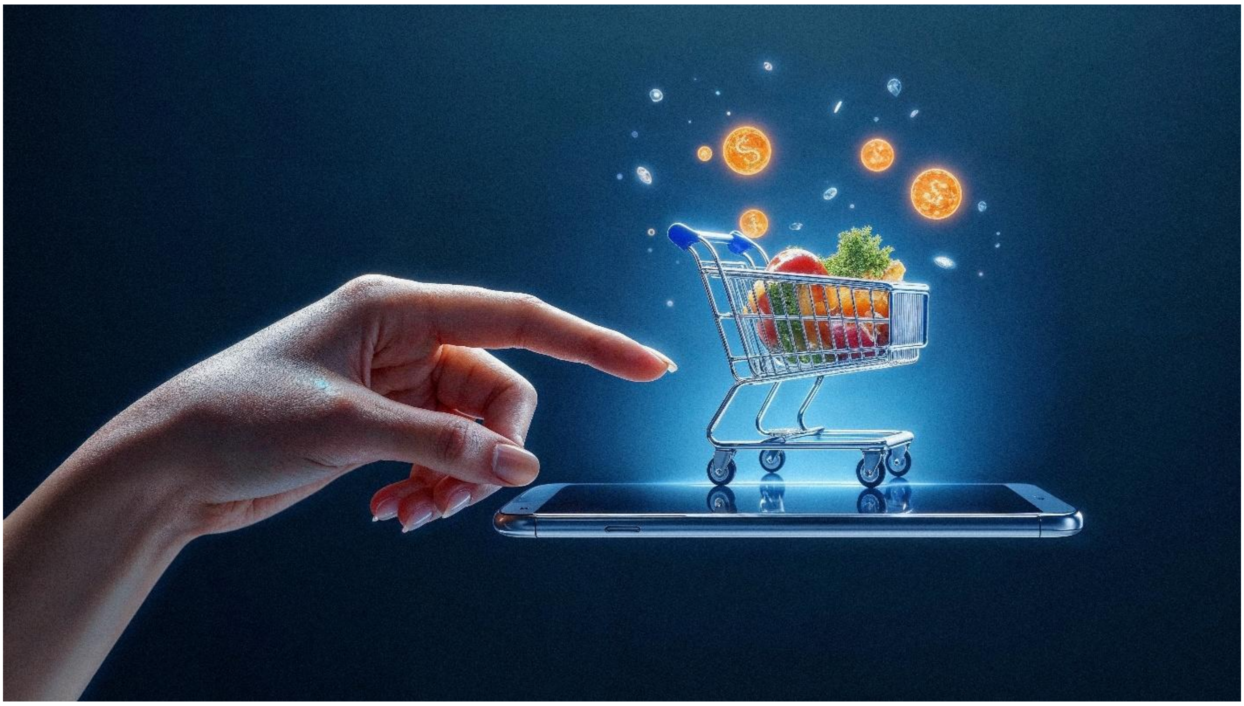
Quote by Ramakrishnan M, Managing Director, Primus Partner
Quote by Sunita Mohanty, Managing Director, Primus Partners

Published in Adgully
February 02, 2026

FMCG, dairy and agri leaders welcome budget 2026 as catalyst for rural incomes & consumption



Read on: https://www.adgully.com/post/11785/fmcg-dairy-and-agri-leaders-welcome-budget-2026-as-catalyst-for-rural-incomes-consumption

Article Content:

The Union Budget 2026–27 has triggered a wave of optimism across FMCG, food processing, dairy and agri-business leaders, with industry voices calling it a calibrated push toward consumption revival, rural income growth, and supply-chain resilience.

Rajiv Kumar, Vice Chairman, DS Group, said the budget "strikes a balance between fiscal stability and aggressive growth, positioning India for a resilient economic future." He highlighted how the Viksit Bharat agenda synchronises demand and supply-side enablers for FMCG, adding that interventions in agriculture such as the push for cocoa production, fisheries and animal husbandry will boost rural incomes. Kumar also pointed to the expansion of TReDS and improved credit access easing working capital pressure for distributors and contract manufacturers, strengthening the FMCG ecosystem.

He further noted that investments in freight corridors, inland waterways and Tier II–III infrastructure are expected to lower logistics costs and improve last-mile connectivity, enabling deeper regional penetration. On the regulatory front, Kumar said the shift from penalties to fee-based compliance and the simplification of customs and GST procedures will improve ease of doing business and supply-chain predictability, supporting export competitiveness.

From the agri-tech and farm-to-fork ecosystem, Dr. Prithwi Singh, CEO and Co-founder, Khetika, said the Budget places farmers “at the centre of India’s growth agenda.” He welcomed the focus on increasing farmer incomes, strengthening support for small and vulnerable farmers, and investments in reservoirs, fisheries, animal husbandry and high-value crops.

Singh also flagged the importance of Bharat VISTAR in enabling technology-led decision-making, saying it can improve access to real-time agronomic insights, market information and risk management for farmers. Drawing from Khetika’s SAATHI initiative, he said farmers are eager to adopt better practices when backed by training, transparency and assured market linkages, reinforcing the need for collaborative models between government, private players and farmer communities.

