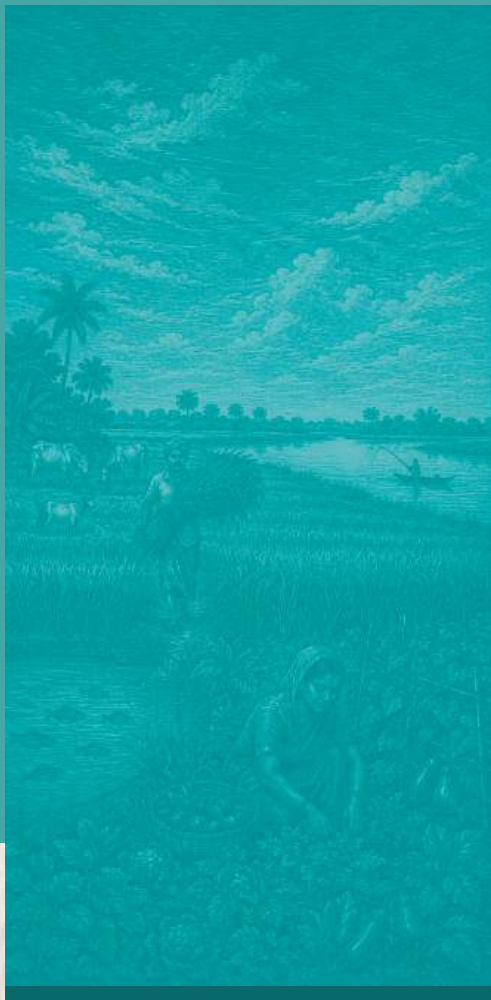


Agricultural Budgeting in Bangladesh

TRENDS, PRIORITIES AND STRATEGIC OUTLOOK

2026



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**Agricultural Budgeting in Bangladesh:
Trends, Priorities and Strategic Outlook**

Study

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Forward

Bangladesh's agriculture sector remains central to the country's economy, food systems, and rural livelihoods. Beyond its contribution to GDP and employment, the sector plays a vital role in ensuring food availability, supporting smallholder farmers, and sustaining the livelihoods of millions. In the context of rising food prices, climate change, market volatility, and increasing production costs, effective and equitable public investment in agriculture has become more important than ever for strengthening national food security.

Over the years, the Government of Bangladesh has introduced various policy measures, subsidy programmes, and budgetary initiatives to support agricultural production and food security. However, concerns remain regarding the adequacy, efficiency, and strategic orientation of public expenditure in the sector. The year 2025 has further highlighted growing challenges, including farmer distress linked to debt burdens, crop losses, inadequate market returns, and continued food price inflation affecting consumers. At the same time, climate-induced risks such as sudden flooding and intensifying heatwaves continue to threaten agricultural productivity and rural livelihoods.

In this context, Food Security Network–KHANI Bangladesh, has undertaken this analytical study on public expenditure in Bangladesh's agriculture sector, focusing on trends, sectoral priorities, and their implications for food security. The study emphasizes the importance of accountable, equitable, and rights-based public financing to support sustainable agriculture, resilient food systems, and the progressive realization of the right to food and nutrition.

We express our sincere gratitude to renowned agricultural economist Dr. Jahangir Alam, former Director General of the Bangladesh Livestock Research Institute and former Vice Chancellor of the University of Global Village (UGV), for his commitment, valuable time, and rigorous efforts in conducting this analysis and developing the recommendations.

We hope that the findings and recommendations presented in this report will contribute to informed policy dialogue and more responsive budget planning for the agriculture sector.



খাদ্য
অধিকার
মানবাধিকার

খাদ্য অধিকার
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Introduction

Agriculture is the art and science of farming. It is an occupation, source of producing food for people and generating employment and income for them. Agriculture is the key driver of the growth of Bangladesh economy. According to the estimates of BBS, the contribution of agricultural sector to GDP stood at around 11% in FY 2024-2025. The growth of the industrial and the service sectors are substantially supported by agricultural sector. It supplies crucial inputs to the manufacturing sector, including jute, tea, and leather. The sector has achieved remarkable success in self-sufficiency, with food grain production quintupling between 1972 and 2025.

Agriculture absorbs around 45% of the total labour force of the country and earns about 7% (including leather) of the total export earnings. As main source of economic linkages in rural areas, it plays a fundamental role in reducing

poverty and enhancing livelihood of the rural people. The urban population is dependent on agriculture mainly for the supply of food and nutrition. Thus, the economic emancipation and social peace of the people of Bangladesh is largely dependent on the development of agriculture. However, the sector continues to face significant challenges, including climate change, declining agricultural land due to rapid urbanization and rural housing expansion, limited access to high-yield technologies, low levels of mechanization, and inadequate budgetary allocations, which continue to constrain the sector's productivity, resilience, and overall growth potential. Despite these challenges, the agricultural sector remains an irreplaceable force for sustaining economic development in Bangladesh.

About the Study

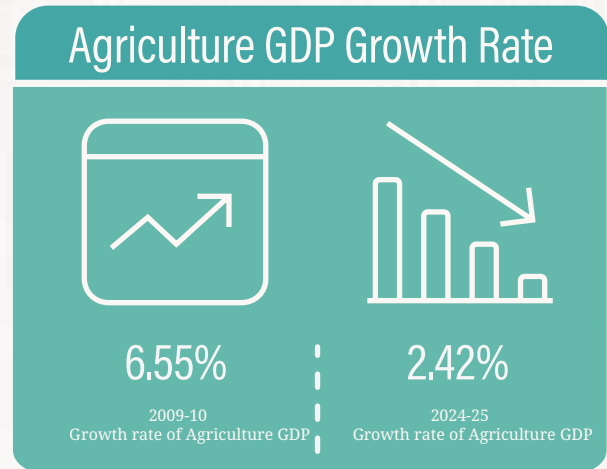
This study analyses public expenditure in Bangladesh's agriculture sector by reviewing budget allocations and subsidies over recent years to understand key trends, growth patterns, priorities, and gaps, and to inform future budget planning. It examines changes in the size and composition of the budget across major sub-sectors, including crops, livestock, fisheries, and support services, with attention to how these allocations contribute to the progressive realization of the Right to Adequate Food and nutrition.

The study applies a qualitative and quantitative analytical approach based on desk review and secondary data analysis, drawing on national budget documents, budget speeches, government reports, survey findings, research studies, and other relevant credible sources to examine trends and priorities in agricultural public expenditure. Findings are synthesized to develop concise, evidence-based recommendations to improve the efficiency of public spending in agriculture.

