

BAMU

Budget Analysis and Monitoring Unit
Bangladesh Parliament Secretariat



Budget Helpdesk 2026



National Budget 2026–2027: Summary Agriculture

সহযোগিতায়



1. Background

Agriculture is the source of livelihood for a large portion of Bangladesh's total population and the fundamental basis of national food security. In recognition of this, the current government has identified the agriculture sector as a priority for development. Agriculture is essential to ensuring national food and nutritional security through crop production, fisheries, and livestock rearing, and to protecting the livelihoods of millions of people.

The government has already taken several specific steps in line with its election pledges after taking office. At the government's first formal cabinet meeting, it was decided to waive agricultural loans up to Tk 10,000, including interest, in the grain, crop, fisheries, and livestock sectors, benefiting about 1.2 million farmers [1]. After the loan waiver, banks have been instructed to withdraw the cases filed against farmers. In addition, Tk 401.6 crore has been released from the Agricultural Rehabilitation Assistance Sector, through which 2.5 million small and marginal farmers have been provided with free seeds, fertilisers, and other agricultural inputs [2]. In addition, as part of the initiative to revive the canal excavation program, a project has been taken to dig, re-dig, and restore 20,000 kilometres of rivers and canals, through which the natural flow of 520 rivers and thousands of canals that had been lost in the country will be restored [3].

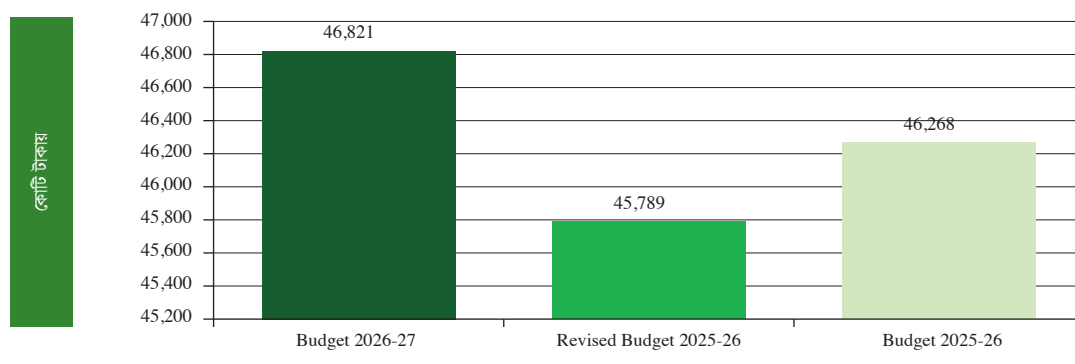
The Farmers Card programme has been launched to ensure digital identity and service provision for farmers. The cards will be distributed across the country in three phases, dividing farmers into five categories, and cardholders will receive 10 types of benefits, including agricultural inputs at fair prices, irrigation facilities, and agricultural loans on easy terms [4].

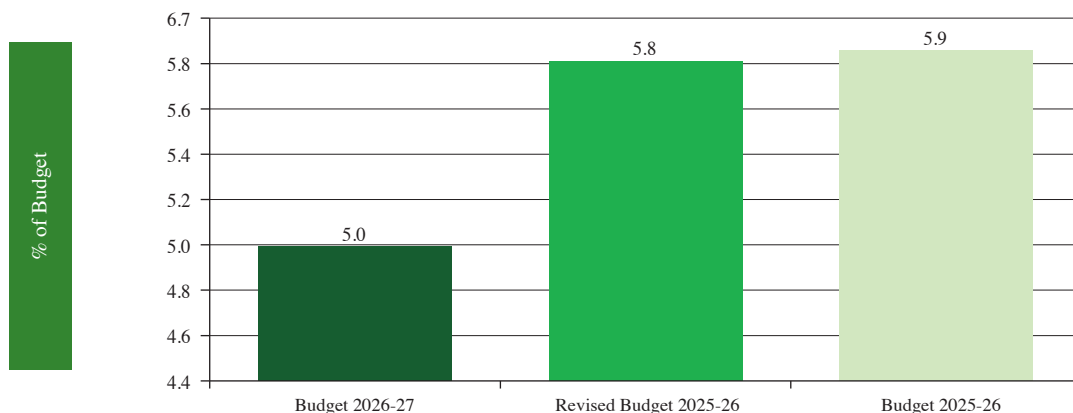
The future plan aims to reduce farmers' risk from natural disasters by introducing and expanding agricultural insurance, and to ensure fair crop prices by establishing crop purchase centres and a nationwide storage network. There are also plans to modernise and sustain agriculture by applying remote sensing, artificial intelligence, and drone technology to combat the effects of climate change. In this context, the proposed budget for the Fiscal Year 2026-27 has also given a special priority to the agriculture sector.

