAFA). Presently, the Institute has about 1 Lakh members both in employment and practice and more than 5 Lakhs students on its rolls.

Mision Statement

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio economic context through competencies drawn from the integration of strategy, management and accounting.”

Vision Statement

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”



AGRICULTURE COST MANAGEMENT BOARD THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (ICMAI)

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Foreword

Millets for Sustainable Development in India: A Social Cost-Benefit Perspective

Millets—often referred to as “nutri-cereals”—are gaining renewed attention in India’s agricultural and food policy landscape. Traditionally cultivated in semi-arid regions, crops such as sorghum (jowar), pearl millet (bajra), finger millet (ragi), foxtail millet, and kodo millet are resilient, nutritious, and environmentally sustainable. Their revival aligns with the goals of sustainable development, climate-resilient agriculture, and improved nutritional security. Recognizing their global importance, the United Nations declared 2023 as the International Year of Millets 2023, an initiative strongly promoted by India.

From a social cost-benefit perspective, millets present a compelling case for integration into India’s agricultural systems and food economy.

Economic Benefits and Farmer Resilience

Millets are particularly suitable for dryland agriculture and require fewer external inputs compared to crops like rice and wheat. Their cultivation demands lower water, fertilizer, and pesticide usage, reducing production costs for farmers. This makes millets economically viable for small and marginal farmers who constitute the majority of India’s agricultural workforce. Moreover, millet cultivation offers diversification of income sources and strengthens resilience against climate shocks such as droughts or erratic rainfall. Expanding millet value chains—through processing, value addition, and exports—can generate rural employment, support micro-enterprises, and enhance farmer incomes.

Environmental Benefits

Millets contribute significantly to environmental sustainability. They grow well in arid or



Dr. Sharmila Oswal

Millet Women of India 2023

Founder & MD Gudmom / Basillia Organics



marginal soils and require minimal irrigation, making them ideal for regions facing water scarcity. Compared to water-intensive crops such as rice, millets have a much lower water and carbon footprint. Additionally, millets support agro-biodiversity and soil health. Their cultivation often forms part of traditional mixed cropping systems that enhance soil fertility and reduce land degradation. As climate-resilient crops, millets can tolerate harsh climatic conditions, pests, and diseases better than many conventional cereals, making them valuable for climate adaptation strategies.

Social and Nutritional Benefits

Millets are rich in protein, dietary fiber, minerals such as calcium and iron, and essential amino acids. They also have a low glycaemic index, which helps in controlling blood sugar levels and reducing the risk of lifestyle diseases such as diabetes and cardiovascular ailments. From a public health perspective, increased millet consumption can help address malnutrition, especially in rural and tribal communities. Integrating millets into public food programmes—such as the Public Distribution System (PDS), school mid-day meals, and nutrition schemes—can enhance dietary diversity and nutritional outcomes.

Social Costs and Challenges

Despite their benefits, millet cultivation faces several challenges. Farmers often receive lower returns compared to commercial crops such as rice and maize due to weaker market demand and limited procurement mechanisms. In addition, inadequate processing infrastructure, limited awareness among consumers, and changing dietary preferences have contributed to declining millet consumption in the past.

Addressing these barriers requires investments in value chain development, improved processing technologies, marketing initiatives, and policy support to ensure fair prices for farmers.

Policy Implications and the Way Forward

To maximize the social benefits of millets, India must adopt a holistic strategy that integrates production, processing, marketing, and consumption. Key policy priorities include:

Strengthening millet procurement under government food schemes

Promoting millet-based food processing and entrepreneurship Supporting research and innovation in millet varieties and technologies Encouraging exports and global branding of Indian millets Raising consumer awareness about their nutritional and environmental benefits. Such measures can transform millets from “coarse grains” into strategic crops for sustainable agriculture and nutrition security.

Conclusion

Millets represent a powerful convergence of economic, environmental, and social benefits. When evaluated through a social cost–benefit framework, the gains from millet promotion—improved farmer resilience, reduced environmental impact, and better public health—far outweigh the associated costs.

For India, millets are not merely traditional crops; they are a strategic pathway toward sustainable development, climate resilience, and inclusive agricultural growth.

From the President's Desk

The Agriculture Cost Management Board (ACMB) of the Institute of Cost Accountants of India presents Volume 4.3 of the Agri Bulletin, focused on agriculture, an essential driver of India's economic stability and rural prosperity.

India's agricultural sector is undergoing a decisive transformation, shifting toward a commercially oriented and technology-enabled framework. While the nation continues to lead globally in the production of key commodities, structural constraints such as fragmented landholdings, rising input costs and climate-related risks persist.

The Union Budget 2026–27 has reinforced this transition through its emphasis on “High-Value Agriculture,” supported by digital and AI-led initiatives. These developments highlight the need for disciplined financial and cost management practices to ensure that productivity gains translate into sustainable income growth, particularly for small and marginal farmers.

In this context, Cost and Management Accountants play a pivotal role by providing forward-looking agricultural cost frameworks that optimize resource utilization and enhance financial viability. Their engagement with Farmer Producer Organizations and agri-entrepreneurs through cost analysis, break-even evaluation and investment appraisal, helps convert technological adoption into measurable economic outcomes.

As Indian agriculture integrates more closely with global value chains, CMAs also contribute to price transparency, supply-chain efficiency and the financial assessment of sustainable practices. These efforts support the evolution of agriculture into a resilient, competitive, and growth-oriented sector.

The Institute reaffirms its commitment to strengthening cost management practices in agriculture. The Agri Bulletin serves as a platform for informed dialogue and practical insights and the contributions of the Agriculture Cost Management Board, authors and readers are gratefully acknowledged.

Jai Hind!



CMA T C A Srinivasa Prasad
President

The Institute of Cost Accountants of India



From the Vice-President's Desk



CMA Neeraj Dhananjay Joshi
Vice President

The Institute of Cost Accountants of India



The Agriculture Cost Management Board (ACMB) of the Institute of Cost Accountants of India continues its efforts to support informed professional engagement with the evolving agricultural ecosystem through Volume 4.3 of the Agri Bulletin. This edition is particularly relevant as Indian agriculture advances toward deeper digitisation, sustainability and market integration.

The Union Budget 2026–27 has accelerated this transition through focused investments in Digital Agriculture, Agri-Stack infrastructure and climate-responsive farming systems. These initiatives mark a structural shift in how land records, crop insurance, credit delivery and supply-chain linkages are administered. Their success, however, depends on effective translation from policy intent to ground-level financial viability.

In this context, Cost and Management Accountants are uniquely positioned to bridge policy frameworks with operational execution. By embedding cost analytics within Farmer Producer Organizations, agri-startups and rural enterprises, CMAs can help convert digital platforms and institutional reforms into measurable economic outcomes. Precision costing, margin analysis and post-harvest cost control are essential tools in addressing inefficiencies that continue to erode farmer incomes.

The national emphasis on climate-resilient seeds, natural farming and bio-input ecosystems further underscores the need for structured cost frameworks that balance sustainability with affordability. Similarly, enhanced private investment in post-harvest and logistics infrastructure presents opportunities for CMAs to contribute through project appraisal, investment evaluation and performance monitoring under schemes such as the Agriculture Infrastructure Fund.

As India progresses toward the vision of a Viksit Bharat 2047, the effectiveness of agricultural reforms will ultimately be measured by their impact on farm-level incomes and value-chain efficiency. The Agri Bulletin aims to equip professionals with practical insights to support this objective and to strengthen the role of CMAs as enablers of financially resilient and globally competitive agriculture.

The continued efforts of the Agriculture Cost Management Board, contributors, and readers in advancing this discourse are duly acknowledged.

Best regards,

From the Chairman's Desk

Dear Professional Colleague and Readers,

"If agriculture goes wrong, nothing else will have a chance to go right,"

- By M.S. Swaminathan

It gives me immense pleasure and satisfaction that this edition of the Agri-Bulletin Vol.4.3. addressed by Dr. Sharmila Oswal, Millet Woman of India 2023 has been consulted and awarded by various Prime Ministers like Ireland, Canada, Singapore, Georgia etc and Presidents globally for agriculture, water and food security Issues on the occasion of program to be organised by the Agriculture Cost Management Board (ACMB) in association with Jaipur Chapter of ICAI on 18th March 2026 at Jaipur Chapter of ICAI. My observation '*Millets: A sustainable, nutritious and delicious choice*' we should include millet in our regular diet.

For decades, the success of Indian agriculture has been measured through the narrow lens of Yield per Hectare. While this metric served the needs of the Green Revolution, it is increasingly inadequate in an era defined by climate volatility, groundwater depletion and rising non-communicable diseases.

In the background of Millets, the core fundamental question: Can India afford not to grow millets? When we analyse the social cost-benefit perspective, the data is irrefutable. Millets represent a strategic economic instrument capable of drastically reducing national fiscal burdens. By requiring nearly 70% less water than paddy and significantly fewer chemical inputs, millets offer a direct path to reducing the staggering burden of irrigation and fertilizer subsidies.

Furthermore, the integration of millets into our national diet acts as a mechanism for Public



CMA Chittaranjan Chattopadhyay
Chairman
Agriculture Cost Management Board



Health Cost Avoidance. By addressing the dual challenges of malnutrition and lifestyle-related ailments, millets serve as a preventive healthcare tool that safeguards our human capital the ultimate driver of GDP.

The success stories of certified organic clusters, involving over 7,500 farmers, demonstrate that this model is not just theoretical it is scalable. These farmers are not just producing food; they are improving India's ESG (Environmental, Social, and Governance) performance and strengthening our global climate commitments. By adopting millets, we are empowering rural communities with income resilience that is decoupled from the vagaries of expensive, resource-intensive farming.

To further this mission, the ACMB has undertaken several landmark initiatives. We have signed a Memorandum of Understanding (MoU) with Dr. C.V. Raman University, Khandwa, to enable academia to engage with real-time sectoral challenges and translate cost management theory into practical agri-policy. Our ongoing research on fixation of price of Tomato, Onion, and Potato (TOP) aims to support the government in fixing prices based on actual costs, which will revolutionize price stability in the Indian agricultural sector. Additionally, we have published a "Guidance Note on Farmer Producer Organizations (FPOs)" to demonstrate how these entities can succeed from the soil level to multi-crore investments. To institutionalize this knowledge, ICAI and IGNOU have jointly developed the Diploma in Agricultural Cost Management (DACM), an Open and Distance Learning programme designed to train individuals in this vital field.

The Board continues to champion the dissemination of knowledge through the regular publication of Research Monographs, the Agri-Bulletin, and other specialized books to update stakeholders, researchers, and farmers on the real-time scenarios in agriculture.

A significant milestone in this effort was the publication of "Role of CMAs in Viksit Bharat 2047," which highlights the contribution of Cost and Management Accountants to nation-building. A precious message has been covered by His Excellency Dr. C.V. Anand Bose, Governor of West Bengal. Through consistent engagement via webinars, joint seminars with the Chapters and the annual celebration of National Farmers' Day on December 23, the ACMB remains dedicated to empowering the farming community.

In conclusion, the message for our professional community is clear: We must integrate sustainability metrics into the very heart of mainstream accounting practices. Millets are the pillars of India's economic and ecological security. As we move forward, the Board will continue to champion policies that recognize the True Cost of food, ensuring that our agricultural strategy is as sustainable for the planet.

In the core of Agriculture Cost Management Board, in its mission is to translate these ecological benefits into the language of finance.

I am very confident that this Agri Bulletin will serve as a valuable resource for all readers and provide a better understanding of the importance of empowering farmers and promoting sustainable agricultural practices. I express my gratitude to all farmers, CMAs and authors who have contributed to this edition.



Activities by the Agriculture Cost Management Board (ACMB)

The Agriculture Cost Management Board (ACMB) of the ICMAI with a primary focus on contributing to the growth and development of the Agricultural Sector in India. ACMB is committed to promoting best practices in cost management and providing guidance to stakeholders in the agricultural sector. key focus areas include Revenue Management & Cost Control, Cost Benefit Analysis, Agricultural Supply Chain Development, Inventory Management, Capacity Building, FPO Management, Networking with public and private institutions engaged in research, academics, commerce, and business Enhancing awareness on cost and returns optimization and risk minimization throughout agricultural value chains.

1. **Diploma in Agricultural Cost Management(DACM) course, a joint initiative of ICMAI & IGNOU**

ICMAI and IGNOU have jointly developed an Open and Distance Learning (ODL) programme “Diploma in Agricultural Cost Management”. The purpose of the “Diploma in Agricultural Cost Management” is to educate and train individuals in the field of agricultural cost management. This program aims to increase awareness and develop human resources in this area by providing information, skills, and entrepreneurial talents to farming communities. The ultimate goal is to enhance the efficiency of farm cost management. This programme provides insight into Farm management and familiarizes students with various farm management activities and practices. These activities include strategic decision-making related to different aspects of agricultural production, such as crop cultivation, livestock rearing, financial planning, resource allocation, marketing, and risk mitigation.

Course Details:

- Eligibility: 10+2 pass out in any discipline
- Medium of Instruction: English
- Duration: Minimum: One-year Maximum: Three years

Dr. Praveen Kumar Jain, Professor, School of Agriculture, IGNOU updated on the Diploma in Agricultural Cost Management (DACM) course. The course was launched in January 2024 with first batch, the second batch started in July, 2024 and the third batch have started in January 2025 The course is going on smoothly.

2. **Publication of Research Monograph, Bulletin and Others**

Agriculture and Cost Management Board (ACMB) under the Chairmanship of CMA Chittaranjan Chattopadhyay has published the Agri Cost Clinic, Research Monograph and Agri Bulletin.

- **Research Monograph - Agriculture The Farmer First**

This research Monograph on “Agriculture- The Farmer First” presents a new paradigm for analyzing

the issues in the agriculture sector and intends to provide some inputs for those who are directly or indirectly involved in the policy formulation. It is realized that the challenge is to find more effective ways to serve the small and marginal farmers of dry land areas. The theme of Farmer First is to find out measures to mitigate the problems of rain-fed, fragile and risk-prone agriculture sector. The agrarian Economy and its progress are a priority for the farmers in the backward regions of the country, especially in the background of climate change, agrarian crisis, suicides by the farmers, etc.