In the dairy segment, Akshali Shah, Executive Director, Parag Milk Foods, said the Budget “recognises dairy as a key driver of farm income stability, nutrition security and rural employment.” She welcomed the credit-linked subsidy programme to promote entrepreneurship in animal husbandry, including dairy, calling it a timely step for strengthening organised dairy enterprises.

Shah also highlighted the proposal to scale up veterinary professionals by over 20,000, noting it will improve productivity and profitability in rural dairy belts where avoidable cattle losses impact farmer livelihoods. She added that the focus on dairy-led income diversification reinforces the agricultural backbone of essential food categories like milk and dairy products.

On the corporate taxation front, Sudhir Sitapati, Managing Director and CEO, Godrej Consumer Products Limited (GCPL), welcomed the move allowing MAT credit set-off up to 25% of tax liability under the new tax regime. He said this will improve cash flows and make the new regime smoother for companies with accumulated credits, freeing up capital for reinvestment into growth and consumption-led categories.

For packaged foods, Manoj Verma, COO, Bikaji Foods International Ltd., said the Budget reinforces a macro framework built on consumption stability, execution discipline and supply-chain efficiency. He noted that realistic fiscal planning, outcome-based monitoring and infrastructure-led development strengthen the operating environment for food processing companies that rely on consistent demand, efficient logistics and predictable regulation. Verma added that as disposable incomes improve with formal employment growth, demand for trusted, branded food products is expected to remain resilient, supporting investments in capacity expansion and distribution.

Echoing the consumption narrative, Mayank Shah, Chief Marketing Officer, Parle Products, said the Budget is a positive step toward reviving consumer demand after years of pressure on spending. He said the focus on rural incomes and agriculture directly impacts consumption in essential categories, while PLI outlays for food processing will strengthen efficiencies and long-term investments. Shah also welcomed moves to boost organised retail, simplify export norms for smaller sellers and accelerate infrastructure development, noting these measures can help rebuild consumer confidence amid inflationary pressures.

From the hospitality and F&B startup ecosystem, Meenakshi Kumarr, Chef and Founder, Anahata Café, said the Budget's focus on strengthening hospitality and food & beverages is a welcome move for emerging brands. She highlighted the upgrade of the National Council for Hotel Management into a National Institute of Hospitality as a step toward building a stronger talent pipeline aligned with industry needs. Kumarr also welcomed the Divyangjan Kaushal Yojana for enabling inclusive employment in hospitality and food processing, along with the ₹10,000 crore SME Growth Fund and the Self-Reliant India Fund, calling access to equity capital critical for women-led F&B and FMCG startups to scale operations.

On exports and cold-chain infrastructure, Haresh Karamchandani, MD and Group CEO, HyFun Foods, said the Budget underscores the importance of strengthening logistics and export competitiveness through national waterways, dedicated freight corridors and coastal cargo movement. He said the food processing and frozen food sector needs faster, more predictable logistics and better port connectivity to grow exports, reduce wastage and build resilient cold chains.

Karamchandani also welcomed the push for digital and AI-enabled systems across the agri value chain, noting that technology-led governance will improve traceability, planning and consistency between processors and farmers. He stressed that continued investment in integrated infrastructure spanning farms, cold storage, transport corridors and ports is critical for positioning India as a global hub for processed and frozen food exports.

Vinay Nair, Founder, KhetiBuddy said, "The launch of Bharat Vistaar is a major step towards developing a common digital framework for the agricultural sector in India. By providing access to soil, weather, advisory, and scheme-related data in a federated manner, it will be possible to make better decisions at the farm level.The actual benefit will be realized when these platforms are integrated with other systems such as Verdnt, which is used by food companies. By integrating farm-level intelligence with procurement, quality, and inventory management systems, it will be possible to eliminate inefficiencies and minimize resource waste. In the long run, this will enable more sustainable agricultural practices and enhance the resilience of the food value chain in India."

Ramakrishnan M., Managing Director, Primus Partners said, "This year's budget offers steady, measured support for agriculture and allied activities. The emphasis on high-value agriculture and fisheries is a welcome move toward improving productivity and diversifying rural incomes. Targeted support for coconut, cashew, cocoa and sandalwood, along with orchard rejuvenation and expanded nut cultivation, can strengthen farmer earnings across coastal, North-Eastern and hilly regions. The development of 500 reservoirs and Amrit Sarovars will deepen the fisheries value chain, particularly for women-led groups and FPOs. Bharat Vistaar, the new multilingual AI platform, holds strong potential for better advisory services and risk management, making this a constructive step forward for the sector."

Sunita Mohanty, Managing Director, Primus Partners noted, "India's growing burden of non-communicable diseases such as diabetes, cancer, and autoimmune disorders is a wake-up call for the private sector. The Economic Survey 2025–26 has clearly linked the rise of ultra-processed and high fat, sugar, and salt products to worsening metabolic health, putting the country's longevity dividend at risk. The Union Budget's focus on NCDs sends a strong message to FMCG, food, beverage, and pharmaceutical companies to move beyond mere compliance and become strong partners towards public health through clear front-of-pack labelling, healthier reformulations, and more responsible business practices."

Big picture:

Across boardrooms and factory floors, the Budget is being read as a consumption reset playbook. Farms get income tailwinds, FMCG gets liquidity and logistics muscle, food processors get infra and export rails, and startups get capital oxygen. The execution runway now matters more than the announcement decibel level.