2. Proposed Budget Allocation for the Agricultural Sector in FY2026–27

In the ongoing FY2026–27 fiscal year, the allocation for the agriculture sector was proposed at Tk 46,268 crore, 5.9 per cent of the total budget. Subsequently, this allocation was revised downward to Tk 45,789 crore, representing 5.8 per cent of the revised total budget. In the upcoming FY2026–27 budget, the total proposed allocation for the agriculture sector is Tk 46,821 crore, which is 5.0 per cent of the total budget. It is worth noting that although the proposed allocation for the FY2026–27 shows a nominal increase of 2.25 per cent compared to the revised budget of the FY2025–26, it accounts for a smaller share of the total budget (5.0 per cent) than the revised allocation for the ongoing year (5.8 per cent) (Figure 1).

Figure 1: Budget Allocation for the Agriculture Sector in FY2026-27 (in Amount and Percentage)



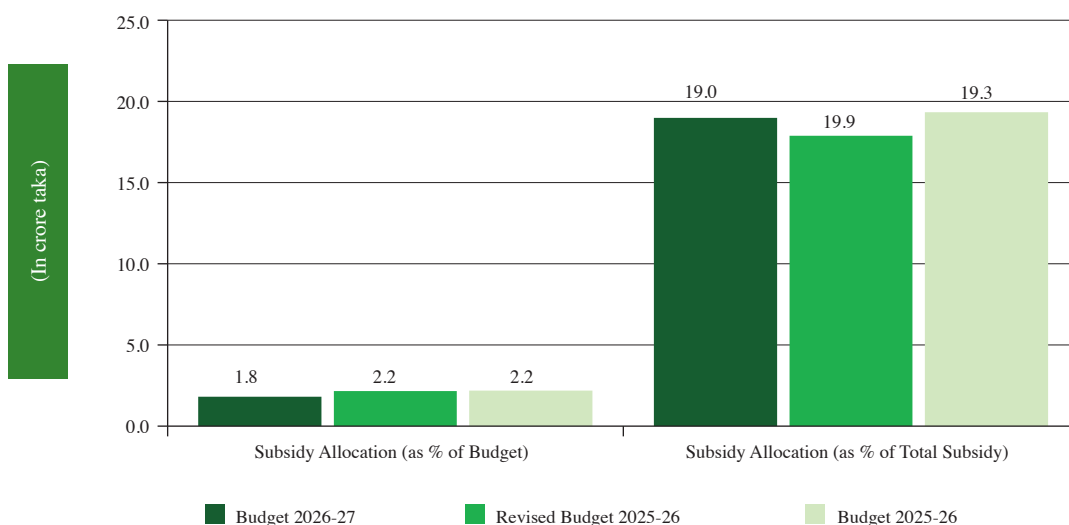


Source: Budget Summary, 2026–27, Statement 2.

3. Subsidy and Incentive in the Agriculture Sector in FY2026–27

The proposed subsidy and incentive allocation for the agriculture sector in the FY2026–27 budget stands at Tk 17,001 crore, Tk 1 crore higher than the allocation in the revised FY2025–26 budget. While the share of agricultural subsidies in total subsidies has increased slightly from 17.9 per cent to 19.0 per cent, its share in the total national budget has declined from 2.2 per cent to 1.8 per cent, indicating that, despite a marginal increase in nominal allocation, agricultural subsidies have received a lower allocation in the upcoming fiscal year than in the revised FY2025–26 budget (Figure 2).