- **Agri Bulletin - Agriculture in India: Issues and Priorities (Vol.3 & Vol.4)**

This Agri Bulletin on “Agriculture in India: Issues and Priorities” presents a new prototype for analyzing the issues in the agriculture sector and intends to provide some inputs for those which are directly and indirectly involved in policy formulation.

Agriculture continues to evolve rapidly, driven by innovations that promise to shape the future of food production, land use, and rural development. In this edition, it curated a collection of informative articles that provide an in-depth look at the Indian Agriculture Act, 2020, Feminization of Indian Agriculture, Farmer Suicides in India, Animal Husbandry in India etc. making an impact across the agricultural sector. From advanced farming techniques and climate-smart practices to updates on market trends and policy developments, this Agri Bulletin aim to deliver valuable and actionable insights that will empower you to make informed decisions, overcome challenges, and harness opportunities for growth and sustainability.

- **The Honorable Governor of West Bengal Released a Special Publication “Role of CMAs in Viksit Bharat 2047” by the Institute of Cost Accountants of India**

This initiative is a testament to the Institute of Cost Accountants of India (ICMAI) enduring commitment to the national vision of a developed India by the centenary of our Independence in 2047. To consider and highlight the contribution of Cost and Management Accountants in the Nation Building was the main reason behind writing this book as expressed by His Excellency Governor of West Bengal, Dr. C.V. Anand Bose. Thus, to release the book on the “Role of CMAs in Viksit Bharat 2047” has been published where contributions of eminent

CMA professionals have penned down their professional experiences.

The book is particularly noteworthy as it features scholarly contributions from our eminent members and is has been released in collaboration with the esteemed Governor House, West Bengal, on 17th October 2025. The Honorable Governor also graciously penned the Foreword for the publication adding a layer of dignity and prominence to this collective endeavor.

- **Guidance Note on Farmer Producer Organization**

ACMB released a comprehensive book titled “Guidance Note on Farmer

Producer Organization (FPO),” featuring a foreword by Dr. Ajay Kumar Sood, DMD, NABARD.

3. **Some of Recent Webinars Organized by Agriculture Cost Management Board**

Sl. No.	Name of the program	Name of speaker	Speaker Credential
1	Social Costs and Benefits in Agriculture in Connection with Climate Change and Related Issues	Dr. T.N. Prakash Kammardi	Ret. Professor of Agricultural Economics, and Formerly Chairman Karnataka, Agricultural Prices Commission, Govt of Karnataka

Sl. No.	Name of the program	Name of speaker	Speaker Credential
2	Webinar on Cost and Finance Management for Agri Start ups	Shri Satish Chandra Chintamani	Executive Director, Institute for Agriculture Technology and Finance Management, Bengaluru, Karnataka
3	Agri Preneurship	Dr. K. Anbumani	Associate Professor, Institute of Cooperative and Corporate Management, Research and Training (ICCMRT), Lucknow, Uttar Pradesh
4	Impact on Agriculture Sector in Union Budget	Dr. Vinayak S. Deshpande	Vice Chancellor, GHRU Amravati
5	Cost Management In Agriculture: Role Of CMA	CMA Dendukuri Zitendra Rao	Practicing Cost Accountant Hyderabad

4. Participation in State Level Bankers' Committee Meeting

State Level Bankers' Committee, (SLBC) set-up under Lead Bank Scheme (LBS) of the Reserve Bank of India, is the highest body of bankers in the State. The committee meets once a quarter. In addition to reviewing the activities of the institutional lending, the quarterly meetings discuss various issues concerning the economic development of the state, where banks play a pivotal role.

The meetings aim at finding solution to the various problems confronting the state. The forum takes the lead in initiating, streamlining and accelerating the process of development in close co-ordination with various government departments, Reserve Bank of India, NABARD and other developmental agencies. The quarterly meetings are attended by top-level functionaries of member institutions of SLBC, thereby enabling them for meaningful and purposeful discussions on various matters aimed at solving the various issues.

In view of the large membership of the SLBC, Steering Sub Committee/Sub-Committees for specific tasks like agriculture, micro, small/medium industries/enterprises, handloom finance, export promotion and financial inclusion etc. have been formed. The sub committees may examine the specific issues in-depth and devise solutions/recommendations for adoption by the full committee. The composition of the sub-committee and subjects/ specific issues impeding/enabling financial inclusion.

The Agriculture Cost Management Board (ACMB) is privileged to be a part of the SLBC in West Bengal. The convener of SLBC, West Bengal has included the representative from the Agriculture Cost Management Board (ACMB) as participant in its sub-committee meetings. So far three meetings have been attended by the Secretary of the ACMB. The Board remains committed to continued collaboration with SLBC and member institutions to further the objectives of financial inclusion, cost transparency, and sustainable development in West Bengal's agriculture sector.

5. **Signing of MoU with Dr. C V Raman University, Khandwa**

The Institute of Cost Accountants of India (ICMAI) and Dr. C.V. Raman University (CVRU), Khandwa, have signed a historic Memorandum of Understanding to advance professional education and specialized cost management.

The signing ceremony was graced by several distinguished dignitaries, including:

- CMA Chittaranjan Chattopadhyay, Chairman, Agriculture Cost Management Board (ACMB), ICMAI,
- Dr. Arun R. Joshi, Vice-Chancellor, CVRU, Khandwa,
- Shri Ravi Chaturvedi, Registrar, CVRU, Khandwa,
- CMA Dr. Sumita Chakraborty, Secretary, Agriculture Cost Management Board (ACMB), ICMAI.
- CMA Jyotsna Rajpal, Co-opted Member, Agriculture Cost Management Board (ACMB), ICMAI,
- Dr. Ravindra Pastore, Former Principal Secretary, Govt. of Madhya Pradesh.

This collaboration marks a significant milestone in aligning professional cost management standards with higher education.

6. **Programme in association with Indore Chapter of ICMAI**

ACMB of ICMAI in association with Indore Chapter of ICMAI has conducted a Seminar on “Role of CMAs in FPO & Viksit Bharat 2047” on January 17, 2026 at Indore Chapter, Indore, M.P.-452001.

7. **Celebration of National Farmers’ Day**

ACMB also celebrate National Farmers’ Day yearly via a special programme reaffirming our commitment to the farming community. Beyond that ACMB takes Webinars on cost management in agricultural landscape monthly basis to reach every member.

8. **Initiatives for building bonds with Agriculture Universities**

As part of the ongoing efforts to strengthen collaborative relationships with agricultural universities, CMA Chittaranjan Chattopadhyay, Chairman of ACMB has undertaken significant outreach initiatives. He has visited and held productive meetings with the Vice Chancellors of two prominent agricultural universities viz, Acharya N.G. Ranga Agricultural University in Guntur, Andhra Pradesh, and Chandra Shekhar Azad University of Agriculture & Technology in Kanpur, Uttar Pradesh.

These visits aimed at exploring opportunities for academic collaboration, research partnerships, and knowledge exchange. Furthermore, active steps to connect with other Agricultural Universities are being initiated as well.

Impact of Union Budget 2026-27 on Agriculture Sector

On February 1, 2026, FM Nirmala Sitharaman presented the Union Budget for the financial year 2026–27. This year’s budget promotes high-growth services, infrastructure, and domestic manufacturing to counterbalance global economic uncertainty. Also, it has put agriculture at the forefront of India’s growth journey with a key focus on rural employment, diversification and technology adoption. To this end, the 2026 budget has increased the agriculture department’s budget to Rs. 1,32,561 crores. The government understands the role of agricultural education and research and thus has allocated Rs. 9,967 crores, mainly for the Indian Council of Agricultural Research (ICAR). Farmers will have access to affordable fertilizers because of a subsidy of Rs. 1,70,944 crores to reduce production costs. Overall, the budget aims to implement reforms to integrate technology, enhance rural economic participation and broaden income avenues for farmers.

Below are the main areas where the budget 2026 introduces key improvements:

High Value Agriculture

It is common knowledge that most Indian farmers depend on small, fragmented landholdings to sustain their livelihoods. So, increasing production is not a viable solution for growing income. Also, there are slim margins in growing staple crops. The 2026 budget aims to move beyond traditional cropping patterns towards diversification. With high-value agriculture, farmers can earn more per unit of land. The government will support high-value crops such as cocoa, sandalwood, coconut, and cashew in coastal areas. It will launch the Coconut Promotion Scheme to not only increase production but also enhance productivity. The goal is to focus on value rather than quantity. The budget has outlined Rs. 350 crores for ‘Support for High Value Agriculture.’

The government also aims to enhance income opportunities through horticulture. The budget highlights the development of a dedicated programme to rejuvenate old, low-yielding orchards. In addition, it will work to expand high-density cultivation of pine nuts, almonds and walnuts. As demand for healthy foods increases worldwide, these high-value nuts can be an excellent opportunity for farmers to earn more.

Technology Integration

The budget introduced a multilingual AI tool, Bharat-VISTAAR (Virtually Integrated System to Access Agricultural Resources), to provide real-time, data-backed guidance to farmers. It will integrate the ICAR package on agricultural practices and AgriStack portals with AI systems. It will provide customized advisory support to farmers for risk mitigation. This tool will not only result in better farmer decision-making but also enhance farm productivity. The future of farming relies on technology, and the Bharat-VISTAAR tool can help farmers improve crop selection, pest management, and crop yields. In addition, the government will support new technologies through the National Quantum Mission, AI Mission, Research, Development and Innovation Fund, and Anusandhan National Research Fund.

Allied Sectors

Textile

To accelerate and sustain economic growth, the budget also focuses on boosting agriculture-allied sectors. With the launch of the National Fibre Scheme, India will be made self-reliant in the production of natural fibres, including jute, wool and silk. The textile sector will also benefit from the National Handloom and Handicraft Programme, which will improve existing schemes and provide support to artisans and weavers. To strengthen khadi, handloom, and handicrafts, the Mahatma Gandhi Gram Swaraj initiative will be launched, benefiting rural youth, village industries, and One District One Product.

Animal Husbandry

Animal husbandry gets support to enhance the availability of veterinary professionals. Also, the government will introduce a loan-linked capital subsidy support scheme to establish diagnostic laboratories, veterinary hospitals, veterinary & para-vet colleges and breeding facilities. The budget also puts forward collaboration between foreign and Indian institutions.

Fisheries

Coastal and inland communities benefit from the 2026 budget, which places a prominent focus on fisheries. The fisheries sector has received a budgetary support of Rs. 2,761.80 crores. The budget approves the integrated development of 500 reservoirs and Amrit Sarovars to strengthen the value chain in coastal areas. They will also allow market linkages for start-ups and women-led groups, along with Fish Farmer Producer Organisations. The finance minister also stated that the fish catch will be made duty-free for Indian fishing vessels on the High Seas or in the Exclusive Economic Zone (EEZ). If such fish land in a foreign port, it will be considered an export of goods. All these measures are a positive step in the right direction, as lakhs of families depend on fishing and aquaculture for their livelihoods.

Entrepreneurship

The 2026 budget focuses on women's empowerment by prioritizing women-led groups. It proposes the establishment of Community-owned Self-Help Entrepreneur (SHE) Marts, which act as community-owned retail outlets. Every district will have such outlets to sell women-made products. This step ensures greater local entrepreneurship and better market linkages. For animal husbandry, the Credit-Linked Subsidy Programme are proposed to support entrepreneurship. Other key measures include:

- Developing Livestock Farmer Producers Organizations
- Modernizing livestock enterprises
- Enhancing development of livestock, dairy and poultry-focused integrated-value chains

The budget supports micro enterprises by allocating ` 2,000 crores to the Self-Reliant India Fund. In addition, the Small and Medium Enterprises (SMEs) Growth Fund, with a budget of ` 1,000 crores has been introduced to incentivize enterprises that meet select criteria. With all these developments, the budget aims to develop 'Champion SMEs' and support micro enterprises.

Key Takeaways of Budget 2026 for the Agriculture Sector

Indian agriculture has positive prospects for greater diversification and resilience under the 2026 budget. With a focus on AI tools and technology, it will form a framework for a future-ready agricultural sector. Better decision-making and information dissemination will be possible through Bharat-VISTAAR. In addition, farmers will have more opportunities to earn higher returns from high-value crops, boosting local agricultural economies.

The textile sector receives significant support from the budget through Mega Textile Parks, modernized clusters and the National Fiber Scheme. This will not only improve quality standards but also expand processing capacity. Rural industries will grow with boosted manufacturing and more funding through the Self-Reliant India Fund. Value chain improvement in animal husbandry, fisheries, and horticulture will create more job opportunities, enhance export potential, and diversify income. While agricultural modernization is possible with this budget, it demands the effective implementation of all policies and schemes.

ARTICLES

Millets: Emerging out of Shadow



Khalil Shaha

Assistant Professor at the Institute for Social and Economic Change, Bangalore

Yogeshwari Swaminathan

Assistant Professor, Christ University, Bangalore



R S Deshpande

Former Director, Institute for Social and Economic Change, Bangalore



Introduction

Academic interest in millets increased after the 2023 UN announcement that it would be the Year of Millets, followed by the Indian budget for that year, which launched several schemes for millets (Sridhanya). Traditionally, these grains have been vital in the diets of the poor worldwide. In India, they are mainly cultivated in the Deccan Plateau and other hill areas, especially in rainfed, arid, and semi- arid regions (Deshpande and Rao, 2004). Over time, millets were culturally marginalised as ‘less preferred’ or ‘poor people’s food’, despite their nutritional advantages (FAO, 1995). This neglect worsened after the Green Revolution that prioritised wheat and rice, and it continued. In March 2021, the UN General Assembly declared 2023 the International Year of Millets, highlighting their nutrient-

rich, smart-food qualities that support nutritional security. FAO Director- *General Dongyu emphasised that “Millets are incredible ancestral crops with high nutritional value. They can help to empower smallholder farmers, achieve sustainable development, eliminate hunger, adapt to climate change, promote biodiversity, and transform food systems”* (FAO, 2023). In rural India, it was common knowledge that millets are high in fibre, protein, and energy, promoting health and nutrition. Consuming millet-based gruel (Ganji) in the mornings before undertaking strenuous farm work was typical in villages of the Deccan Plateau, keeping farmers energetic until the afternoon. Historically, millets disappeared from the diets of the poor, reducing micronutrient intake and increasing post- natal anaemia, stunting, and wasting among rural children (DeFries, R et al., 2018, and NFHS reports). Recent studies based on five rounds of NFHS data show that over 15 states in India experienced high anaemia prevalence (>55%) among disadvantaged groups during 2019–21. The prevalence exceeded 55% across all social groups in 7 states during NFHS-3, in 4 states during NFHS-4, and in 11 states during NFHS-2023, with a slight increase from 2005–06 to 2019–21. Traditionally, millet-rich foods were also given to lactating mothers and young children. However, these practices were overshadowed by the dominance of wheat and rice introduced during the Green Revolution, which changed dietary patterns in rural India and led to the popularity of new chocolate-based nutritional supplements even in urban India.

