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AN EMPIRICAL STUDY ON IMPACT INVESTMENT IN THE AGRICULTURAL SECTOR IN INDIA

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ABSTRACT

India, known for its vast reserves of natural resources, abundance of skilled and unskilled workforce, upcoming modern infrastructure and emergence of entrepreneurship and start-up culture is predicted to become a global super power by 2050, alongside other developed countries. This has made India a target for investments, being one of the largest emerging market economies in the world. The increase in investments into India has caused the financial system to grow at an even faster phase ultimately leading to a growth in National Income. However, the growth of the nation should go hand in hand with conservation of the depleting natural resources that makes up the ecology of the country. India is globally criticized for being vastly polluted. More than half its pollution resulting from Industrial waste let into the air and water. This calls for a need to reduce over consumption of natural resources and preserve the same in India for future generations. This paper is an attempt to blend Finance and ecology. Agriculture has always been a main source of employment in

India usually financed by self-reliant farmers or through loans taken from zamindars. However, the returns in agriculture are vastly dependent on the climate, leading to huge risks involved in the business of agriculture. It also can be very beneficial because agricultural gains are exempted from tax in India. This study is conducted considering agriculture as a business idea that has the power to be a profitable business venture especially sought after by impact investors. The investment attitude and pattern of these investors is analysed in this paper.

KEYWORDS: Investment, Agriculture, Finance, Impact investors.

INTRODUCTION

India is the fifth largest economy in the world (World GDP Ranking 2024 list) with as many has 16,91,495 active companies registered as on 31th March 2024 (Ministry of Corporate affairs – March 2024 – Monthly Information Bulletin). Alongside running successful businesses, most Indian companies deplete the natural resources in the environment. Almost 51% of air pollution is said to be due to Industries. (Sharma, Chauhan, Kumar.2022). The Companies Act 2013 mandates companies to use 2% of their net profits to substitute the effluence caused by most industries. But should successful business ventures be allowed to cause harm to the environment just to push economic growth.

The destruction caused by global warming and climate change can be seen all around the globe and many investors now look to invest in projects which not only make profit but also helps the environment and society. This type of investments is famously called as impact investment and can be defined by the GIIN (Global Impact Investment Network) as "**Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return".** Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on investors' strategic goals.

The Sustainable Economic Goals developed by the United Nations (UN) in 2012 go hand in hand with impact investment targets due to which the ideology had become quite popular and there is a huge increase in investment made in socially and economically impact projects. The GIIN estimates the impact industry is managing assets under management worth USD 1.164 Trillion worldwide (Hand, Ringel, Danel 2022).

In India, the Impact investment trend had increased in leaps and bounds over the past decade. An analysis conducted by the Impact Investors Council (IIC) shows that equity investments into Indian impact enterprises reached an all-time high of USD 7 Billion in 2021 with more than USD 31 billion invested over the last three years itself. (Pai, Batra, Dewan 2022). This proves that the Impact Investment growth prospects in India looks very positive, considering the availability opportunities for investment in various sectors such as Agriculture, Health care, education, waste management etc., to name a few.

In this paper, a study is conducted to analyse impact investment in India in the agriculture sector. It is attempt to study the impact investment trends in the agricultural sector and to understand the challenges faced by impact investors in India.

REVIEW OF LITERATURE

Agriculture has been the single most vital occupation in the Indian sub-continent since time immemorial. There is historical evidence to show that ancient Indians grew agricultural produce and exported the same to different empires of the world especially, cotton and spices. Even today, more than 50% of the Indian population are involved in agriculture (Indian Economic Survey data - 2022-23). There is huge demand for agricultural products produced in India within the country due to India being the most populated country in the world. International demand for agricultural produce is also evident as Indian harvest is considered among the best in the world and is currently the world's second largest producer of agricultural products. The Agricultural sector contributed to almost 20% of Indian GDP in the year 2021-22. These conditions make India a successful investment avenue in the field of agriculture.

According to Ravi, Wright, Sharma, Jones (2019), there are many entry points for impact investors to invest in agriculture in India, which further helps reduce agricultural price volatility and improves better management. Nearly 67% of respondents in the study conducted by them felt agriculture as the top sector for investment. Investment in agricultural technology gained favour even though future investment into the segment is still not clear. It was further observed that small farmers rarely adopted new technologies or solutions for farming. This indicates that amount for investment in the agricultural sector is minimal in India.

Based on a paper by Puri, Hooda, Khanna, Sen (2025), Sustainable agriculture tagging, Monitoring and reporting systems for comprehensive and granular data, Boosting and diversifying financial flows in lagging sectors, Capacity building for sustainable agriculture are the four pillars and key actions for enhancing sustainable agriculture finance. Further 67% of finance into agricultural sector was through the private sector funding. Indian agriculture. Domestic source of finance outweighed International source of investment into Indian agriculture with 99.5% of total investments being from domestic sources.

Dr. Sundhari (2023), found three major challenges in the overall development of agriculture in Tamil Nadu. They were: Raising agricultural productivity per unit of land; Reduction of rural poverty through agricultural improvement and a socially inclusive strategy that comprises both farm as well as non-farm employment and Ensuring that agricultural growth responds to food security needs. She concluded her research stating that Investment in the agriculture sector in India has the power to alleviate poverty but its success depends on financial support together with improvements in infrastructure, market access, education, and sustainability.