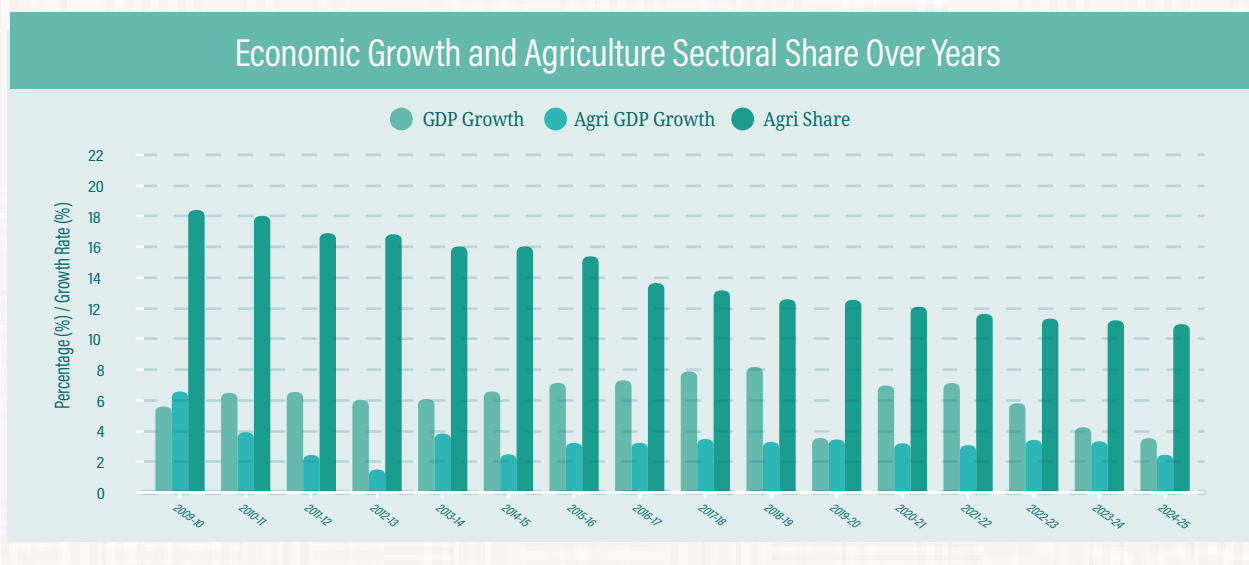
Share of Agriculture to GDP

Agricultural produce includes all outputs coming from cultivation of crops, rearing of animals and birds, production of fish and plantation of trees. Agricultural subsectors are broadly classified as crops, livestock, forestry and fisheries. The gross domestic product coming from these subsectors are regarded as agricultural GDP.

The share of agricultural GDP to total GDP of the country was about 50% in 1973-74. This has declined to 11% in 2024-25 (Table-1). A proportional decline was also noticed in each subsector of agriculture (Table-2). Currently crops, livestock, forestry and fisheries subsectors represent only 5.06, 1.81, 1.72 and 2.34 percent of the GDP, respectively. Because of high growth rates in industry and service sectors (Table-3), the share of agriculture and its subsectors in total gross domestic product has declined. But total agricultural production continued to increase to cater the needs of growing population of the country. The production of food grains has registered a long term annual growth rate of about 3 percent during the last 52 years, that accounted to 110 lakh tons in 1973

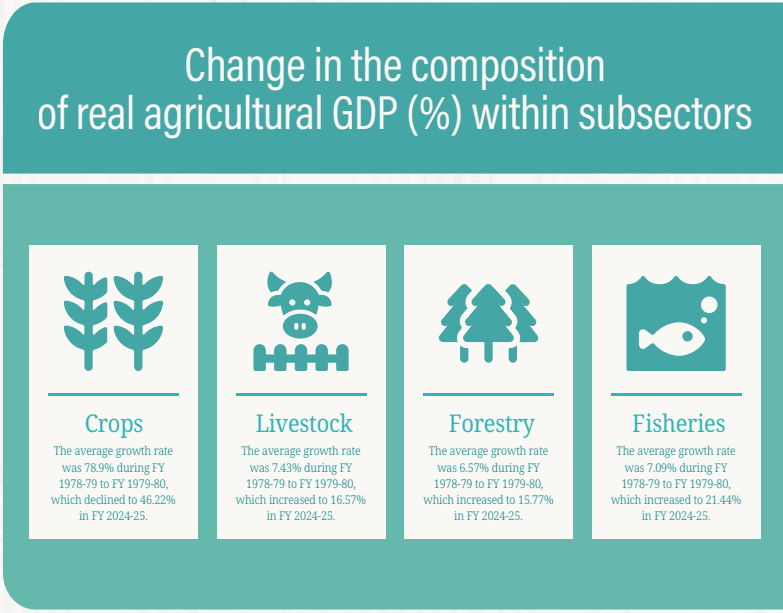


and 503.54 lakh tons 2025. The production of other crops, fisheries and livestock has also shown a significant increase. Despite a significant increase in domestic production, the country has to depend on imports of a large quantity of food grains, edible oil, pulses and spices every year. The cost of milk, meat, egg and fish per unit is beyond the reach of the common people and about one fourth of population does not have the adequate access to nutrition.



Structure of Agricultural Subsectors

Bangladesh agriculture is dominated by crop subsector. Until the late 1980s, farmers were concentrating more on crop production, particularly on rice production. This was due to an incentive structure favoring rice production and the felt need for producing more rice and other crops to satisfy their consumption need. Many farmers were seen to have converted their fish producing low lying areas into rice producing areas to achieve self-sufficiency in food-grain production. However, there has been a change in the incentive structure that has led to a shift of preference in recent years for agricultural diversification. Consequently, the share of crop subsector to total agricultural GDP has declined, while the shares of livestock, forestry and fisheries have increased. The change in the share of agricultural GDP was remarkable for the fisheries subsector.



Major Constraints to Current Agriculture & Food Security

Bangladesh’s agricultural sector is facing increasing pressure from declining agricultural land, climate change, and rising production costs. Rapid population growth, urbanization, industrialization, and infrastructure expansion continue to reduce cultivable land. Total cultivated area declined from 2 crore 28 lakh 16 thousand acres in 1983–84 to 1 crore 86 lakh 36 thousand acres in 2019, with agricultural land decreasing at an average annual rate of 0.58%. Between 1984 and 2019, net cultivated land declined by 48,571 hectares annually, equivalent to 133 hectares per day. Currently, per capita land availability stands at only 0.11 acre.

Climate change is further intensifying agricultural vulnerability through floods, droughts, salinity intrusion, waterlogging, and cyclones. Sea level rise of 17–20 centimeters over the last century has increased salinity and flood risks in coastal areas, while average temperature is projected to rise by 1°C by 2030 and 2.4°C by 2100. In late April and early May 2026, flash floods in the Haor regions of Sylhet, Sunamganj, Netrokona, Habiganj, and Moulvibazar submerged thousands of hectares of Boro paddy during the harvesting season, including more than 13,000 hectares in Netrokona alone, causing severe crop and income losses for farmers (Annexure-A).