Three years ago, India’s Finance Minister highlighted the importance of promoting millet cultivation and consumption. India leads globally in millet production, contributing 33% of the world’s total, and is also the largest consumer, accounting for 42% of global intake (FAO, 1995). Millets, termed *Shridhanya* in the budget, were prioritised with special schemes during the International Year of Millets. Their nutritional value is widely recognised, offering children a nutritious diet that supports bone development and overall health. India accounts for 80% of Asia’s millet production and 20% globally, with many grown across the country (Ministry of Agriculture and Farmers Welfare, 19th April 2022). Following the UN’s declaration of this year as the Year of Millets at India’s request, numerous initiatives were launched. This raises several intriguing questions. These include: **first**, why, after knowing the scientific importance of millets in diets, were they not emphasised, and why were they previously considered ‘inferior food’? **Second**, why has there been a historical neglect of millets persisted? **Third**, what are the key factors that disadvantage millets in India? This discussion aims to explore these issues systematically.

Are Millets an Inferior Food?

In agricultural economics, millets have often been seen as ‘inferior cereals,’ ‘coarse cereals,’ or ‘backwards crops,’ despite their popularity among many consumers. Millets were traditionally grown under rainfed conditions and on inferior lands, as the economically weaker sections largely consumed these. For many small and marginal farmers, millets were their main crop and crucial for their livelihoods. The terms probably reflected the economic status of millet eaters, along with the crop’s low prices and its link with less developed regions. These crops are usually grown by farmers in drought-prone areas with limited resources. They are valued for their resilience and drought tolerance, making them vital food sources for resource-poor farmers. A few studies have highlighted critical issues with millets, including low yields and prices, and limited consumption among the poor, as they are often cultivated on marginal land by low-income farmers. Over time, the crop group was neglected in resource allocation and could not outgrow the shadow of rice and wheat, thereby overlooking their nutritional value. Numerous studies show that millets are nutrient-dense, emphasising their importance as dietary components, but that was not heeded under the pressure of preference to superior cereals. As a result of their association with inferior lands, poor farmers were recognised as providing poor people with food and were neglected, considered inferior to other crops. These were culturally

degraded, unlike rice and wheat and were not used during auspicious functions.

Gopalan et al. (2002 and 2021) from the National Institute of Nutrition summarised key nutritional facts about major millet crops. In India, 12 commonly consumed millets are documented, along with many smaller, unrecorded varieties. 1. Sorghum (Jowar) is a staple in parts of Maharashtra and North Karnataka, while 2. Pearl Millet (Bajra) is popular in Gujarat, Rajasthan, Maharashtra, and Haryana. 3. Foxtail Millet (Kakum/Raal/Kangni) is grown sporadically in hill and forest regions across Andhra Pradesh, Karnataka, Telangana, Rajasthan, Maharashtra, Tamil Nadu, Madhya Pradesh, and Uttar Pradesh. 4. Finger Millet (Ragi) is valued for its nutritional benefits and is popular in Karnataka, Andhra Pradesh, Tamil Nadu, and Coastal Maharashtra. 5. Brown- top Millet (Korle), often cultivated in Karnataka and Andhra Pradesh, can thrive in less fertile soils and is rich in iron, calcium, potassium, magnesium, zinc, phosphorus, and B- Group vitamins (Sarita and Singh, 2016). 6. Barnyard Millet (Kodo/Sanwa) is cultivated in parts of Andhra Pradesh and Uttarakhand. 7. Little Millet (Kutki/Samai/Same/Samulu) is suitable for waterlogged or drought- prone areas in the Eastern Ghats. Buckwheat Millet (Kuttu) is mainly consumed during Navratri fasting. 8. Amaranth Millet (Rajgira) is protein- rich and believed to help combat hair loss and greying; it is cultivated across India, especially in central states and the Northeast, and aids in lowering cholesterol and cardiovascular risks, as it contains high levels of calcium, vitamins, and other nutrients (Hulse et al., 1980). 9. Kodo Millet, a digestible millet high in lecithin, supports neurological health. 10. Saave (Little Millet) is considered highly nutritious, with significantly more minerals, fibre, and iron than rice (Lalit Kumar et al., 2022). 11. Proso Millet (Chena/ Barri), known as ‘broom corn millet,’ originates from arid regions of Asia, Australia, Africa, and North America. 12. Job’s Tears (Adlay or Coix lacryma-jobi) is a nutritious, gluten- free ancient grain often called Chinese pearl barley, cultivated in Southeast Asia. Also known as Gavedhukam and Hatomugi, it has been used for thousands of years. Versatile and high in protein, it is popular in soups, porridge, and desserts. Its health benefits include aiding weight loss, lowering cholesterol, and reducing inflammation.

A study in the Journal of Pharmacy highlights that millets are rich in health-boosting phytochemicals, including polyphenols, lignans, phytosterols, phytoestrogens, and phytocyanin. These substances serve as antioxidants, immune system modulators, and detoxifiers, helping to prevent age-related conditions such as cardiovascular disease, diabetes, and cancer (Rao et al., 2011). Another research confirms that millets can lower the risk of heart disease, protect against diabetes, enhance digestion, reduce cancer risk, detoxify the body, strengthen respiratory immunity, increase energy, and support muscle and nerve health, offering protection against metabolic syndrome and Parkinson’s (Chandrasekara, Naczka, and Shahidi, 2012). The reduced consumption of millet has contributed to higher rates of nutritional deficiencies and lifestyle diseases among impoverished populations, mainly due to a greater reliance on rice and wheat. It is only recently that the nutritional importance of millets has been recognised, and now many processed products using millets have come to market. This has some impact on the attention paid to millets by consumers, and consequently, farmers are also taking an interest in these crops.

Table 1: Nutritional Value of Millets (Per 100 g)

	Nutri Millets			Small Millets				
	Jowar (Sorghum)	Bajra (Pearl)	Ragi (Finger)	Kodo	Proso	Foxtail	Little	Barnyard
Carbohydrates (g)	67.7	61.8	66.8	66.2	70.4	60.1	65.5	65.5
Protein(g)	9.9	10.9	7.2	8.9	12.5	12.3	10.1	6.2

	Nutri Millets			Small Millets				
	Jowar (Sorghum)	Bajra (Pearl)	Ragi (Finger)	Kodo	Proso	Foxtail	Little	Barnyard
Fat (g)	1.7	5.4	1.9	2.6	1.1	4.3	3.9	2.2
Energy (kcal)	334	347	320	331	341	331	346	307
Dietary Fibre (g)	10.2	11.5	11.2	6.4	-	-	7.7	-
Calcium (mg)	27.6	27.4	364	15.3	14.0	31.0	16.1	20.0
Phosphorus (mg)	274	289	210	101	2	188	130	280
Magnesium (mg)	133	124	146	122	153	81	91	82
Zink (m)	1.9	2.7	2.5	1.6	1.4	2.4	1.8	3.0
Iron (mg)	3.9	6.4	4.6	2.3	0.8	2.8	1.2	5.0
Thiamine (mg)	0.4	0.3	0.4	0.3	0.4	0.6	0.3	0.3
Riboflavin (mg)	0.1	0.2	0.2	0.2	0.3	0.1	0.1	0.1
Niacin (mg)	2.1	0.9	1.3	1.5	4.5	3.2	1.3	4.2
Folic Acid (ug)	39.4	36.1	24.7	39.5	-	15.0	36.2	-

Source: National Institute of Nutrition (2017), Indian Food Composition Tables, ICMR, Dept of Health Research, MoHFW, Government of India, Hyderabad.

Considering the extensive nutritional and health benefits of these crops (as seen in Table 1), it is difficult to see why they were once regarded as inferior. Table 1 shows that millets are high in phosphorus, potassium, magnesium, zinc, and notably thiamine, niacin, and riboflavin- all of which are vital for human health. This perception likely originated because, historically, these crops were the main staple of the poor and very poor. Their social status possibly led to their staple food being labelled as inferior as well.

Cost and Returns from Millet Cultivation

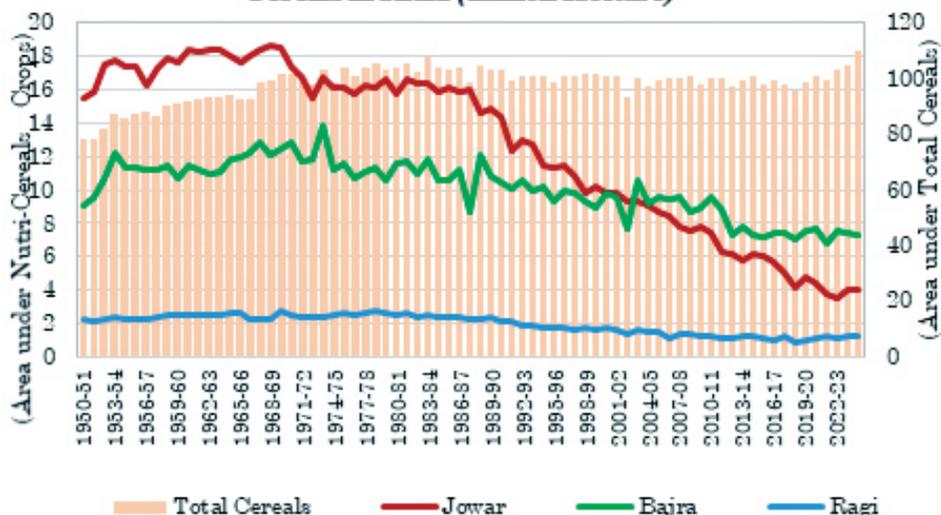
Millets are often regarded as inferior crops, primarily because of their low returns, and are labelled as food for the poor. Our analysis focused on four millet varieties—Jowar, Bajra, Ragi, and Barley—using cost-of-cultivation data and gross returns from the Government of India’s Commission on Agricultural Cost and Prices (CACP) reports for the period ending 2023-24. To provide a comprehensive comparison, we initially contrasted the cultivation costs of paddy and maize using Cost A2 and Cost A2 plus family labour (FL). Although these are high-value crops, they serve to highlight the contrast between the two extremes of income in farming. Table 2 presents the overall economics of millets, which is quite revealing. It can be seen that these crops do not require expensive inputs, and hence the cost of cultivation is quite low compared to other cereals. The gross value of output (GVO) per hectare for paddy and barley is almost twice that of all millets, while maize’s GVO is approximately 91% of paddy. Cultivation costs for paddy, maize, and barley are nearly twice those of millets. Despite millets being cheaper to grow, their low market prices lead to minimal net earnings, discouraging farmers from cultivating them. Recently, millet processing has expanded in many regions, with value-added products earning attractive prices. However, farmers did not benefit from this, so millets remained less favoured, except for barley.

Table 2: Economics of Millets Cultivation

Crops	Cost/ha		GVO (₹/ha)	Gross Returns over Cost per ha				
	A2	A2+FL		A2 (₹)	A2+FL (₹)	A2 (% of GVA)	A2+FL (% of GVO)	(A2+FL) Relative to Paddy
Paddy	48104	61314	91530	43426	30216	47.4	33.0	1.00
Jowar	30795	41209	50216	19421	9007	38.7	17.9	0.30
Bajra	22654	37123	45780	23126	8657	50.5	18.9	0.29
Maize	41988	53388	83544	41556	30156	49.7	36.1	1.00
Ragi	39282	54508	47911	8629	-6596	18.0	-13.8	-0.22
Barley	37225	55507	105036	67812	49530	64.6	47.2	1.64

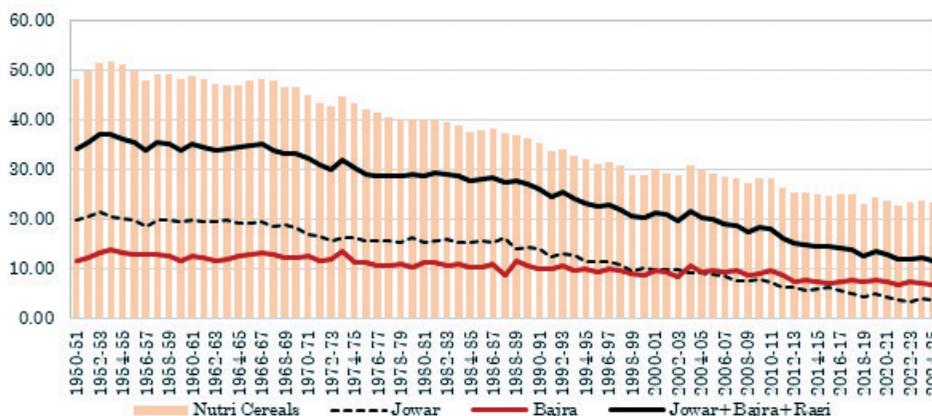
Source: Basic data from the CACP Price Policy Reports for the concerned years, CACP, Ministry of Agriculture and Farmers Welfare, New Delhi.