Figure 2: Subsidies and Incentives in the Agriculture Sector in FY2026–27



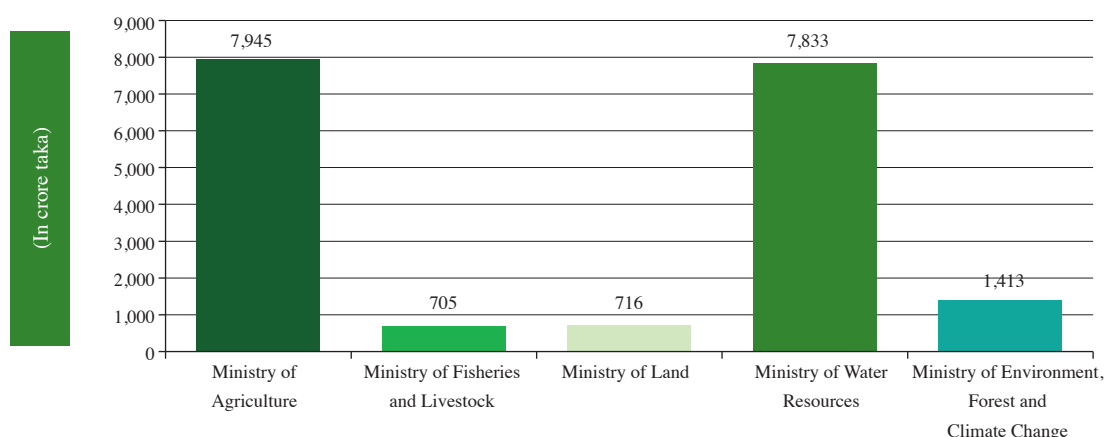
Source: Budget Summary, 2026–27, Statement 2A.

4. Annual Development Programme (ADP) of Agriculture Sector in FY2026–27

The total Annual Development Programme (ADP) allocation for the agriculture sector in FY2026-27 has been proposed at Tk 18,612 crore, reflecting a marginal increase from the revised allocation of Tk 17,930 crore in FY2025-26. However, in terms of its share of the total ADP, the trend has moved in the opposite direction, declining to 6.21 per cent in the proposed budget from 8.96 per cent in the revised budget for FY2025-26.

The ministry-wise allocation of ADP for the agriculture sector shows that the highest allocation has been proposed for the Ministry of Agriculture, at Tk 7,945 crore. At the same time, the Ministry of Water Resources has been allocated the second-highest amount, at Tk 7,833 crore (Figure 3). The Ministry of Environment, Forest and Climate Change, the Ministry of Land, and the Ministry of Fisheries and Livestock are proposed to receive Tk 1,413 crore, Tk 716 crore, and Tk 705 crore, respectively.

Figure 3: Agriculture Allocation in the Annual Development Programme (ADP) in FY2026-27



Source: Budget Summary, 2026–27, Statement 10, p. 48.

5. Conclusion

In the agriculture sector, ensuring the effective utilisation of existing budget allocations and the institutional implementation of farmer-centred policies is more important than merely increasing budgetary allocations. It is essential to sustain the momentum created through recent reform initiatives and government commitments, particularly in areas such as agricultural loan waivers, the distribution of Farmer Cards, and the development of agricultural infrastructure. However, the benefits of increased agricultural production will not reach farmers unless fair crop prices are ensured and structural weaknesses in market management are addressed. Achieving these objectives will also require stronger institutional accountability and good governance; otherwise, budget allocations may not translate into the desired outcomes. Overall, building a modern, technology-driven, and climate-resilient agricultural system remains a long-term prerequisite for ensuring national food security and reducing rural poverty.

References: [1] <https://bangla.thedailystar.net/news/bangladesh/news-3902261>

[2] <https://dailynayadiganta.com/bangladesh/national/FAMWkPNErzPq>

[3] Bangladesh Nationalist Party (BNP) Manifesto, <https://www.prothomalo.com/bangladesh/1lijg8nein>

[4] Bangladesh Nationalist Party (BNP) Manifesto.