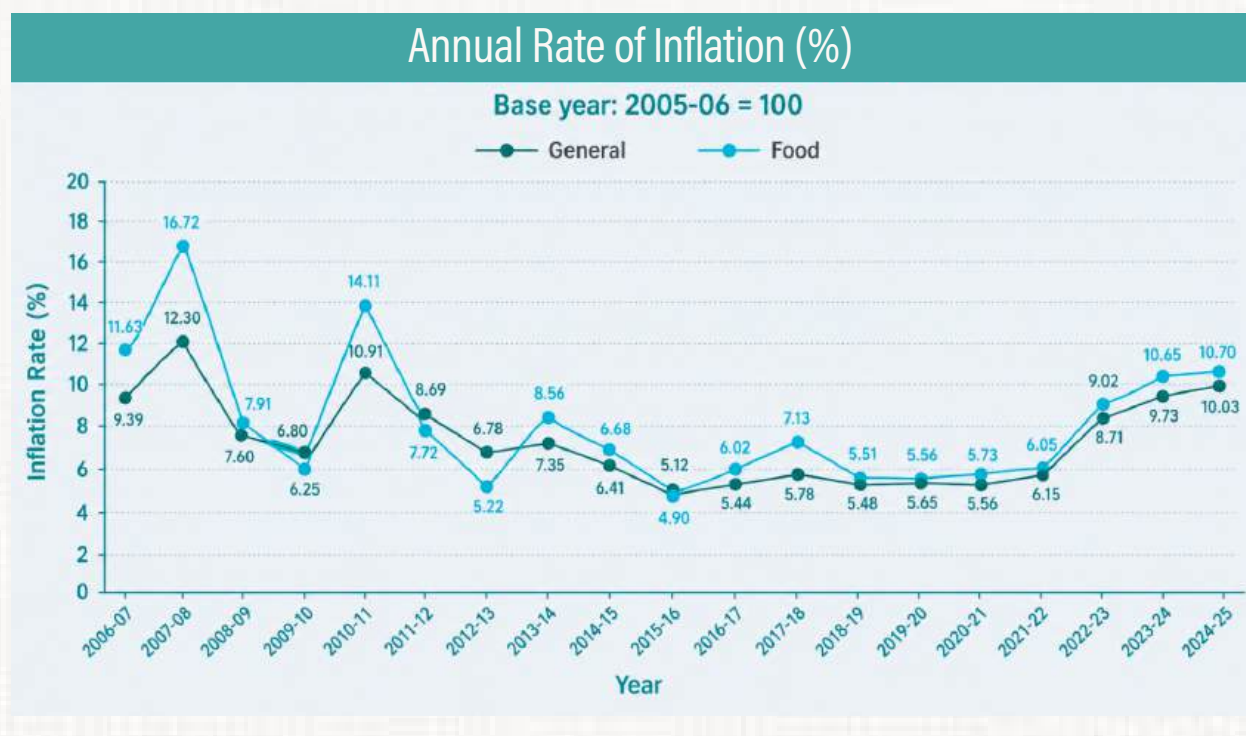
At the same time, rising input costs and unstable market prices are reducing farmers' profitability. Costs of fuel, fertilizer, pesticides, irrigation, and labour have increased sharply, with Boro rice production costs rising by 35%–40% in recent years. Meanwhile, low farmgate prices for rice, potatoes, vegetables, and onions have left many farmers unable to recover production costs due to weak market systems and unregulated imports. Declining profitability and increasing indebtedness are pushing many marginal farmers out of agriculture, while cases of severe farmer distress have also been reported (Annexure-B).

One of the most concerning issue right now is the high rate of food inflation, which has significantly worsened the suffering of the poor and vulnerable. As of March 2026, Bangladesh's food inflation for the FY 2025-2026 eased to 8.24%, a significant decrease from 9.30% in February 2026, driven by improved supply-side measures. While early 2026 saw fluctuations

(e.g., 8.29% in January), the recent trend in 2026 suggests a moderation after high food prices earlier in 2024-2025 (e.g., 14.10% in July 2024; (Table-6b).

The key condition for reducing food inflation is increased production in the agricultural sector. Recently, agricultural production has been rising, but the growth rate is progressing very slowly. Currently, real growth in the agriculture sector is very low. The growth rate, which was 6.55 percent in the 2009–2010 fiscal year, has now fallen to around 2.42 percent in 2024-2025. This represents a slowdown even compared to the 3.3 percent growth observed in the previous year (Table-1).

Food inflation has already turned negative in countries like Pakistan, Sri Lanka, and Afghanistan. In India, Myanmar, and Nepal, the food inflation rate is almost half of ours. In the World Bank's recent report on food security and inflation, Bangladesh has been placed on the red list of risk. Due to the high inflation situation, it is



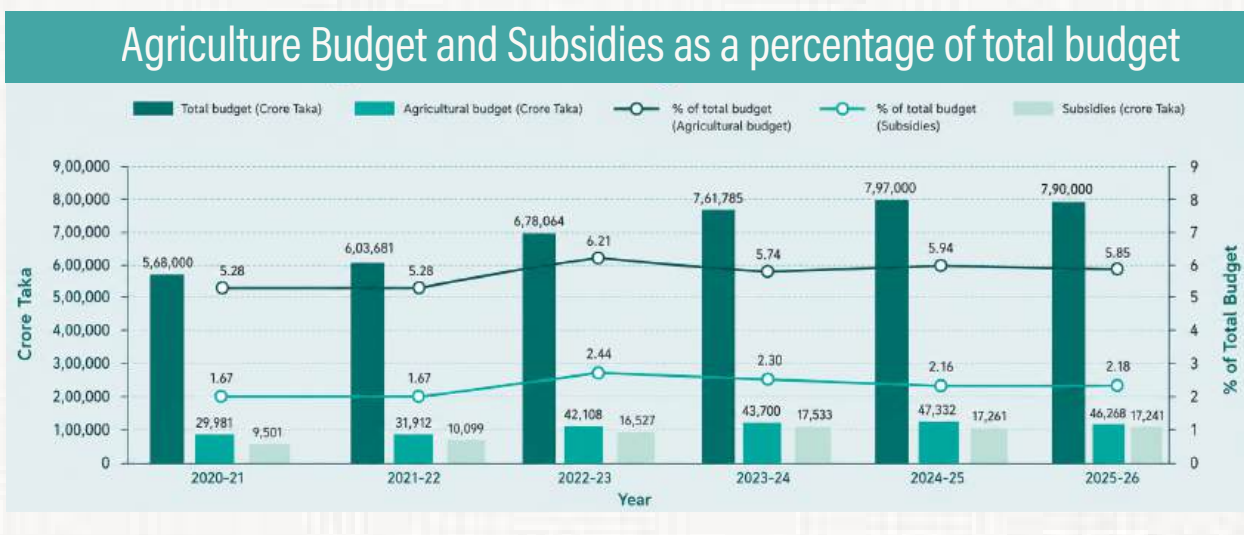
feared that the poverty rate will rise to 23 percent this year. Nearly 3 million new people are expected to fall into lower poverty.

In the upcoming fiscal year 2025–26 budget, controlling inflation will be the main challenge. High inflation can be controlled by combining the current contractionary monetary policy with tight fiscal policy, political stability and increasing production in both agriculture and industry. In a low per capita income country like Bangladesh, overall inflation should be brought below 4 percent, and food inflation should be reduced to 2–3 percent.

The most challenge in agriculture sector faces from relatively low budget allocations, despite employing about 45% of the workforce. The share of agriculture in the national budget and Annual Development Programme (ADP) has generally seen a declining trend. Subsidies are primarily focused on fertilizer, electricity for irrigation, and machinery. Due to the depreciation of the Taka against the dollar, fertilizer and agricultural machinery imports have become costlier, necessitating even a larger amount of subsidies in agriculture. The recent budgetary and subsidy allocations are stagnating (Table-7) and insufficient to increase

the growth in agriculture at required level and maintain food security.

With the progress of economic reforms in the country, amount of subsidies given to agriculture became quite insignificant during 1990s. After the floods of 1998, the government of that period started providing farm subsidies which was about TK 100 crore (0.24% of total budget) in FY2001-02. The Government increased the amount substantially to TK 1100 (1.8% of total budget) in FY2005-06 and further to TK 1200 (1.72% of total budget) in FY2006-07. In recent years the nominal amount of agricultural subsidies has further increased but stagnating in relative terms. Currently subsidies are provided in conjunction with the annual budget of the Ministry of Agriculture. Other relevant ministries do not have any provision of subsidies in their budget. This needs to be rationalized. A part of the subsidy should be provided to farmers in cash.