Fig 1: Area under major Nutri-Cereals Crops and Total Cereals in India (Million Hectare)



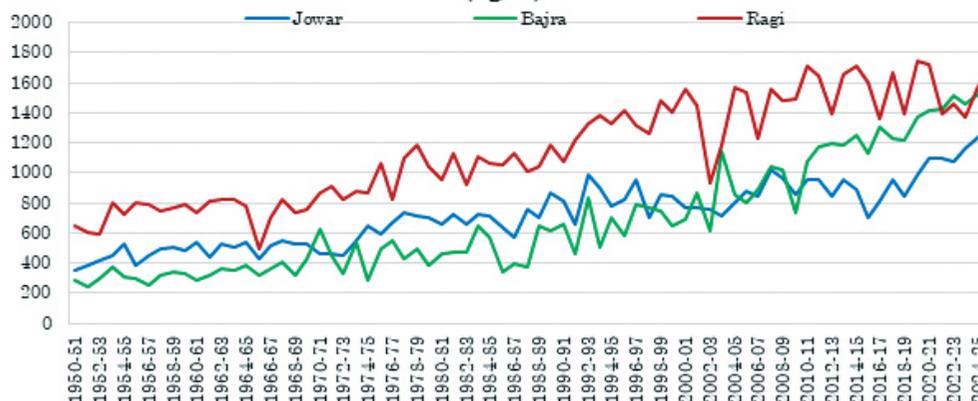
The cost of cultivation of Jowar Bajra and ragi, the prominent millets grown under rainfed conditions, ranges between ₹ 37 thousand and ₹ 54 thousand per hectare. Whereas, the Gross Value of Output ranges between

Figure 2: Share of major Nutri-Cereals crops to total area of Total Cereals in India



₹ 45 and ₹ 50 thousand per hectare. Among these crops, maize is the highest-value-added crop, as it is used as a raw material in industries. It is noted that the B/C ratio of these crops is 6.67 when maize is included. However, since maize is mainly used for commercial purposes such as feed or starch, excluding it from the analysis, the B/C ratio drops to 4.39 for the three crops, with Ragi having the lowest returns, followed by Bajra, and Jowar having the highest. It is clear that the economics of millets are unfavourable to farmers, and hence, over the years, the area under the three main millets has been declining consistently, as can be seen from Figures 1 and 2. The decline in the share of area under millets is quite sharp after 1986-87. Bajra crop maintained the area share but the decline is sharp for jowar and ragi.

Fig 3: Productivity of Key Nutri (Coarse) Cereals and Foodgrains in India (kg/ha)



What caused the inferiority?

The low status assigned to these crops originated from their cultivation on less fertile lands. Once irrigation and better resources became available, farmers shifted to high-value cereals like rice and wheat. Millets, however, were relegated to an inferior status, possibly for five reasons. First, since millets are a staple for low-income groups, the associated stigma of being lower-class food overshadowed their benefits. Second, there is a behavioural issue where consuming certain foods or goods is irrationally linked to income or wealth, known as the Snob (Veblen) effect. This has led to millets being culturally degraded and rarely chosen for social or religious functions. Recently, a movie depicted a person turning away boys from a poor family, who were staring hungrily at a pizza, saying, “It is not for you, poor fellows.” This incident highlights how class-based perceptions of food have contributed to the deliberate marginalisation of millets.

Table 3: Growth rates in area under millets: 1950 to 2021 (%pa)

Jowar	Bajra	Ragi	Small Millets	Nutri Cereals	Barley	Coarse Cereals	Total Cereals
-1.84	-0.25	-0.91	-3.29	-1.21	-2.34	-0.65	0.36

Source: Based on the data from Agricultural Statistics in Brief 2021-22.

Third, as people’s food preferences became more refined, rice and wheat gained status as premium foods. At the same time, land with poor fertility and limited resources used for these crops further diminished their significance. This leads to low fertility and low returns, and, as a result, the farmer also allocates a lower share of his sown area to these crops. This is shown in Figure 2, which depicts the declining share of land under these crops combined. **Fourth**, as shown in Table 1, the growth rates in the area under all these crops are negative, and even the actual land areas have shrunk over the past seven years. On average, small

millet cultivation has declined by 3.29 per cent annually, as cultivated land is being shifted to other crops or used for purposes other than agriculture. The process of shifting the area under low-value crops to more profitable crops is a positive indicator of development, but at the same time, the nutritious crops are losing ground. Additionally, millets are seen as inferior because they do not generate large market surpluses; the small quantities sold fetch low prices, discouraging farmers from dedicating more land to them. **Finally**, these crops generate low income (See Figure 1) and receive little state support in terms of support prices, procurement, and inclusion in the public distribution system. The per-hectare value of these crops is much lower than that of higher-grade cereals (see Figure 1).

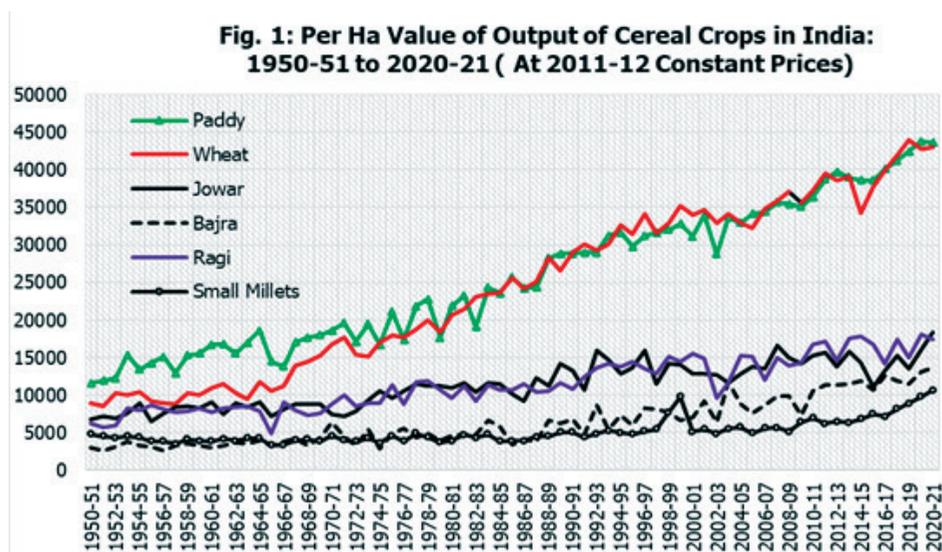


Figure 4: Per Hectare Value of Output of Cereals: 1950-51 to 2020-21

Millets are not preferred due to low relative income compared to similar crops. After adjusting for inflation, rice and wheat earned more than twice as much per hectare in the 1950s as millets did, and today their earnings are eight times higher. Although coarse and nutritious millet varieties have experienced slow price growth, recent modest increases do little to encourage farmers to cultivate them. Coarse cereals were often overlooked since they constituted a major part of the poor’s diet and were labelled as ‘coarse’ grains. Over time, higher household incomes have led to increased consumption of wheat and rice, while coarse cereals have declined, indicating an inverse relationship with income growth (Chand and Kumar, 2002). In rural areas, rice accounted for 55% of cereal consumption, compared to 50% in urban areas. Wheat comprised 39% in rural and 47% in urban regions. Coarse cereals made up only 6% of cereal intake in rural areas and 3% in urban areas (NSS, 68th Round, 2011-12). Despite their high nutritional value, these crops continued to be referred to as ‘inferior.’

Table 4: Procurement of Coarse Cereals under CACP.

Year	Procurement in Mill. tonnes	As Share of production (%)
Total 2011-12	4.25	0.97
to 2020-21		
Total 1971-72 to 2020-21	10.79	0.64

Note: *Maize constitutes a major proportion of the coarse cereals’ procurement

Source: Based on various issues of Agricultural Statistics at Glance, 2022, GOI, MoAFW

Four-Cornered Aggression

The latest agricultural census indicates that over 80% of farmers and smallholders in the country cultivate millet, although many have shifted to other crops due to the advantages and disadvantages of millets. Typically, millets are grown on marginal land with limited irrigation by resource-constrained farmers. As resources improve, farmers tend to favour high-value crops such as superior cereals, oilseeds, and pulses, which offer better market access and higher prices than millets. Four key challenges hinder millet development: First, cultural and social biases, as millets are perceived as inferior to rice and wheat; the latter dominate social and religious events. Second, economic disparities arise because rice and wheat enjoy favourable price signals, widening the price gap and discouraging millet cultivation. Third, marketing is challenging: millets, with lower yields per hectare, generate small surpluses sold directly at farms without specialised markets, making farmers price-takers (Nadkarni, 1981). Fourth, scientific research has been limited, with few new millet varieties developed since the 1970s, leading to slow adoption. As a result, only about 18.37% of the country's land (Average 2021- 25) is allocated to Nutri-cereals (GoI, 2026, p. 44), producing roughly 17.04 million tonnes. There are also relatively few scientists working on millet agronomy compared to those focusing on sugarcane, rice, wheat, pulses, and oilseeds. Recently, after the 2023 budget, the Government of India established the Indian Institute of Millets Research in Hyderabad, dedicated solely to millet research. These five factors, along with a poor return-on-cost ratio, limit the expansion of millet. Despite increasing popularity as a superfood, millet cultivation remains constrained by land availability and lack of market incentives. The UN's 2023 declaration of the Year of Millets offers a chance to improve this situation if effective strategies and incentives are adopted.

Way Forward

India produces over 50 million tonnes of millet, making up 80% of Asia's and 20% of the global total. The average worldwide yield is 1229 kg/ha, while India's yield surpasses that at 1239 kg/ha (GoI, Ministry of Agriculture and Farmer Welfare, 2023). Recognising millet's nutritional benefits, the government designated it a Nutri-cereal in April 2018, and it is now a key component of the National Food Security Mission (NFSM). The Indian Institute of Millets Research partners with various start-ups under the Rashtriya Krishi Vikas Yojana (RKVY). Still, the overall impact of these initiatives on India's millet economy remains uncertain due to ongoing significant challenges.

A key challenge is that millets are primarily grown by small and marginal farmers who operate under tough conditions with limited resources. According to the 2015-16 agricultural census, India has about 125.8 million small and marginal farmers, making up 86% of all farmers. These farmers usually grow only millets. It's clear that resource-poor farmers are unlikely to favour low-yield, low-price crops. Additionally, most technological advances have overlooked this group, with few new millet varieties released- except for Jowar, Ragi, Bajra, and Maize. The finance minister recently announced a dedicated millet research institution in Hyderabad, but it will take years to develop new technologies. Millet prices lack significant advantages over competing crops, and most markets for them are limited- most products are sold directly at the farm gate, except for Ragi, Jowar, Bajra, and Maize. This provides little incentive for farmers to dedicate more land to millets. State intervention is necessary to provide suitable incentives and establish market linkages. Moreover, efforts should focus on developing processing and packaging facilities for millets beyond Ragi, Jowar, Bajra, and Maize. The CACP should review the millet procurement policy and promote popularity through MSP. These

actions would support small and marginal millet farmers and improve nutrition among the poor. Ultimately, increasing millet availability benefits both farmers and consumers, fostering positive change.

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Costing Approach Adopted for MSP Fixation: A Practitioner's Perspective



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Debates surrounding Minimum Support Price (MSP) and how it is fixed have been one of the most discussed topics in the Indian agricultural policy scenario. It is often perceived that MSP is a simple “cost-plus” formula; however, the actual methodology adopted by the Commission for Agricultural Costs and Prices (CACP), GoI, is multidimensional, combining cost accounting principles with market analysis, policy trade-offs, and risk considerations. The MSP offers a unique opportunity for cost and management accountants as well as practitioners to see how costing, pricing, and broader economic factors intersect in public policy.

This article provides an overview of the costing methodology behind MSP fixation, highlighting the major determinants of production cost, which ultimately form the basis for price fixation.

Understanding MSP: More Than a Cost-Plus Price

The minimum price at which the government is willing to buy crops from farmers is known as the MSP. The

rationale behind MSP is that it will provide farmers with stable income, encourage the production of essential crops, and ultimately lead to food security. MSP serves as a floor price when the market price falls below a certain threshold.

However, it is worth noting that MSP is not a statutory price; hence, the GoI is not obligated to purchase all output at MSP. Rather, MSP is a policy instrument that sets a minimum price benchmark and ensures that procurement is primarily carried out through the FCI and state agencies for crops like wheat and paddy. MSP not only helps recover past costs, but it is more akin to a standard price obtained from a strategic costing approach, from a cost and management practitioners' lens.

Costing Framework Used by CACP

The foundation for calculating MSPs is cost estimation. The Directorate of Economics & Statistics, which conducts state-by-state surveys, provides cost data that the CACP uses. Since farming primarily depends on family labor, owned land, and unpaid inputs—all of which require the inclusion of imputed items—agricultural cost estimation differs from industrial costing.

Three cost concepts are central to the MSP fixation:

(i) A2 Cost

This includes the actual out-of-pocket costs incurred by farmers for seeds, fertilisers, pesticides, hiring labour, machinery, fuel, irrigation charges, rent for leased-in land, etc.

(ii) A2 + FL Cost

This cost is calculated as A2 Cost plus the imputed value of family labour. This concept assumes that family members also contribute directly to the production process, even if they are unpaid.

(iii) C2 Cost

C2 cost is calculated as the sum of A2 + FL Cost, the rental value of owned land, and the interest on owned fixed capital. C2 represents full economic cost.

Currently, MSP is set at: $MSP = 1.5 \times (A2 + FL)$.

This level protects against volatility by guaranteeing a 50% margin above the farmer's cash and labour costs. Additionally, the farmer groups advocate for MSP at 1.5 times C2, which will significantly raise the benchmark. The cost-plus model is reinforced by this required margin. The rationale behind this claim is that agriculture is inherently risky due to uncertainties in weather and price volatility. Prices for inputs also change. Similar to a risk premium in commercial pricing, this margin serves as a guarantee and safety net.

Cost, however, is only one consideration. After all, MSP is a policy price that is influenced by several market and economic variables.

Factors Considered in Fixing MSP

(a) **Balancing Supply and Demand:** The Minimum Support Price (MSP) is put in place to help stabilize

supply and demand in agriculture. The Commission for Agricultural Costs and Prices (CACP) examines various factors, including import and export opportunities, the need for buffer stocks, consumption trends, and the estimated domestic supply of crops. When there is an abundance of produce, they may keep MSP increases in check to prevent overproduction. Conversely, if there's a potential shortage, they will raise the MSP to encourage farmers to plant more.

- (b) **Understanding Production Costs:** The cost of producing crops varies widely across different states due to factors such as yield levels, the types of inputs used, labor costs, and access to irrigation. To provide a fair assessment, the CACP uses weighted averages that account for these state-specific costs.
- (c) **Market Price Trends:** Deciding whether to adjust MSP relies heavily on the trends in both domestic and global market prices. Domestic price trends reflect regional disparities, supply chain issues, and even the behaviour of traders. For internationally traded crops like cotton, oilseeds, and pulses, global price movements are crucial. The MSP needs to stay competitive; otherwise, exports might become less viable, or imports could undercut local farmers' prices.

Farmers make choices on how to allocate their land based on potential profits from different crops. The MSP plays a vital role in ensuring that prices are balanced across various crops, encouraging farmers not to over-plant one or a few types of crops, which helps maintain a healthy agricultural landscape. From a financial standpoint, the MSP aims to ensure that farmers receive fair compensation, taking into consideration what they would earn if they switched to growing a different crop. Unfortunately, costs for farmers—like those for machinery, fuel, and fertilizers—have been increasing much faster than the prices they receive for their products. The MSP helps address this imbalance and supports farmers in receiving a fair return for their hard work.

How MSPs impact Consumers? The government seeks to strike a balance between the stability of food prices, the stability of farmers' incomes, and fiscal sustainability. Increased MSPs raise the risk of inflation because they can lead to higher market prices, increased procurement costs, and higher food subsidy bills.

Why MSP Cannot Be Cost-Based Alone? Cost-based pricing is effective in markets that are steady and predictable. Agriculture is not one of them. Crops differ by region, yield, technology adoption, and water availability. MSPs would be extremely uneven under a strictly cost-plus model, which would promote inefficiency. Moreover, if MSP were based exclusively on cost, a higher MSP would be disproportionately allotted to certain high-cost states, thereby rewarding inefficiency. This would ultimately widen the market distortions. Therefore, one needs to consider other confounding factors to come to a rational, nationally relevant MSP.

The challenges in the costing and fixation of MSP are diverse. Establishing standard cost estimates is challenging due to the heterogeneous nature of farming practices. Additionally, imputed costs add some subjectivity to the procedure. Market prices often diverge from the MSP, resulting in inefficiencies. Disparities are also caused by procurement being restricted to a small number of crops and concentrated in a few states. This exacerbates the distortions brought on by MSP. For instance, issues like groundwater stress are often heightened by excessive wheat and paddy production. As a result, MSPs need to adapt to better data, digital tracking, and climate concerns.

Conclusion

MSP fixation is an interdisciplinary endeavour that combines larger economic signals with production costs. While cost accounting provides the foundation, especially in the form of A2, A2+FL, and cost-plus margins, MSP strives for higher goals, such as price stability, market balance, food security, and income stability. The MSP is a strategic policy price that considers the welfare of both farmers and consumers, while also taking into account supply and demand, global price trends, and inter-crop parity. It is not a cost-plus price. To make the MSP effective and relevant for long-term agricultural competitiveness, MSP methodologies will need to be data-driven, take sustainability into account, and concurrently consider alternatives such as price-deficiency payments and derivatives markets.

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“Cold Storage Management – a value addition to Farmer”



CMA CA Dendukuri Zitendra Rao

Cost and Management Accountant in Practice

Introduction

It is my wishful thinking that the farmer is offered “**Downside protection and Upside Entitlement**” a phrase that generally be used in Buyback proposals of the Investment. If this is coined with appropriate tone – the Farmer gets motivated to continue his journey and ensure FOOD to the Mankind in particular and many species in general. Having said that the Government cannot have a budgetary support but extend strategic support and ensure self sustainable capability. It is in this backdrop – I wish to provide yet another initiative that can be of help to the Farming Community and empower the Farmer with the wishful thinking cited above

Issues and Concerns

I am aware that the Farming community is not beyond the Trend craze like any other industrial outfit. We have seen the dotcom trend – Granite Trend – Acqua trend and start up trends. I visited a Sugar factory where they have co-generation facility and Distillery as another relevant activity. With the focus of government shifting to Ethanol manufacturing in order to reduce the import bill on Fuels; the sugar factory contemplated to produce Ethanol and added the distillation capacity. Further the company also added back-up facility to produce the back-end Slurry with the help of Maize. It is in this context I attempted to study the crop, Maize. The crop was subjected to lot of Demand Supply fluctuations. Looking at the better realizations – the Farming community preferred to go for Maize cultivation in a big scale. Added to the plights; Government

has put in manufacturing of Ethanol and thereby the Sugar factory also could not purchase the Maize for further processing. With huge supply hitting the market the price got strained and the farmer has to suffer financially. Similarly, I am aware of the plights faced by the Red Chilies cultivators. The cost of cultivation is high per acre and the market is very much volatile. The trends in Prices on an average are so much disturbing. In the year 2020 it is been traded at ₹.18K per quintal where it went down during 2021 to ₹.14K and again it shot up to ₹.20K in 2022 and to ₹.18K in 2023; ₹.15K in 2024; ₹.14K in 2025. It is at around ₹.22K as of Feb 2026. The reasons could be many like improved focus on exports, productivity etc... Thus, the farmer is always at the receiving end of the actual losses and as well loss of opportunity gains. One way to address the concerns of the farmer and to ensure the Demand Supply balance is to come out with cold storage units nearer to Agricultural markets which are almost connected to the surrounding villages.

A Cold Storage Unit (CSU)

A Cold Storage Unit (CSU) is a structure of about 200 Feet length and 150 Feet length structure with the supporting equipment that will ensure the temperature controls. A Cold Storage Unit that can accommodate nearly 1 lakh bags of approximately 45 KGs each (in case of Red Chilies) costs ₹.8 Crores as capex. We need about 6000 square yards of open space in toto to construct the said CSU. The facility accommodates 10 persons (skilled and unskilled) costing about ₹. 2 lakhs per month as wage bill. The other operating expenses will be approximately ₹.5 Lakhs a month including power bill of ₹.3 Lakhs per month. Thus, the annual operational outflow would be almost a Crore of Rupees per year. The revenue model is normally in the form of income from rental services and if the facility is occupied in full the eco-system can make the cash box rich by ₹.1.50 Cr a year (Top Line). Department of Agriculture & Farmers Welfare is also extending Capital subsidy to the extend of 35% of the project cost. If we look at it - this appears to be yet another business proposition. It is in this backdrop – I have the following thought process for further studies. The pictures of a cold storage unit located near Madhira of Khammam District of Telangana State is given herein just for the purpose of information.



Events that may fall out

There are about 8000 CSUs across India of different capacities and most of them operate under private ownership. The Farmers prefer to keep their produce in the cold storage units with a hope to sell the produce at a price that is convenient for them. The storage risk though is to the account of the Cold Storage Unit - the decision of making the product to evict the storage space for its journey to ultimate consumption continues

to be with the farmer. *As of now the CSU is only acting as a Service provider.* Finally – the farmer may be the even the looser also. In spite of storing the produce for considerable period of time – the price trends may not be encouraging and finally of the Farmer may have to compromise in a way by trading off between the storage costs and the market prices. Secondly in spite of perfect conditioning of the storage space and upkeep – the produce may also lose its potency of natural ingredients that were cultivated. Thus, there is every need to not only monitor the physical Look and Feel of the storage activity but as well the quality parameters of the produce. In my view – this is the big threat that may ultimately hamper the objective of utilizing the cold storage facilities. In any case the earnings risk is not been mitigated for except to wait and watch stand a farmer takes considering the Price intelligence that he has access to through different sources. It is also said that the CSUs also can be owned by the Farmer Produce Organizations or Other entities or individuals. The FPOs are also in way extended arm of government outfit when it comes to the question of Bailing out in case of troubles.

Cashflow aspects:

The Farmer is the upfront investor for the agriculture and has to have his produce be stored and be blocked as Inventory in pipe line and the principle of Cash in Hand is no an exception to the farmer also. **The earlier he tastes the proceeds the better it is.** In the process the opportunity gains are also to be ensured to be pocketed by the farmer if not fully at least partly. Coming to the perspective of Cold Storage Unit Owner – **the Debtor is the Farmer.** The emotional issues play major role than the commercial considerations and finally even the CSU owner will also be subjected to some cashflow constraints. Coupled to this the funding issues for the capex of CSU and liaison with the financial institutions to service the interest costs will be an unusual burden to the person who ventures into this CSU activity. The venturing is normally done with an intent to be a Bridge between the Farmer and the Market. Though it is said that 35% of the project cost is funded by means of subsidy – the procedural aspects delay the inflow of the relevant source of funds.

Proposed wishful thinking:

I wish to visualize a scenario where in Government assumes more responsibility of the functioning of these CSUs and ensures the following features:

- (a) This wishful thinking is coined keeping in mind the plights of Farmers involved in cultivation of Red-chillies primarily.
- (b) The moment the produce is shifted to the CSU; an on-account amount can be released to the Farmer based on the prevailing prices and thus the **DOWNSIDE PROTECTION** envisaged in the initial lines of this write up is ensured.
- (c) The activity of constructing the CSUs will come through Budgetary outlays and can be viewed on the lines of constructing a Dam or providing the irrigational facilities
- (d) The Centralized market Intelligence will enable the Organizers to have the produce be sold in the open market and the relevant Farmer can also have share in the surplus Cake as well. This is the **UPSIDE ENTITLEMENT** that I am talking about and the ultimate factor of motivation to the Farming community.

- (e) The centralized Market intelligence can also minimize the financial burden on the exchequer by entering into suitable contracts with commodity exchanges.
- (f) **Connectivity with Ai:** The CSUs can be well knitted thru a wide area network for the purpose of establishing the inventory monitoring aspects. Further an effective Internet of Things (IOT) sort of Ai Tools can also tag to the lots stored; to be monitored for the quality and other parameters on continuous basis. This Information Intelligence can be accessed by the decision maker. The parameters could be quality of the produce, ageing of the produce, climatic conditions, geographical conditions, optimality of storage space etc.
- (g) In a way the activity that is presently happening for the Food Grains procurement can be extended for the products that require additional infrastructure and can contribute for the prosperity of the farmer.
- (h) The O&M activity of the respective CSUs can be assigned to FPOs or self-help groups
- (i) GST aspects and compliances related issues of CSU activities can also be minimized since the extended arms of Government and the Farmer are involved in the entire cycle
- (j) Just as we have many segments in both public and private sector; pilot project can be taken up at the rate of one CSU in each of the district

Finally...

I am sure that this aspect motivates the farming community to be pro-active to the global developments and may support the Government in its efforts to rationalise agriculture. This thought process has to be further Brainstormed and can be a policy initiative of high potential.

॥ सर्वे जनाः सुखिनो भवन्तु ॥ (Sarve Janah Sukhino Bhavantu).. - 18:78 –

Disclosure: This write-up has not taken the support of any AI TOOL except spell check and punctuation.

SHE-Marts: Empowering Women Entrepreneurs and Transforming Rural Economy in India



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ABSTRACT

The Government of India has announced the SHE-Marts Scheme in the Union Budget 2026-27 to empower women entrepreneurs by creating community-owned retail outlets within cluster-level federations of Self-Help Groups (SHGs). As an extension scheme built on the success of the Lakhpati Didi Scheme (2023), SHE Marts are expected to transform rural India and ensure efficient economic impact in the circular economy. This scheme aims to increase the registered current record of 2 crore Lakhpati Didi to 3 crore beneficiaries by 2027.

The aspirant women entrepreneurs shall be offered training, financial assistance, and market linkages to produce, display, and sell their branded products as empowered business owners. They may face challenges in areas such as logistics, cutthroat competition from established urban brands, inventory problems such as stock outs and wastage of outputs, etc. This article analyses how the proposed SHE Marts can bring women empowerment and transform the revenue pattern of rural India and how the CLF and SRLM experts shall offer hand-holding support to them to handle multiple business challenges effectively.

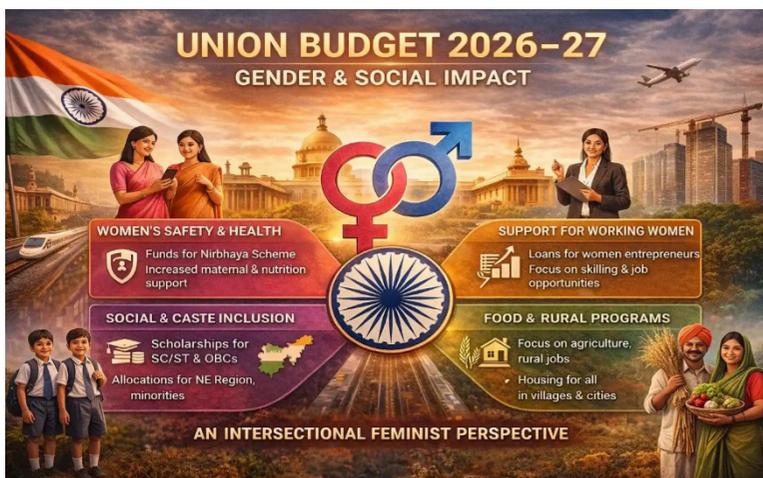
Keywords: SHE-Marts, Lakhpati Didi, Women Empowerment

Introduction

The SHE-MARTS (Self Help Entrepreneur Marts) is a Government of India initiative announced in the Union Budget 2026-27 to empower women entrepreneurs by creating community-owned retail outlets within cluster-level federations of Self-Help Groups. It is to be set up and managed by women entrepreneurs through their SHGs, facilitating direct market access to collectively display and sell their products, eliminating intermediaries.

These women-led enterprises are expected to reach 1 crore-plus women beneficiaries across India through increased financial inclusion, banking and credit access, and enhanced market reach to strengthen the rural economy. Building on the success of the Lakhpati Didi scheme,

these community-owned retail shops aim to transform the way women entrepreneurs access markets and change their lives from credit seekers to financially independent entrepreneurs.