Five-Year National Budget Trends (FY24–FY25)

The National Budgets of Bangladesh (FY20-FY25) have focused on GDP growth, expanding infrastructure and strengthening social safety nets, with a steady trend of increasing size despite pandemic challenges. Budgets have shifted from prioritizing COVID-19 recovery to navigating post-pandemic economic stability, high inflation, and structural reforms to enhance revenue collection and manage deficits, reaching Tk 7.97 trillion by FY25. The size of the budget ranges

from about 12 to 15 percent of the GDP that needs to be enhanced to about 20 percent. The main constraint to a higher allocation is the low level of revenue collection that accounts for about 7.3 percent of the GDP. Consequently the country follows the path of deficit budgeting depending heavily on internal and external loans, which accounts for about 5 percent of the GDP. A short description of national budgets for the last five years is given below:

Fiscal Year	Budget Title	Total Budget	Budget Priority	Agri Budget
FY 2025-26	Building an Equitable and Sustainable Economic System.	Tk 7,90,000 Crore	<ul style="list-style-type: none"> • Curbing public spending, reducing the deficit, and managing debt. • Tackling high inflation and navigating economic recovery while ensuring long-term financial health. • Importance on agricultural subsidies, particularly on fertilizer and electricity, and avoids new, high-interest mega-projects. 	<p>Tk 46,268 crore</p> <p>5.86% of the total budget</p>
FY 2024-25	March Towards Smart Bangladesh Following the Path of Sustainable Development	Tk 7,97,000 Crore	<ul style="list-style-type: none"> • Controlling inflation, reducing the deficit through increased revenue collection (via NBR), and enhancing social safety net coverage to support lower-income groups. 	<p>Tk 47,332 crore</p> <p>5.94% of the total budget</p>
FY 2023-24	Towards Smart Bangladesh Sustaining the Development Achievements of a Decade and a Half	Tk 7,61,785 Crore	<ul style="list-style-type: none"> • Sustainable development, economic progress and achieving a "Smart Bangladesh" by 2041 	<p>Tk 43,700 crore</p> <p>5.7% of the total budget</p>

Fiscal Year	Budget Title	Total Budget	Budget Priority	Agri Budget
			<ul style="list-style-type: none"> • Structural reforms in the financial sector, significant allocations for infrastructure development (including mega projects), and social infrastructure improvement 	
FY 2022-23	Return to Path of Development Leaving the COVID-19 Behind	Tk 6,78,064 Crore	<ul style="list-style-type: none"> • Economic recovery from the pandemic by accelerating the Annual Development Programme (ADP), increasing agricultural subsidies, and bolstering local industries to combat global supply chain issues. 	Tk 54,299 crore 6.21% of the total budget
FY 2021-22	Bangladesh Towards a Resilient Future Protecting Lives and Livelihoods	Tk 6,03,681 Crore	<ul style="list-style-type: none"> • Protecting lives and livelihoods, strengthening health-care, increasing social safety net coverage, and promoting employment generation. 	TK 31,912 crore 5.28% of the total budget
FY 2020-21	Economic Transition and Pathway to Progress	Tk 5,68,000 Crore	<ul style="list-style-type: none"> • Strengthening health services, supporting small businesses and boosting agriculture to maintain food security. 	TK. 29,981 crore 5.28% of the total budet

Five Years Agricultural Budget Trends (FY2020–FY25)

Over the last five years (FY2020–21 to FY2024–25), Bangladesh's agricultural budget has prioritized food security, modernization, and input subsidies, with total allocation for Agriculture reaching BDT 47,332 crore in FY2024-25. While nominal allocations have generally increased to combat rising input costs, the overall share within the national budget has

generally declined, creating concerns regarding modernization and rural investment.

FY 2024–25	The agriculture sector (covering Ministry of Agriculture, Fisheries & Livestock, Food, Land, Environment and Forest, and Water Resources), experienced a slight increase in budget allocating Tk 47,332 crore, in FY25 reflecting 8.31 percent increase over the previous year FY2024. The rate of increase was lower than of the rate of inflation observed in FY2025. The share of subsidy to total budget was 2.16 percent, lower than that the previous year (Table-7). The budget aligned with ensuring self-sufficiency in food production through increased productivity, mechanization, and research, recognizing agriculture as a vital sector for economic stability. The primary challenges of this budget included high agricultural input prices (fertilizer, fuel) and potential food price inflation.
FY2023–24	The agriculture sector saw an allocation of Tk 43,700 crore in FY24, which was 5.7% of the total budget. The amount of subsidy was TK 17,533, lower than that of the previous year. The budgetary policy remained focused on achieving self-sufficiency and mitigating the impact of rising global fertilizer prices on local farmers. While subsidies were present, farmers faced immense pressure from high input costs, reducing net profits.
FY2022–23	The total allocation for agriculture (including related ministries) was proposed at Tk 42,108 crore, representing 6.21% of the total budget. However, later this was revised upwards to Tk 54,299 crore, representing over 8% of the revised budget. Emphasis was placed on post-COVID-19 agricultural incentives, with a significant subsidy focus allocating TK 16,527 crore. Emphasis was placed on farm mechanization, with large incentives (50–70% subsidies) for purchasing agricultural machinery like combined harvesters and reapers. A special incentive package continued, providing agricultural loans at a concessional interest rate of 4% for the cultivation of some major crops, including pulses, oil, spices, and maize. The overall objective was to maintain food self-sufficiency by reducing dependence on manual labor through mechanization while providing subsidies for seeds, fertilizer, and irrigation.
FY2021-22	Total budgetary support for agriculture sector in FY2022 was TK 31,912 crore, accounting for 5.28% of the total budget. The budget maintained a subsidy of TK 10,099 crore for fertilizers and other inputs to keep costs low for farmers. Although the amount of subsidy increased in nominal term, its share to total budget remained the same as the previous year. The budget prioritized pandemic recovery, food security, and mechanization of farming. VAT exemptions at manufacturing and trading stages for items like weeders and winnowers were introduced to boost agricultural production. Amid COVID-19 pandemic, the budget aimed at increasing domestic production to ensure food security.
FY2020-21	The FY2020-21 budget allocated TK 29,981 crore to the sector, which was 5.28% of the total budget. Key aspects included second highest priority to agriculture after health to prevent food crises during the pandemic. The budget made a provision for TK9,501 crore as subsidies, particularly for fertilizers, to keep production costs low. A separate, large refinancing scheme (worth of TK 5,000 crore) was introduced to provide low-interest loans to farmers, particularly for supporting smallholders. The

budget aimed at strengthening the rural economy and fostering self-sufficiency, ensuring that agricultural production could sustain the country during global disruptions.

Overview of the Agricultural Budget for FY 2025–26

The FY2025-26 budget allocated Tk 46,268 crore to agriculture, 2.25% lower than the previous year. When the total budget for FY26 shrank by 0.88%, the reduction for agriculture seems irrational. The share of agriculture to total budget reduced by 0.09% in FY2026 than that in the previous year. The absolute amount of subsidy reduced to TK 17,241 than Tk 17261 in the previous year (Table-7), registering a 0.12% decline. Despite high production cost and declining farmers profitability, the overall shrinking of agricultural allocation and subsidies may in future hinder modernization, fail to grow more food and curb inflation and unable to address declining farm holdings and climate-related productivity issues. The budget however

exempted farmers from payment of income tax for next five years and reduced advance income tax (AIT) on industrial raw materials to support agro-processors.