Key Objectives

SHE-MARTs are positioned to become more than just a retail network - a catalyst for rural transformation by giving rural women entrepreneurs' direct access to markets, customers, and structured retail platforms. The key objectives are as follows;

1. To provide women entrepreneurs with better market access for SHG products.
2. To facilitate a permanent physical and digital platform for SHG products.
3. To offer better branding opportunities backed by steady income avenues.
4. To bridge the gap between rural production and local/urban consumption.
5. To support women engaged in agriculture, allied activities, animal husbandry, and other rural occupations.
6. To promote inclusive economic growth by converting rural women from the credit-led livelihood into revenue-driven business owners.
7. To contribute to the goal of creating 3 crore Lakhpati Didis by 2027.



Who Can Apply?

SHE-MARTs are designed to support the SHG women at various levels of their entrepreneurial journey. The outlets are generally allotted to and managed by Cluster-Level Federations (CLFs), which act as the parent body to whom the village-level SHGs have to apply for availing the marketing supports. The eligibility conditions are as follows;



- First-time women entrepreneurs.
- Cooperative societies led by women.
- Women-led SHGs with a stable annual income of at least ₹. 1 Lakh.
- SHG women entrepreneurs running small businesses and seeking market access.
- Women artisans engaged in agriculture, handicrafts, textiles, food processing, etc.
- Active members of registered Self-Help Groups registered under the National Rural Livelihood Mission (NRLM).
- Women members trained under the Lakhpati Didi Programme will get priority.

Products to be sold through SHE Marts

SHE-Marts allow rural women entrepreneurs to display and sell diverse products such as:

- Handicrafts and Traditional Goods.
- Food Products, Farm Products, and Organic Items.
- Textiles and Homemade Essentials.
- Local Beauty and Wellness Products.
- Products of First-Time Women Entrepreneurs.

SHE Mart Support Services

SHE Marts provides the following support services to women entrepreneurs;

1. **Training Support:** Skill development programs for women entrepreneurs
2. **Financial Assistance:** The budget introduced a digital end-to-end loan system for SHG women, enabling online



applications and bank-linked approvals. Women entrepreneurs will receive financial support through innovative financing mechanisms beyond traditional loans.

3. **Market Linkage:** The outlets will be set up in strategic locations to maximize market access for women producers. This will facilitate direct connection between producers and consumers, better control over their products, and the ability to grow together through shared retail spaces.

Online Application Process

The online application process for the SHE-Mart scheme has been integrated with the State Rural Livelihood Mission (SRLM). The step-by-step application process is given below;

1. Take membership in a registered SHG functioning in your village or gram panchayat. Contact the Gram Panchayat office or Block Development office if any assistance is required for enrolment.
2. Create quality products with SHG support and training. Your SHG must submit a proposal or expression of interest to the respective Cluster Level Federation (CLF).
3. The CLF and State Rural Livelihood Mission (SRLM) officials will evaluate the products that your group produces to check the quality, quantity, and marketability.
4. The shortlisted women members of SHGs will receive training for inventory management, digital payments, and customer service.
5. Women entrepreneurs may use the innovative financing instruments mentioned in the budget to secure capital for your retail space or inventory.
6. Develop your own brand with professional support and achieve sustainable growth and financial independence by directly accessing the retail platforms.
7. States shall be launching dedicated portals like Jan Samarth, where CLFs can register the SHE Marts for branding and support.

Transforming Rural India through Women's Empowerment

SHE-MARTs offers comprehensive support to help women-led enterprises achieve scale and sustainability. This initiative provides multiple advantages that empower women entrepreneurs, transforming the lives of rural women as discussed below;

1. **Direct Market Access:** SHE-Marts are expected to create structured retail platforms for women entrepreneurs, ensuring direct market access to display and sell their products at better prices without intermediaries.
2. **Community-Owned Retail Outlets:** Retail outlets owned and managed by local women's groups within cluster-level federations will ensure sustainable revenue, inclusive growth, community control, and collective ownership.
3. **Business Ownership:** Moving women up in the economic value chain from income earners to enterprise owners with community-backed ventures, gaining control over business decisions.



4. **Sustainable Income:** SHE Marts will facilitate higher profit margins through direct sales and better pricing for products, leading to sustainable income and financial independence for rural women.
5. **Permanent Infrastructure:** Permanent retail points for SHG-made goods with value-added product support and by building long-term brand value, SHE Marts will ensure sustainable business operations.
6. **Better Financial Support:** SHE-Marts will ensure women entrepreneurs' access to financial instruments and digital loan systems for business expansion and growth.
7. **Lakhpati Didi Linkage:** The SHE Marts are to be seen as the extension of the Lakhpati Didi Scheme, helping women members' transition from wage earners to enterprise owners.
8. **Empowerment:** With greater control over markets, branding, and the sustainable income generation model of SHE-Marts, women will be empowered economically and socially.

Expected Economic Benefits

- Expand formal retail participation at the grassroots.
- Strengthen women-led SHGs nationwide.
- Contribute to inclusive economic growth.
- Create multiplier effects on household income.
- Higher spending on education and healthcare
- Greater community development

Expected Social Benefits

- Rural women shall be elevated from the status of wage earners to business owners.
- Increased revenue and sustainable profit will allow the women to spend more for family health and education expenses.
- Gender equality and inclusive growth will ensure balanced growth in rural economy.
- Increased business opportunities and enhanced financial capacities will help improved standard of life for rural women and can bring clear social elevation and respect.

Lakhpati Didi Scheme

The Lakhpati Didi Scheme introduced by the Ministry of Rural Development under the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) in August 2023 seeks to empower rural women members of SHGs to earn a sustainable income of at least ₹. 1 lakh per year. The strategy includes focused planning, implementation, and monitoring at all levels. The implementation strategy for this scheme involves five steps, including 1. Identifying potential beneficiaries, 2. Creating master trainers, 3. Providing capacity-building training, 4. Preparing Lakhpati Plans, and 5. Enabling market linkages.

Steps to Become a Lakhpati Didi

1. A prospective member must first join a registered SHG.
2. They should participate in skill development training such as drone operation, tailoring, agriculture, etc., provided by the government.
3. They should develop a sustainable business plan or micro-enterprise.
4. The progress and income are tracked through the Digital Aajeevika Register.

Under this scheme, women will be trained in various skills, such as plumbing, LED bulb making, drone operation and repair, and tailoring and weaving. After completing the training, women will be provided with opportunities to earn income using their skills. The program aims to help them become financially independent.

According to the Ministry of Rural Development, as of July 2025, over 1.48 crore SHG women members have become Lakhpati Didis, and the target has now been set to have three crore Lakhpati Didis by 2027. The proposed SHE-Marts are to be built as an extension of the Lakhpati Didi Scheme.

Lakhpati Didi vs. SHE-MART

SHE-MARTs are described as the ‘next step’ after the Lakhpati Didi program. While Lakhpati Didi helps SHG women earn at least ₹. 1 lakh annually through micro-enterprises, SHE-MARTs enables them to become owners of enterprises, transitioning from income earners to business owners. The scheme comparison between the two is given below;

Aspect	Lakhpati Didi	SHE-Marts
Primary Goal	Annual Income ₹. 1 Lakh	Providing Retail Platforms for Sales
Focus Area	Income Generation Scheme	Infrastructure for Retail Platform
Support Type	Livelihood and Skill Support	Retail Infrastructure Access
Target Outcome	Capacity Building for Earning	Ownership and Sustainable Growth
Stage	Early Empowerment	Advanced Entrepreneurship
Market Focus	Local Livelihoods	Formal Retail Integration

How is SHE-Mart an extension of Lakhpati Didi?

Budget allocations for women have gone up in FY 2026–27, with the Gender Budget rising to 9.37% from 8.86% last year, pointing to a stronger push for women’s economic participation. Under the Lakhpati Didi initiative, a woman is classified as a Lakhpati Didi when her household earns at least ₹. 1 lakh annually, typically through income-generating activities supported by SHGs. SHE Mart builds on this foundation



by taking women beyond income generation to enterprise ownership, making it a natural extension of Lakhpati Didi 2.0. The shift looks like the following;

Credit Linked Livelihood	Enterprise Ownership
Loan-dependent income	Revenue-driven business
Small, home-based activity	Structured business setup
Limited local selling	Wider market access
No brand or store	Own brand at retail platform
Focus on repayment	Focus on growth and profit

Challenges Ahead

1. Last-mile logistics, like transporting perishable or fragile goods from remote village clusters to district-level marts, often results in high costs or product damage.
2. Competing with established urban brands is difficult for women entrepreneurs if their rural products vary in taste, texture, or packaging across different batches.
3. Moving from cash-based, informal recording to digital Point of Sale (PoS) Systems and UPI payments can be a steep learning curve for some SHG women from rural areas.
4. Managing stock across multiple locations and accurately predicting which products will sell best in specific seasons can lead to either waste or “out-of-stock” inventory scenarios.
5. As women move into organized retail, they may face challenges such as inventory management, demand forecasting, multi-location stock visibility, and supply chain coordination.
6. Deep-rooted social norms may limit the mobility of rural women or their ability to dedicate time to “enterprise ownership” alongside household responsibilities.

Possible Solutions

1. The Cluster-Level Federations (CLFs) can manage the logistic challenges of aggregating products at a central point by partnering with local rural transport networks to create a shared “hub-and-spoke” delivery model.
2. Competing with urban brands may be facilitated by implementing mandatory quality appraisal, branding support, and professional guidance to ensure every food item meets FSSAI standards or other prescribed retail-ready benchmarks.



3. Dedicated training modules on inventory management apps and digital payment security, supported by the national “Jan Samarth” portal for seamless business tracking, can be of great help for digital adoption and financial literacy of rural women.
4. Inventory challenges can be managed using structured Stock Keeping Unit (SKU) tracking and data-driven replenishment planning managed by trained CLF cadres to align production with local market demand.
5. Efficient inventory and warehouse management help prevent stock-outs, reduce wastage, track SKUs accurately, and ensure smooth operations across multiple retail outlets and storage locations.
6. The community-owned SHE Marts model allows for shared responsibility among group members and nullifies such socio-economic barriers, providing a support system that balances women’s business operations with their domestic roles.

Gender-Responsive Budgeting

A feminist or gender-responsive analysis of the budget does not only ask, “How much is spent on women?” Instead, it asks deeper questions such as, ‘Do allocations reflect the different needs of men and women?’, ‘Are women benefiting equally from infrastructure, skilling, and health spending?’, ‘Does the budget address unpaid care work, safety, and access to resources?’

The increased spending on health, nutrition, and education tends to have a disproportionately positive impact on women and girls. These sectors address fundamental barriers that prevent women from participating fully in the economy.

Schemes targeting entrepreneurship, self-help groups, and financial inclusion can improve women’s economic participation. Programs like SHE-MARTs, specifically aim to empower women entrepreneurs by providing direct market access and business ownership opportunities. The total gender budget allocation is 9.4% of the total budget of 2026-27.

While Budget 2026-27 makes progress in women’s economic empowerment through schemes like SHE-MART and increased allocations for health and education, there is still room for more explicit gender budgeting. A comprehensive gender-responsive budget would systematically assess the differential impact of all allocations on men and women, ensuring that public spending contributes to gender equality.

Conclusion

By promoting enterprise ownership, shared infrastructure, and market access, SHE Marts are expected to strengthen women-led businesses, create sustainable income opportunities, and support inclusive economic growth aligned with budget 2026-27 goals. The scheme reflects the Government of India’s focus on inclusive, women-led growth by encouraging enterprise creation beyond income support. Simply speaking the SHE-MARTS are positioned to become more than just a retail network—a catalyst for transforming rural India. With the right implementation, these SHE Marts can strengthen local markets, expand opportunities for women-led SHGs, and transform Rural India a step closer to meaningful women’s empowerment.

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Interview



Ms. Ashwini Aurangabadkar

Agripreneur, Nagpur, INDIA

1. What convinced you to shift your career from flourishing practice to agriculture and how did your professional career help you to manage agricultural activities efficiently?

I've loved plants since childhood, but I never planned on becoming a farmer. The shift happened organically. A client of mine wanted to sell agricultural land near Nagpur. On a whim, thinking it was close enough that I could manage it alone, I convinced my husband to go see it, and we ended up buying it. For two years, I tried balancing both careers, but I soon realized that to be a farmer in the true sense, you can't split your focus. I decided to dive in full-time. While I can't map it point-by-point, my career as a Chartered Accountant fundamentally shaped how I run the farm—it gave me the confidence to make tough decisions, manage people effectively, and oversee operations efficiently.

Currently I am catering directly to approx 300 customers. This was possible only due to my professional exposure of handling clients.

2. Indian agriculture suffers from long cash-conversion cycles. How do you manage your liquidity during the lean months, and what internal controls have you set up to ensure that seasonal labor costs don't bleed your reserves?

My business model differs completely from a traditional farmer's. Because I practice organic farming, we maintain a rich biodiversity of plants, crops, birds, and insects. To manage liquidity, I bypass the traditional cash-conversion cycle by selling directly to consumers and organic stores. We offer weekly subscription for vegetables and seasonal fruits. Furthermore, I process a significant portion of produce into value-added items like pickles, jams, squashes, biscuits, paneer, and shrikhand etc. This direct-to-consumer and processing approach ensures a steady cash flow year-round, eliminating the typical 'lean months'.

- 3. Agricultural income is exempted from Income Tax but computations for mixed income are complex. How do you handle 'Partial Integration' of taxes, and how do you ensure your books are audit-ready to distinguish between purely agricultural activities and business activities like processing or branding?**

I am no longer practicing as a CA. Within a few years of closing my office, I was certain I would be a full-time farmer and wouldn't return to practice, so I surrendered my COP (Certificate of Practice). Therefore, there is no professional income to integrate. As a farmer, my core agricultural income is tax-free. While I do process and sell agricultural produce, the scale of that specific business activity isn't currently large enough to trigger complex corporate tax brackets. Moreover, when you factor in the high expenses for labor and salaries, the net taxable margins on the processing side are minimal, keeping my books highly straightforward.

- 4. How do you manage to hedge against price volatility for your specific crops other than PMFBY (Pradhan Mantri Fasal Bima Yojana),**

I haven't enrolled in PMFBY yet. My primary hedge against market volatility is my crop diversity and my direct-to-consumer model, which insulates me from traditional Mandi price crashes. In the event of major losses due to heavy rains or severe climate irregularities, the partial government disaster relief compensation helps cushion the financial blow.

- 5. Many Indian Agripreneurs work through Farmer Producer Organizations (FPOs). DO you also plan to go in for FPO model for the benefit of marginal farmers at large?**

FPOs are conceptually an excellent mechanism for marginal farmers to pool resources and benefit collectively. However, I haven't gone down that route. Unfortunately, I've observed that in many cases, people form FPOs primarily to capture government grants and subsidies rather than prioritizing genuine farmer welfare. For now, my focus remains on building my independent, direct-to-consumer organic model.

- 6. Given the increasing water scarcity in many regions, what irrigation technologies or scheduling techniques have you found most effective in optimizing Water Efficiency.**

Water conservation is a top priority. We've constructed two farm ponds (Shet Talab) for rainwater harvesting. They collect runoff during the monsoons and help recharge the groundwater table, which is our small contribution to maintaining local water levels. For daily irrigation, we rely entirely on micro-irrigation technologies—specifically drip systems, sprinklers, and rain pipes—to ensure maximum water-use efficiency with zero wastage.

- 7. Share some instance when a crop failed or a climate event (drought/unseasonal rain) hit your operations. How did you mitigate the financial loss and what did you change for the next season?**

Last year, we lost our Orange crop (Ambiya Bahar) due to untimely rains. Farming teaches you acceptance; sometimes, you have no choice but to absorb the blow of unpredictable weather. However, we mitigate these financial losses through our organic practices and value addition. Unlike traditional models, we never have to dump our produce on the road. Because we prioritize quality over sheer volume, our organic produce commands a premium in both health value and market price, which helps offset yield losses

8. How do you stay updated with changing government regulations, subsidies, and Minimum Support Price (MSP) fluctuations? Does it really affect your profitability?

Because of our direct-to-consumer and value-added model, we don't rely on Minimum Support Prices (MSP), so those market fluctuations don't directly impact our profitability. However, I do stay updated on government policies, particularly regarding capital expenditures. We actively utilize government subsidies for farm equipment and have successfully claimed them to purchase essential machinery like our tractor and brush cutter.

9. It is seeing that AI tools that don't just predict weather, but provide 'Predictive Market Arbitrage' by analyzing global crop failures against local Mandi prices. How do you integrate these AI insights into your 'Sowing-to-Selling' strategy to beat the traditional market cycles?

I haven't integrated advanced AI or predictive market arbitrage into my operations. Since I process and sell my produce directly to a dedicated consumer base, I don't need to 'beat' traditional global market cycles. My use of technology is highly practical: I rely heavily on accurate weather forecasting to plan my daily and weekly farm activities, helping me decide exactly when to sow, harvest, or process my goods.

10. In 2026, advice the mantra for a successful farmer, especially for Agripreneur.

The mantra is simple: Hard work and physical presence. You cannot successfully run a farm from a distance; you have to be on the ground, in the soil, to be a truly successful farmer as well as agripreneur.

GLIMPSES OF ACTIVITIES







Glimpses of Memorandum of Understanding (MOU) with Dr. C.V. Raman University (CVRU), Khandwa

The Institute of Cost Accountants of India (ICMAI) and Dr. C.V. Raman University (CVRU), Khandwa, have signed a Memorandum of Understanding to advance professional education and specialized cost management.

The signing ceremony was graced by several distinguished dignitaries, including:

CMA Chittaranjan Chattopadhyay, Chairman, Agriculture Cost Management Board (ACMB), ICMA, Dr. Arun R. Joshi, Vice-Chancellor, CVRU, Khandwa, Shri Ravi Chaturvedi, Registrar, CVRU, Khandwa, CMA Dr. Sumita Chakraborty, Secretary, Agriculture Cost Management Board (ACMB), ICMAI. CMA Jyotsna Rajpal, Co-opted Member, Agriculture Cost Management Board (ACMB), ICMAI, Dr. Ravindra Pastore, Former Principal Secretary, Govt. of Madhya Pradesh.

This collaboration marks a significant milestone in aligning professional cost management standards with higher education.

Further ACMB of ICMAI in association with Indore Chapter of ICMAI has conducted a Seminar on “Role of CMAs in FPO & Viksit Bharat 2047” on January 17, 2026 at Indore Chapter, Indore, M.P.-452001





Multiple Progress Update

1. Fertilizer Subsidy & Global Price Pressures

The government has finalized a ₹1.71 lakh crore fertilizer subsidy for the 2026-27 fiscal year.

- **The Challenge:** While the budget is massive, experts warn it may be “under-provisioned.” International prices for DAP (Di-ammonium Phosphate) have hit \$677 per tonne, and the rupee has weakened to around 91.9 per dollar.
- **Impact on Farmers:** Domestic urea prices remain frozen at ₹5,360 per tonne (a price unchanged since 2012) to protect farmers from global volatility, though consumption is expected to cross a record 40 million tonnes this year.

2. Rabi Harvest 2026: Record Targets

As the Rabi (winter) season enters its final stages, the Ministry of Agriculture has set a total foodgrain production target of 171.14 million tonnes.

- **Wheat:** Sowing is up by 2%, reaching 33.4 million hectares. The government is eyeing a record 119 million tonnes of wheat production.
- **Oilseeds:** Mustard and Rapeseed have seen a significant jump in acreage (up 3.78%), a positive sign for India’s goal of “Atmanirbhar” (self-reliance) in edible oils.
- **Water Security:** Most major reservoirs are at 77.4% capacity, which is 122% of the 10-year average, ensuring sufficient irrigation for the late-stage crops.

3. Tech & Startups: The “IPOs” Era

The Indian agritech sector is seeing a massive shift from “funding” to “exits.”

- **Coming IPOs:** Industry leaders like Omnivore predict that India will see its first major Agritech IPOs within the next year or two, outpacing US and European markets.
- **Startup Spotlight:** AgriVijay is gaining traction for bringing renewable energy solutions (like solar-powered pumps) to rural areas with backing from NITI Aayog.
- **Digital IDs:** Over 8.48 crore Farmer IDs have now been generated, allowing for faster Direct Benefit Transfers (DBT) and insurance claims.

4. Ongoing Challenges: Conflict & Fraud

- **Human-Wildlife Conflict:** In Karnataka and Tamil Nadu, new “elephant corridors” are creating friction. Farmers are reporting significant crop losses as land is acquired for conservation, leading to calls for better compensation frameworks.
- **PMFBY Investigation:** A major insurance scandal has surfaced in Rajasthan. The state Agriculture Minister revealed investigations into banks and insurance companies for allegedly falsifying crop damage reports (some showing 0% damage when actual losses were high), potentially costing farmers ₹128 crore.

5. International Collaborations

India is positioning itself as a leader in “Climate-Resilient Agriculture” for the Global South.

- **Niger Partnership:** In early February, India (via ICRISAT) launched a strategic roadmap with Niger to share Indian seed systems and mechanization techniques to help the Sahel region combat food insecurity.

6. PM-KISAN: 22nd Installment Updates

The government is preparing to release the 22nd installment of the PM-Kisan Samman Nidhi.

- **Expected Date:** Tentatively scheduled for late February to early March 2026.
- **Mandatory Farmer ID:** A major update this month is that a Unique Farmer ID is now mandatory for new registrations in 14 states (including UP, Rajasthan, and Maharashtra) and is being progressively required for existing beneficiaries to ensure “clean” data.
- **e-KYC Deadline:** Farmers are urged to complete their e-KYC (Face Authentication or OTP-based) immediately to avoid payment failures.

7. The “India AI Impact Summit 2026”

From February 16–20, 2026, New Delhi is hosting a global summit focused on “AI for Inclusive Growth.”

- **Focus:** Scaling up AI tools like CROPIC and YES-TECH for faster crop insurance claim settlements.
- **Robotics:** A significant showcase of indigenous solar-powered AI sensors (costing around ₹2.5 lakh compared to ₹25 lakh for imported versions) that have helped Tamil Nadu farmers double their coconut yields.

8. Infrastructure & Special Schemes

- **Digital Food Coupons:** A pilot project using Central Bank Digital Currency (CBDC) for food coupons has been launched in Gujarat to replace physical subsidies.
- **Amrit Sarovar & Fisheries:** The government has accelerated the development of 500 reservoirs for integrated fisheries, backed by a ₹2,500 crore allocation in the PM Matsya Sampada Yojana.
- **Coastal Support:** A new Coconut Promotion Scheme has started replacing old, non-productive trees with high-yield hybrid saplings in coastal belts to boost export-grade production.

9. Emerging “Agri-Entrepreneurs”

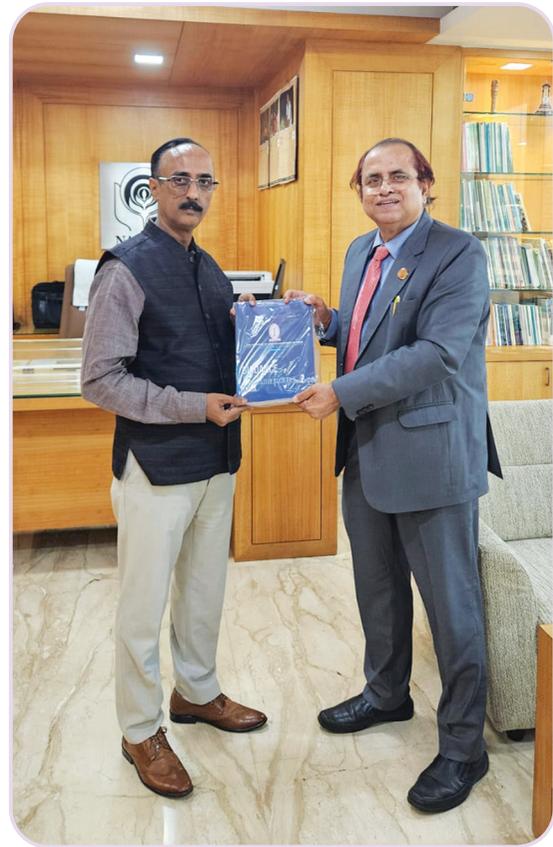
The focus is shifting toward niche high-value exports:

- **Ayurvedic Herbs:** Three new All India Institutes of Ayurveda are being set up, with specific programs to help farmers link their medicinal herb crops directly to the global pharma supply chain.
- **Horticulture Rejuvenation:** A dedicated program is now active for the rejuvenation of low-yielding orchards (walnuts, almonds, and pine nuts) in hilly regions like Himachal and J&K.

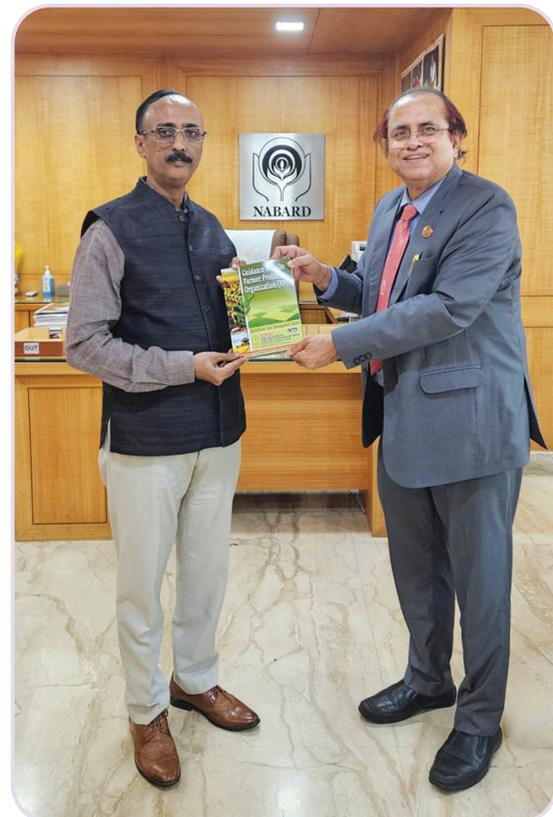
10. Regional Focus: Tamil Nadu's Economic Survey

The State Planning Commission released the **Economic Survey 2025-26** today, highlighting critical gaps in Tamil Nadu's agriculture:

- **Land Loss:** Since 2001, the state has lost roughly **2 lakh hectares** of net sown area, while fallow land (unused land) is on the rise.
- **Irrigation Crisis:** There is a sharp decline in surface irrigation (canals and tanks), making the state overly dependent on groundwater and electrified pumpsets. The commission is calling for urgent "fallow land reclamation" policies.



Chairman of the ACMB of ICMAI met Dr. Ajay Kr. Sood, DMD, NABARD, Mumbai on 6.3.2026 and presented a copy of Guidance Note on Farmer Producer Organisation (FPO) released by the ACMB of ICMAI. He also discussed with him the activities of ACMB.