Overall, the budget focused on managing current food security risks and input cost volatility rather than large-scale structural transformation, aiming at maintaining stability amidst high food inflation. However, recent fuel crisis, price hike of diesel and early floods in haor areas may jeopardize the good intentions and the country may face severe food insecurity and high food inflation in near future.

Gist of Agricultural Budget Analysis

Trend of Budget allocations:

According to the SDG targets, in order to ensure food and nutritional security for all by 2030, the agricultural sector's production growth rate must be raised to 4–5 percent. For this, investment in agriculture needs to be increased; however, in reality, this is not happening. Compared to the original budget of the 2011–12 fiscal year, the size of the 2024–25 budget has increased by 4.78 times. In comparison, the agriculture budget has increased by only 3.78 times. In the 2011–12 fiscal year, the share of the agriculture budget in the total budget was 10.65 percent. In the 2024–25 budget, it dropped to 5.94 pe

cent. Similarly, the share of agricultural subsidies fell from 6.4 percent to 2.16 percent. In other words, the agriculture budget and subsidies have not increased proportionally to the overall budget. In the FY 2025-26 the total budget and the agricultural budget reduced including subsidies.

Allocations to Subsectors of Agriculture:

In the last fiscal year 2024-25, a total of Tk 47,332 crore was allocated for the five agriculture-related ministries. Among them, 27,241 crore Taka was allocated for the crop agriculture sector

(Table-8), which is 3.41 percent of the total allocation. On the other hand, 2.45 percent was allocated for the ministries of fisheries and livestock, forest and environment, land, and water resources. This was insufficient. The allocation for crop agriculture was reduced by 18.21 percent compared to the revised budget of the previous year. In the revised budget of 2023–24, Tk 25,644 crore was allocated for agricultural subsidies. In the FY2024–25 budget, it was reduced to Tk 17,261 crore. In the following year (FY2025-26), allocations to crops and water resources have slightly increased and their dominance over other sub-sectors continued. Subsidies were allocated to crops sector alone, leaving others with no subsidies.

Development Budget:

The agriculture development budget in Bangladesh focuses on enhancing food security, sustaining rural livelihoods, and driving economic growth, with a recent emphasis on climate-resilient farming, input subsidies, and modernization. It is crucial for stabilizing high input costs, fostering agricultural research, and facilitating agro-processing to combat rising food demand and climate challenges.

In 2023-24, the Annual Development budget allocated BDT 16,336 crore for agricultural sector (Table-9), which was 5.82% of the total development budget. The amount increased to TK.19829 (5.2%) in FY2024-25 but declined to TK.18395 (5.32%) in the following year. Water resources subsector receives the highest share of development budget in agriculture followed by Crops, Fisheries and Livestock, Environment and Forests, and Land. The percentage share of agriculture to total development budget has been declining over time, which should be over 10% in the coming years.

The implementation of the Annual Development Programme (ADP) in Bangladesh has shown a consistently low rate of execution over the years. This was very low in recent years, particularly in

Distribution of Budget to Different Sub-sectors of Agriculture

TOTAL AGRICULTURE BUDGET		2023-24	2024-25	2025-26		
		43,700 crore (5.74% of Total Budget)	47,332 crore (5.94% of Total Budget)	46,268 crore (5.86% of Total Budget)	Taka in Crore	
SUB-SECTORS	2023-24	2024-25	2025-26	TREND (2023-24 to 2025-26)	KEY INSIGHTS	
CROPS	25,118 crore (3.30%)	27,214 crore (3.41%)	27,224 crore (3.45%)	↑ Increase +2,106 crore (+8.38%)	Crops sector receives the largest share every year.	
FISHERIES & LIVESTOCK	4,240 crore (0.56%)	4,288 crore (0.54%)	3,392 crore (0.43%)	↓ Decrease -848 crore (-20.00%)	Fisheries & Livestock allocation declined by 20%.	
ENVIRONMENT & FOREST	1,639 crore (0.22%)	2,131 crore (0.27%)	2,144 crore (0.27%)	↑ Increase +505 crore (+30.81%)	Environment & Forest saw the highest growth (30.81%).	
LAND	2,459 crore (0.32%)	2,505 crore (0.31%)	2,304 crore (0.29%)	↓ Decrease -155 crore (-6.31%)	Land allocation slightly decreased by 6.31%.	
WATER RESOURCES	10,244 crore (1.34%)	11,194 crore (1.40%)	11,204 crore (1.42%)	↑ Increase +960 crore (+9.37%)	Water Resources allocation increased steadily.	

Distribution of development budget to different sub-sectors of agriculture (Taka in Crore)

TOTAL DEVELOPMENT BUDGET		2023-24	2024-25	2025-26		
		2,77,582 crore	3,81,453 crore	2,45,609 crore	Taka in Crore	
SUB-SECTORS	2023-24	2024-25	2025-26	TREND		
		Amount (Share%)	Amount (Share%)	Amount (Share%)	(2023-24 to 2025-26)	
CROPS	16,146 (5.82%)	19,829 (5.20%)	18,395 (7.49%)	↑ +2,249 crore (+13.94%)		
FISHERIES & LIVESTOCK	4,348 (1.57%)	6,424 (1.68%)	6,333 (2.58%)	↑ +1,985 crore (+45.67%)		
ENVIRONMENT & FOREST	2,427 (0.87%)	2,394 (0.63%)	1,489 (0.61%)	↓ -938 crore (-38.65%)		
LAND	851 (0.31%)	1,403 (0.37%)	1,380 (0.56%)	↑ +529 crore (+62.16%)		
WATER RESOURCES	7,794 (2.81%)	8,687 (2.28%)	8,490 (3.46%)	↑ +696 crore (+8.93%)		

the 2024-25 and 2025-26 fiscal years. Reports show that the Planning Commission has implemented only 67.8% in FY2024-25 and 36.19% in 9 months of FY2025-26. This sluggishness is generally attributed to political instability, administrative reshuffling (transfer of project directors), delays in procurement, and cautious spending policies by the interim government.

Agricultural Credit:

Agricultural credit is crucial for Bangladesh's economy, contributing to food security, rural employment, and poverty reduction by enabling farmers to adopt modern technology and purchase inputs, livestock and fish farms. It fosters rural development, boosts agricultural GDP, and reduces reliance on informal, high-interest loans. It allows farmers to manage risks from crop failure, pests, and natural disasters, livestock and fish losses ensuring stability in farming operations.

The Bangladesh Bank has set Tk 39,000 crore agricultural and rural loan disbursement target for the 2025-2026 fiscal year, aimed at boosting rural productivity, supporting climate-smart agriculture, and enhancing food security. The policy stipulated 55% share of the total disbursement for crops, 20% for livestock, 13% for fisheries, 2% for irrigation/machinery and 10% for rural production and development. The amount of agricultural credit has increased more than threefold over the last 16 years (Table-10) giving an average annual growth of about 8%, but yet it covers only 22% of the farmers. The share of agricultural credit is only

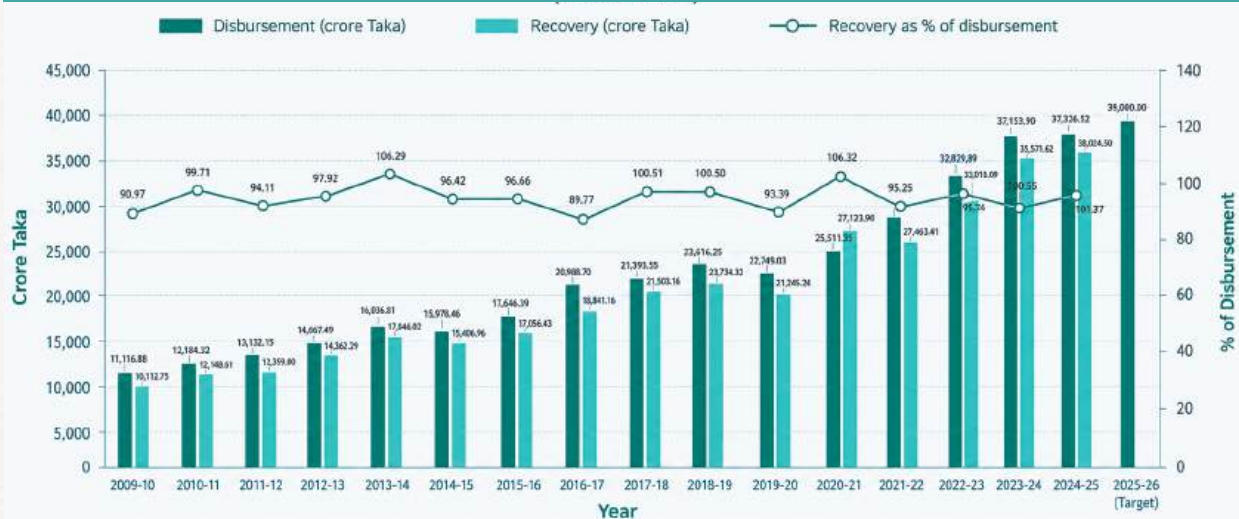
about 2% of total institutional credit. A concessional 4% interest rate is allowed for import-substitute crops (pulses, oilseeds, maize, spices), but the farmers reported that local bank branches are reluctant to give this loan to those who desperately need it.

The repayment rate of agricultural credit is quite satisfactory, much better than that in other sectors. Sometimes repayment exceeds the amount of disbursement (Table-10). It reveals that the farmers are in intense pressure for repayment of loans and occasionally they become very frustrated and commit suicide (Annexure-B).

Marketing of Produce:

Agriculture sector in Bangladesh is very volatile with no guarantee for the quantum of produce due to frequent occurrence of natural calamities. In most of the time farmers lose in farm business due to a loss in production. Some other times they suffer from lower price of their produce. When prices escalate, the farmers who grow the product do not benefit from the high prices received from the consumers. The benefits are garbed by the middlemen. Recent incidence of

Year wise distribution and recovery of agricultural Credit. (In crore Taka)



high food inflation was not only a result of cost pushed inflation but was a manifestation of greedflation dictated by higher profit margins of some unscrupulous traders. Very recently, prices of food grains have declined more than 10 percent in the international market but the poor consumers of our country have experienced a surge in prices of food grains in the domestic market. On the other hand, the prices of potatoes and onion have sharply fallen due to over production and the farmers are deprived of fair prices.

An agricultural price Commission has to set up to announce the minimum support prices and procurement prices for the agricultural products aiming to protect farmers from price volatility and encourage production. Many countries of the world have established institutions to regulate or influence agricultural prices. These institutions or bodies play a crucial role in ensuring fair prices for farmers, maintaining stable markets, and safeguarding the interests of consumers. An independent agricultural price commission would be able to adopt a scientific approach to provide its recommendations by

considering situations prevailing in the domestic as well as in the international market to benefit both producers and consumers. The National Agricultural Policy of Bangladesh has suggested creating an independent price commission under the Ministry of Agriculture.

Growth target:

While GDP growth targets are set during budget formulation, no specific growth target is set for the agriculture sector. According to the Eighth Five-Year Plan, the target for average agricultural growth until the 2024–25 fiscal year was set at 4 percent. However, the actual achievement has been only 3.2 percent. This rate needs to increase—a minimum of 4 percent growth in overall agriculture must be achieved, with no less than 3% in each subsector.

Agricultural Budget 2026-27: Outlook and Priorities

The Bangladesh national budget for FY 2026-27 is expected in early June 2026. Total allocation is projected to exceed Tk 9,00,000 crore with significant increase in development expenditure potentially reaching Tk 3,00,000 crore. The main focus would be on curbing high inflation, stabilizing foreign exchange reserves, and meeting electoral pledges amid slow economic growth and high-interest, low-investment scenarios. It will prioritize agricultural support, social safety nets, job creation, and export diversification, while seeking to increase the

tax-GDP ratio to 10%.

The FY 2026–27 budget is expected to prioritize macroeconomic stabilization through inflation control, management of external economic pressures, and improvement of the low tax-to-GDP ratio. Increased allocations for social safety programmes, including support for farmers, fishery, and livestock owners, are also anticipated. The budget is likely to emphasize employment generation through expanded development expenditure and skills

development initiatives, alongside reforms to strengthen the financial sector, improve investment conditions, and enhance food security.

Bangladesh is facing serious food security challenges due to high input prices, occurrence of early floods in haor areas damaging Boro Paddy and external shocks. Under the present circumstances, the outlook for Bangladesh's agricultural sector in the FY2026–27 national budget is expected to be one of sustained high-priority support, focusing on food security, modernization, and adaptation to climate change. The agriculture budget should be formulated with a total amount of Tk 90,000 crore (10% of total budget) allocating to greater agriculture sector, with a provision of TK40,000 crore to curb high food inflation. (over 9% in early 2026).

Farm Mechanization:

Increased focus on promoting agricultural machinery to replace manual labor and improve efficiency, aiming to increase productivity and reduce per unit cost.

Climate-Resilient Agriculture:

Significant investment is expected in developing and promoting salinity-tolerant, flood-tolerant, and drought-resistant crop varieties.

Food Security and Supply Chain:

Strengthening local procurement, expanding storage capacity (cold storage), and creating digital supply chain databases to reduce post-harvest losses and manage food inflation.

Encourage Production of nutritious Food:

Increased incentives for diversification into fisheries, livestock, high-value crops and fruit trees rather than relying mostly on rice production.

Local Production of Fertilizer:

Emphasis on domestic fertilizer production, particularly on urea production. Currently only one fertilizer factory, out of five, is in operation. Others are out of production due to shortage of gas supply. Under the present conflicting situation in the Gulf, continued dependency on imported fertilizer has to be replaced through full operation of domestic factories and increase in domestic production. Sources close to our fertilizer factories suggest that local production cost per kg is much lower than the corresponding import cost.

Focus on renewable energy:

Recent conflict around the Persian Gulf has led to fuel crisis and price hike. Under the circumstances, reliance on renewable energy should be expanded to save oil and LNG.

Increased Development Budget:

While the total allocation may increase, the share of agriculture in the overall Annual Development Programme (ADP) has to be enhanced to encourage long-term investment in agricultural infrastructure and research.

Emphasis on New Initiatives:

New programs launched by the government including delivery of Farmer Card, Exemption of agricultural credit up to TK 10 thousand and Excavation/Re-excavation of Canals and Rivers need to continue with vigor.

Recommendations for Upcoming Agricultural Budget 2026-27

Recommendations for the overall FY2026–27 National Budget emphasize stabilizing the economy through inflation control, increasing the revenue-to-GDP ratio through expanded tax collection and revenue mobilization, and strengthening social spending on health and education to 5% of GDP. The recommendations also highlight the need for income tax reforms to reduce pressure on low- and middle-income earners, improve governance and efficiency, strengthen social safety measures, and accelerate investment in high-priority productive sectors.