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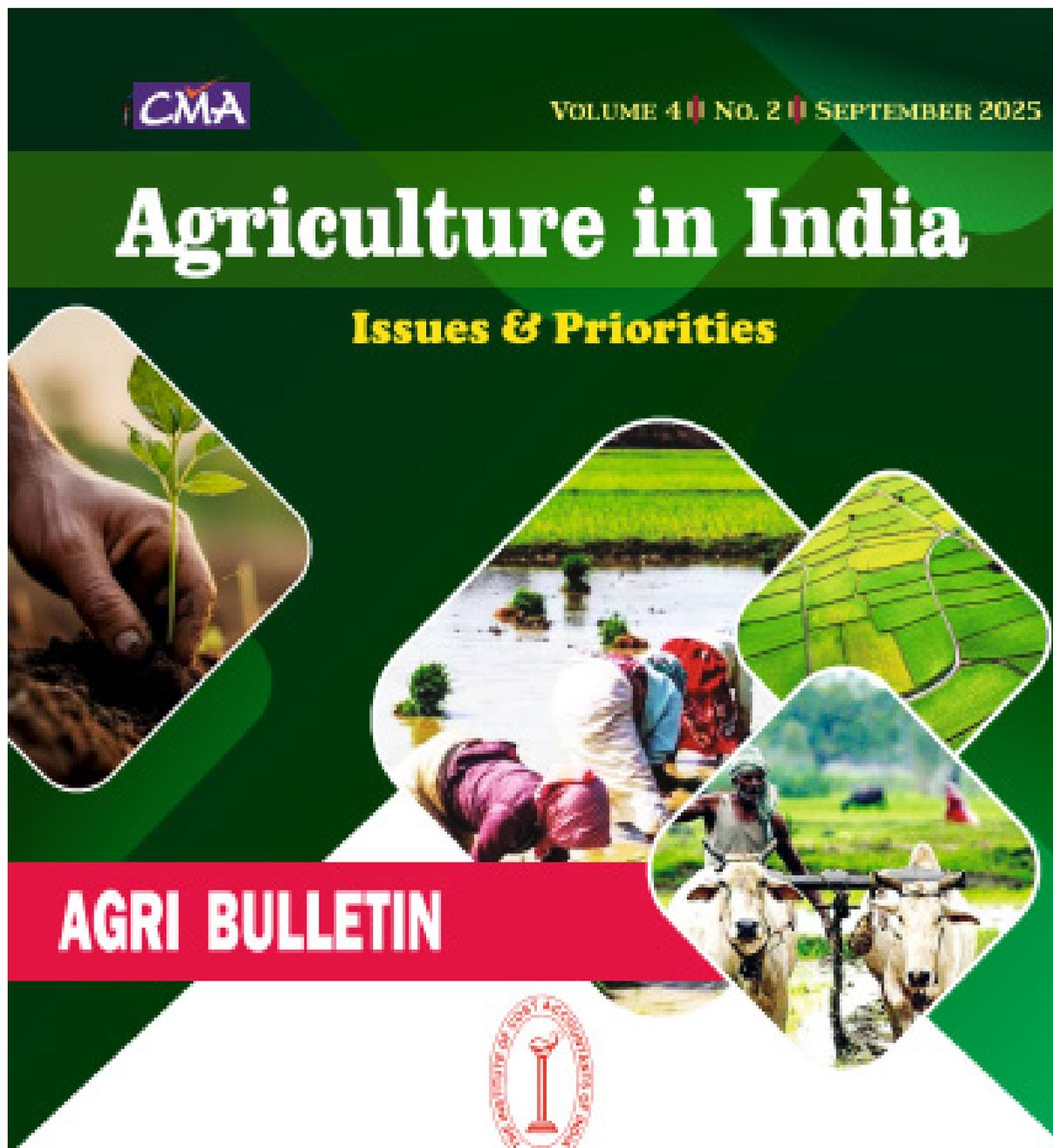
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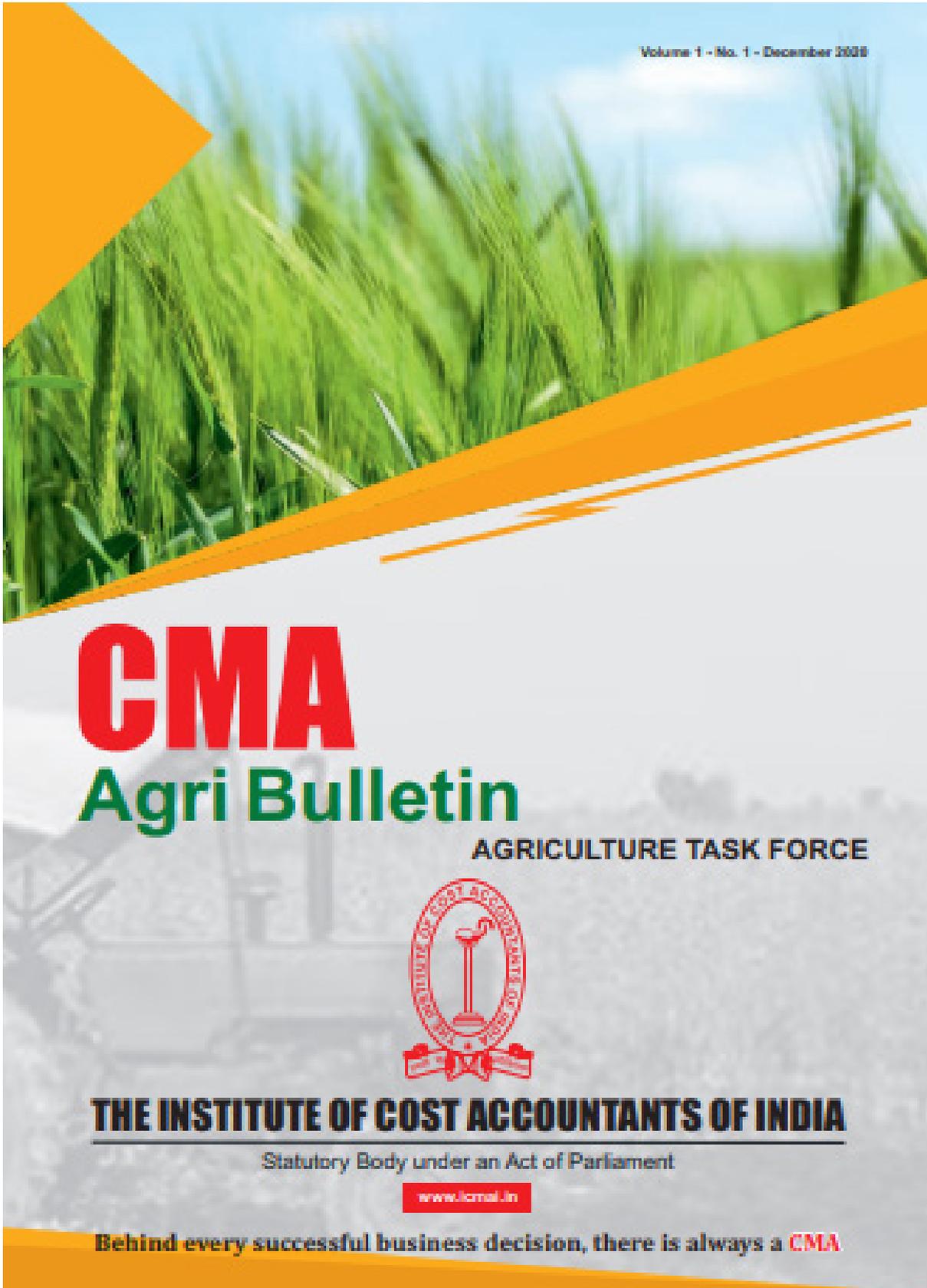
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Role of CMAs in Viksit Bharat 2047

This book was released by His Excellency
the Governor of West Bengal
Dr. C V Ananda Bose in Governor House, West Bengal on
17th October, 2025

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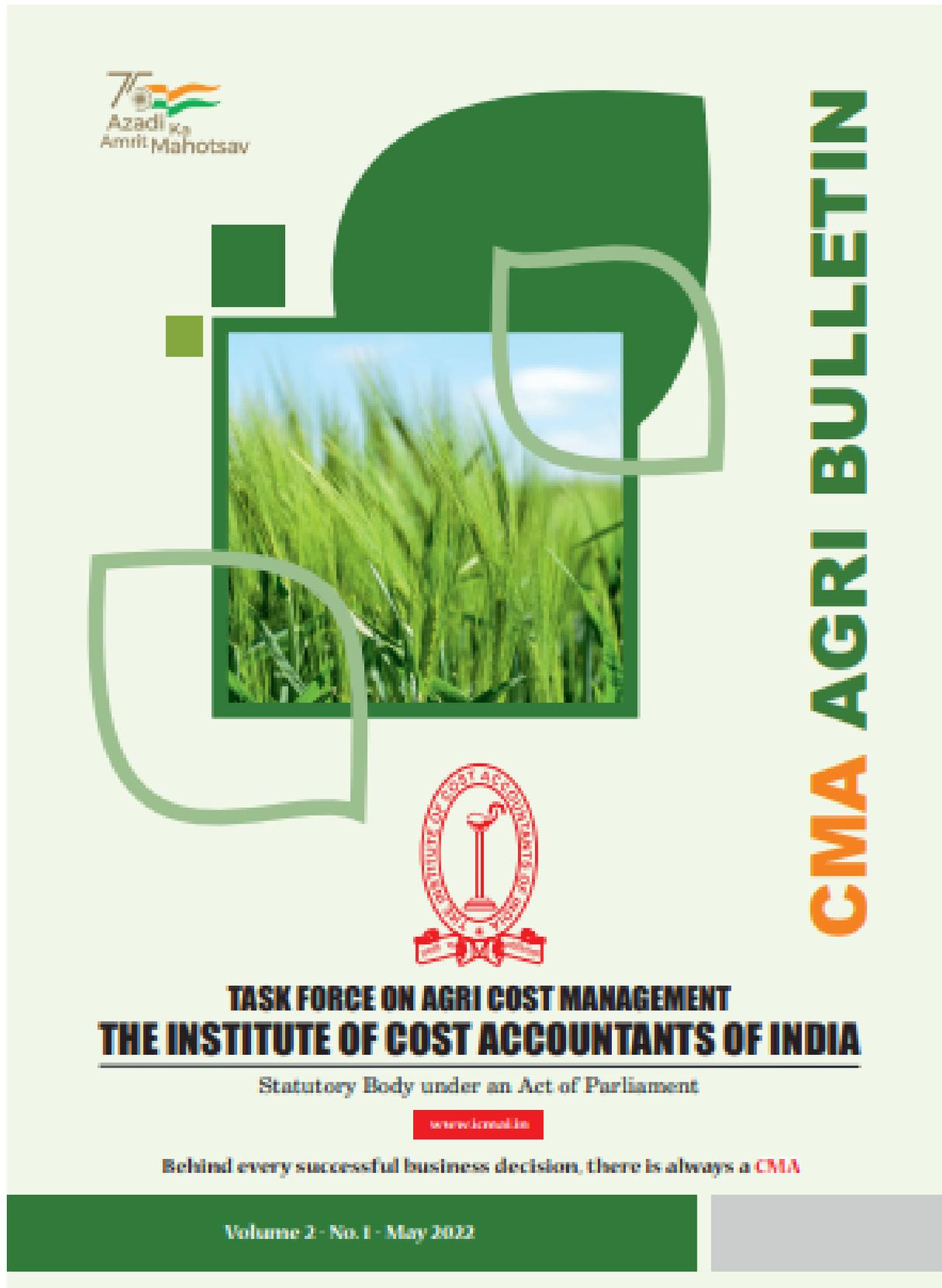


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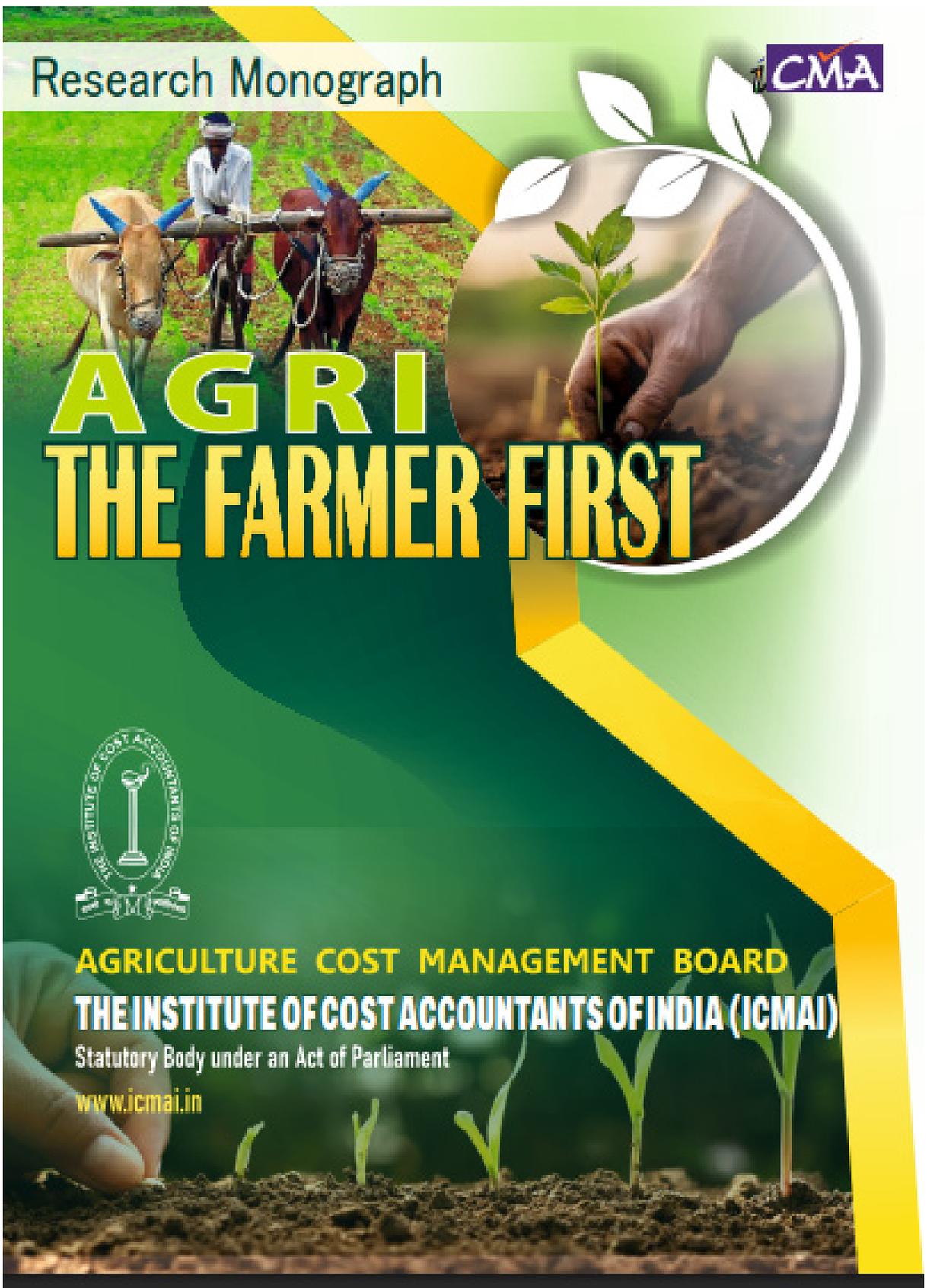
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