For the agriculture sector, the FY2026–27 budget should prioritize strengthening food security amid persistent food inflation by supporting increased agricultural production. Key recommendations include increasing budget allocations and subsidies, expanding climate-resilient agricultural research, improving cold chain infrastructure, supporting agro-promoting solar-powered irrigation and farm mechanization, and simplifying access to agricultural credit for smallholder farmers to reduce production costs and improve resilience.

1. EXPECTED GROWTH RATE:

- a. Agricultural sector should have a growth rate of 4 to 5 percent with no less than 3 percent growth in each subsector.

2. ALLOCATION OF BUDGET:

- a. At least 10 percent of the total budget should be allocated to the agricultural sector with proportional allocation to each subsector.

3. ALLOCATION OF SUBSIDIES:

- a. Allocate 10 percent of the value of agricultural output as agricultural subsidies.
- b. Raise subsidies for fertilizers, seeds, and irrigation, particularly for smallholder farmers, to mitigate rising input costs.

- c. A part of subsidies should be paid in cash during production period.
- d. Subsidies should be judiciously distributed among the subsectors.

4. TAXES AND IMPORT DUTIES:

- a. Impose lower import duties on key agricultural inputs and machinery, and reduce Advance Income Tax (AIT) on agricultural raw materials.
- b. Discourage import of agricultural products during harvest period.
- c. Continue to provide policy support and subsidies for agricultural exports.

5. ADAPTATION TO CLIMATE CHANGE:

- a. Increase funding for developing and adopting salinity, drought, and flood-tolerant crop varieties to cope with climate change.
- b. Provide incentives for installation of solar-powered irrigation pumps to lower electricity costs and reduce dependency on diesel.
- c. Encourage organic fertilizer usage through initiatives involving NGOs and farmers.
- d. Provide specialized training for agricultural workers and farmers on modern farming techniques, Good Agricultural Practices (GAP), and digital agriculture.

6. INFRASTRUCTURE AND MARKET ACCESS:

- a. Allocate funds for expanding cold storage facilities and agricultural processing units to reduce food wastage, particularly for perishable items.
- b. Improve cold chain systems and facilitate transportation links to reduce post-harvest losses.
- c. Allocate funds to develop better rural infrastructure and digital platforms connecting farmers directly to urban markets.

7. PROCUREMENT OF OUTPUT:

- a. Revise procurement policy to accommodate at least 10 crops including potato, onion and tomato. Procure at least 10 percent of each selected crop for storage at government level.
- b. Fix the procurement price at 20% above the cost of production.
- c. Expand storage facilities to accommodate at least 60 lakh tons of rice, wheat and other crops.
- d. Increase budgetary allocation for strengthening public food distribution system to maintain a consistent market supply and manage food security.

8. CREDIT AND INSURANCE:

- a. Expand the amount of agricultural credit to 10 percent of total credit and extend its coverage to at least 50 percent of farmers.
- b. Ensure availability of low-interest credit facilities for poor farmers to boost liquidity.

9. DIVERSIFICATION:

- a. Focus budget on promoting high-value crop cultivation, vertical farming, and smart agriculture.
- b. Make budget provisions for livestock and fisheries development projects to facilitate agricultural diversification.
- c. Arrange funds for training of farmers on food diversification.

10. POLICY AND INSTITUTIONAL SUPPORT:

- a. Implement policies to ensure farmers receive a fair price. Protect both farmers and consumers from market intermediaries and price volatility. Establish government control and increase interventions in the market when necessary.
- b. Establish an independent Agricultural Price Commission to monitor production cost, assess the magnitude of domestic and international market price volatility, determine tax and tariff rates on agricultural products and suggest support prices for farmers.
- c. Direct more investment towards agricultural research institutions to improve seed quality and cultivation techniques.
- d. Bring all domestic fertilizer factories under operation to overcome supply crisis and reduce dependence on fertilizer imports.
- e. Expand Public-Private Partnerships (PPP) for establishing agricultural processing units and strengthening market access for farmers.
- f. Set up an Agricultural Commission to monitor production, identify constraints, generate empirical data on farming system efficiency and provide policy guidance.

In short, the next budget should include several measures that would provide relief and support to the agriculture sector, such as increased allocation and subsidies, targeted tax reductions, and duty exemptions. To ensure sustainable agricultural growth and enhanced food security, a more comprehensive approach focusing on diversification, procurement, energy security, value chain development, and inclusive financing is necessary to fully unlock the sector's potential in the coming years.

Ahad Mia collapsed and died in his paddy field

A 55-year-old farmer named Ahad Mia from Rampur village in the Goalinagar union of Nasirnagar upazila, Brahmanbaria, died on Saturday morning, May 2, 2026, after witnessing his six bighas of cultivated Boro paddy submerged by flood-water. Ahad Mia had gone to his field with laborers on Saturday morning to harvest his paddy. Seeing all six bighas of his land submerged, he suffered a sudden collapse and became unconscious on the spot. He died in the field before any medical assistance could be provided. After the incident, labourers and locals recovered the body and transported it to his home. The funeral was held later in the day following the Zuhr prayers in Rampur village.

While family members believe he passed away due to the severe mental shock (stroke), Dr. Md Saiful Islam of Nasirnagar Upazila Health Complex indicated it was likely a heart attack brought on by immense distress.

The incident occurred amid significant agricultural damage in the Nasirnagar haor region, where hundreds of hectares of ripe Boro paddy have been submerged following three days of heavy rain. Reports indicate that many farmers in the area were experiencing severe distress increasing financial burdens on them due to similar crop losses.

Local farmer Dudh Mia reported that at least three other farmers from the same area have fallen ill due to similar distress over crop losses and are currently receiving treatment at different medical facilities. He also noted that between 4,000 and 5,000 bighas of paddy fields across Goalinagar Union have been submerged due to recent heavy rainfall, causing widespread crop damage. Additionally, harvested paddy stored in threshing yards is also being damaged by rainwater.

Source: The Daily Samakal, 03 May 2026.

Timeline of farmers committed suicide from December 2024 to April 2025.

Number	Date	Place	Age	Gender	Reason
1	17-12-2024	Sunamgnj	43	Male	Burden of Loan
2	14-01-2025	Natore	60	Male	Burden of Loan
3	19-02-2025	Nawgaon	45	Male	After failing to be appointed as tubewell operator
4	15-03-2025	Faridpur	40	Male	Burden of Loan
5	17-03-2025	Maherpur	55	Male	After facing loss in onion production
6	11-04-2025	Madaripur	40	Male	Burden of Loan
7	14-04-2025	Rajshahi	70	Male	After facing loss in onion production
8	19-04-2025	Sirajgonj	40	Male	Burden of loan

Source: Sarbojonkotha, Year 11; Issue 3, 30-04-2026.

TABLES

Table-1: Growth rate of GDP and the sectoral share of agriculture to GDP (%)

Year	Growth rate of GDP	Growth rate of Agriculture GDP	Sectoral share of Agriculture to GDP
2009 -10	5.57	6.55 * (4.60) **	18.38
2010 -11	6.46	3.89 * (6.69) **	18.00
2011 -12	6.52	2.41 * (5.32) **	16.87
2012 -13	6.01	1.47 * (6.18) **	16.50
2013 -14	6.06	3.81 * (6.36) **	16.01
2014 -15	6.55	2.45 * (6.38) **	16.01
2015 -16	7.11	3.20	15.36
2016 -17	7.28	3.20	13.62
2017 -18	7.86	3.45	13.14
2018 -19	8.15	3.26	12.56
2019 -20	3.51	3.42	12.52
2020 -21	6.94	3.17	12.07
2021 -22	7.10	3.05	11.61
2022 -23	5.78	3.39	11.30
2023 -24	4.22	3.30	11.19
2024 -25	3.50	2.42	10.94

Source: BBS (Agriculture include all sub-sectors.
 * Indicates growth rate of crops, livestock & forestry together
 ** Indicates growth rate of fisheries sub-sector)

Table-2: Share of agricultural sub-sectors to GDP at constant prices. Base year: 2015-16

Sub -sectors	Year		
	2022 -23	2023 -24	2024 -25
Crops	5.30	5.29	5.06
Livestock	1.85	1.83	1.81
Forestry	1.70	1.71	1.72
Fisheries	2.45	2.36	2.34
Agriculture	11.30	11.19	10.94
Industry	37.65	37.37	37.44
Services	51.05	51.44	51.62

Source: BBS

Table-3: Growth rate of agricultural sub-sectors at constant prices. Base year: 2015-16

Sub -sectors	Year		
	2022 -23	2023 -24	2024 -25
Crops	3.15	4.00	1.60
Livestock	3.17	3.07	3.19
Forestry	5.13	4.99	2.30
Fisheries	2.80	0.79	2.75
Agriculture	3.37	3.30	2.42
Industry	8.89	3.16	5.58
Services	5.37	5.09	4.51

Source: BBS

Table-4: Change in the composition of real agricultural GDP (%) within subsectors

Subsectors	1978 -79 to 1979 -80 (average)	2024 -25
Crops	78.9	46.22
Livestock	7.43	16.57
Forestry	6.57	15.77
Fisheries	7.09	21.44

Source: BBS

Table-5: Net cultivated area and per capita availability of land per holding over time.

Year	Net Cultivated area (hectare)	Growth rate per year (%)	Loss of Land (ha)		Net operated area per holding (acre)	Net cultivated area per farm holding (acre)
			Per year	Per day		
1983 -84	92 Lakh	-	-	-	1.65	2.00
1996	82 Lakh	-0.959	83,333	228	1.15	1.50
2008	99 Lakh	-0.528	41,666	144	0.82	1.26
2019	75 Lakh	-0.22	20,000	55	0.65	1.10

Source: BBS

Table-6a: Annual Rate of Inflation Base year: 2005-06=100

Year	General	Food
2006 -07	9.39	11.63
2007 -08	12.30	16.72
2008 -09	7.60	7.91
2009 -10	6.80	6.25
2010 -11	10.91	14.11
2011 -12	8.69	7.72
2012 -13	6.78	5.22
2013 -14	7.35	8.56
2014 -15	6.41	6.68
2015 -16	5.12	4.90
2016 -17	5.44	6.02
2017 -18	5.78	7.13
2018 -19	5.48	5.51
2019 -20	5.65	5.56
2020 -21	5.56	5.73
2021 -22	6.15	6.05
2022 -23	9.02	8.71
2023 -24	9.73	10.65
2024 -25	10.03	10.7

Source: BBS

Table-6b: Monthly rate of inflation from June 2024 to March 2026 (Base Year 2021-22=100)

Month	General	Food
June 2024	9.71	10.42
July 2024	11.66	14.10
August 2024	10.87	12.66
September 2024	9.92	10.40
October 2024	10.87	12.66
November 2024	11.39	10.89
December 2024	10.89	12.92
January 2025	9.94	10.72
February 2025	9.23	9.24
March 2025	9.36	8.93
April 2025	9.17	8.63
May 2025	9.05	8.59
June 2025	8.48	7.39
July 2025	8.55	9.56
August 2025	8.29	7.60
September 2025	8.36	7.55
October 2025	8.17	7.50
November 2025	8.28	7.64
December 2025	8.48	7.71
January 2026	8.58	8.29
February 2026	9.13	9.30
March 2026	8.71	8.24

Source: BBS

Table-7: Agricultural budget and subsidies as a percentage of total budget (2020-21 to 2025-26)

Year	Total budget (Crore Taka)	Agricultural budget (Crore Taka)	% of total budget	Subsidies (crore Taka)	% of total budget
2020 -21	5,68,000	29,981	5.28	9,501	1.67
2021 -22	6,03,681	31,912	5.28	10,099	1.67
2022 -23	6,78,064	42,108	6.21	16,527	2.44
2023 -24	7,61,785	43,700	5.74	17,533	2.30
2024 -25	7,97,000	47,332	5.94	17,261	2.16
2025 -26	7,90,000	46,268	5.85	17,241	2.18

Note: Agriculture includes Ministry of Agriculture, Ministry of Fisheries and Livestock, Ministry of land, Ministry of Environment, Forest and Climate Change, and Ministry of Water Resources.

Table-8: Distribution of budget to different sub-sectors of agriculture (Taka in crore)

Year	Total Agriculture	Crops	Fisheries & Livestock	Environment & Forest	Land	Water Resources
2023 -24	43,700 (5.74)	25,118 (3.30)	4,240 (0.56)	1,639 (0.22)	2,459 (0.32)	10,244 (1.34)
2024 -25	47,332 (5.94)	27,214 (3.41)	4,288 (0.54)	2,131 (0.27)	2,505 (0.31)	11,194 (1.40)
2025 -26	46,268 (5.86)	27,224 (3.45)	3,392 (0.43)	2,144 (0.27)	2,304 (0.29)	11,204 (1.42)

Source: Ministry of Finance. (Note: Bracketed figures are percentages of total budget)

Table-9: Distribution of development budget to different sub-sectors of agriculture (Taka in crore)

Year	Development		Crops	Fisheries & Livestock	Environment & Forest	Land	Water Resources
	Total	Agriculture					
2023 -24	2,77,582	16,146 (5.82)	4,348 (1.57)	2,427 (0.87)	851 (0.31)	926 (0.33)	7,794 (2.81)
2024 -25	3,81,453	19,829 (5.20)	6,424 (1.68)	2,394 (0.63)	1,403 (0.37)	921 (0.24)	8,687 (2.28)
2025 -26	2,45,609	18,395 (7.49)	6,333 (2.58)	1,489 (0.61)	1,380 (0.56)	703 (0.29)	8,490 (3.46)

Source: Ministry of Finance (Note: Bracketed figures are percentages of total development budget)

Table -10: Year wise distribution and recovery of agricultural Credit. (In crore Taka)

Year	Disbursement	Recovery	Recovery as % of disbursement
2009 -10	11116.88	10112.75	90.97
2010 -11	12184.32	12148.61	99.71
2011 -12	13132.15	12359.00	94.11
2012 -13	14667.49	14362.29	97.92
2013 -14	16036.81	17046.02	106.29
2014 -15	15978.46	15406.96	96.42
2015 -16	17646.39	17056.43	96.66
2016 -17	20988.70	18841.16	89.77
2017 -18	21393.55	21503.16	100.51
2018 -19	23616.25	23734.32	100.50
2019 -20	22749.03	21245.24	93.39
2020 -21	25511.35	27123.90	106.32
2021 -22	28834.21	27463.41	95.25
2022 -23	32829.89	33010.09	100.55
2023 -24	37153.90	35571.62	95.74
2024 -25	37326.52	38024.50	101.87
2025 -26	39000.00 (Target)	-	-

Source: Bangladesh Bank (Average annual growth rate of credit disbursed from 2009-2010 to 2025-2026 financial year is 7.84%).

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