Bhowmik (2022), states that FDI inflows in agriculture and agricultural services have had a positive impact on the gross value added in agriculture. However not without volatile fluctuations. The researcher further adds that FDI in retail in agriculture may have negative impact on small farmers in India because Indian agriculture is dominated by small farms which constituted 83% of total farms which are less likely to have access to technology in order to meet the quality standard required by corporations and thus may worse off in income.

Rani, Siwach and Sheran (2023) in their study states that FDI in the Indian agricultural sector has played a vital role in the growth of the economy by increasing employment opportunities. This had led to an increase in GDP and sufficient flow of capital into rural economies which benefit the farmers and consumers. The government has taken initiatives to increase FDI in horticulture and floriculture since the topography of India helps in cultivation of these plants. Introduction of 100% relaxation in investment in agricultural sector related to the above field and change in agricultural policy regulation has also become a boon to the agricultural sector in India.

NEED FOR THE STUDY

As promising as the returns are in the agricultural sector, there are also a lot of risk and challenges involved. Indian agriculture is mostly dependent on the Monsoon. A shortfall or excess of rain can lead to huge financial losses due to drought or flooding which adversely affect the harvest. If the monsoon season is favourable and there is a good harvest, there is a risk of getting less or no returns for the hard work and effort put in by farmers due to competition, existence of the middle man, illiteracy, other transactional costs. Due to this most farmers are quitting agriculture and moving to cities to find better employment opportunities.

This paper is an attempt to study impact investing in the agricultural sector made by institutional or private investors and an attempt to analyse their investment pattern and attitude behind such investments in order to encourage future investment in the respective sector with an aim to improve the agricultural investments and make it more attractive.

OBJECTIVES OF THE STUDY

1. To study the Impact investment trend in the agricultural sector for the 7 years in India from 2019 to 2025 in terms of amount invested and deals claimed.
2. To study segment wise investment trend in the agricultural sector to understand investors attitude.

RESEARCH METHODOLOGY

The area of study for the above research is India. Secondary data has been collected for understanding impact investment trends in the agricultural sector for 7 years from 2019 to 2025. The same is analysed graphically using Bar diagram. Data collected is converted to Indian rupees to make the analysis more relatable. The rate considered for the study is INR/USD = Rs. 93.17/1 USD (April 15TH 2026).

A comparative study is also made to identify the agricultural segment that received the most investment. This is done to further understand the investors attitude towards the investment segment, so as to predict future investment pattern by investors in the agricultural sector. Investors for the purpose of the study refers to investments that have been made into the mainstream agricultural sector by commercial investors, not for profit investors and investments made in collaboration by Commercial and not for profit investors.

ANALYSIS ON INVESTMENT MADE IN THE AGRICULTURAL SECTOR IN INDIA IN THE PAST 7 YEARS:

The below table shows investments made in the agricultural from 1st of January 2019 to 31st of December 2025.

Table 1

Table showing Investment volume in the Agricultural sector from 2019 to 2025.

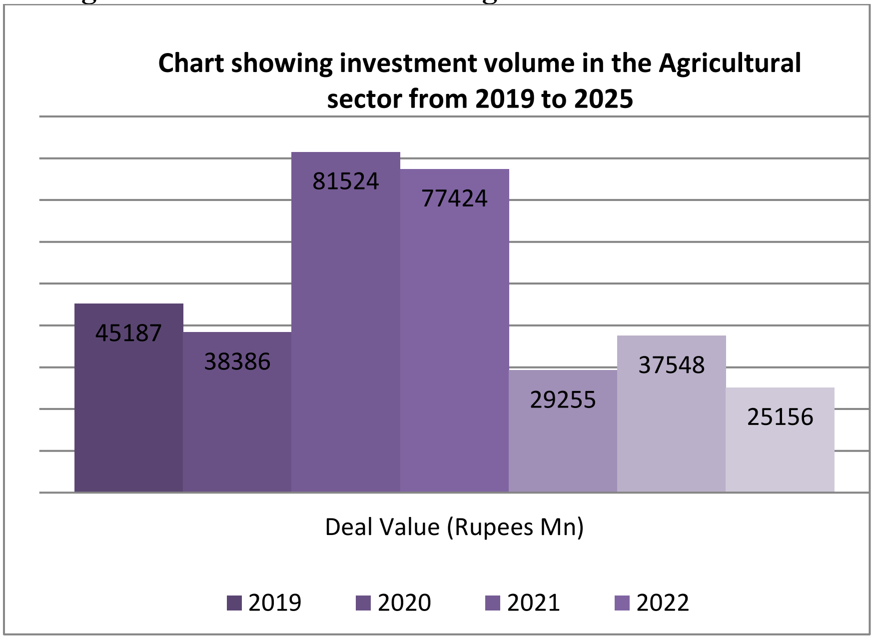
Year	Deal Value ($ - Mn)	Deal Value (Rupees – Mn)
2019	485	45187
2020	412	38386
2021	875	81524
2022	831	77424
2023	314	29255
2024	403	37548
2025	270	25156

* INR/USD = Rs.93.17/1 USD . (Apr. 15th 2026)

(Source: Retrospect - Impact Investment Council 2021, 2022, 2023, 2025)

Interpretation: In the above table, It can be seen that in 2019 the investment made in the agricultural sector was Rs.45,187 million. In 2020, investment reduced to Rs.38,386 million only. However, In 2021, Investment in the sector doubled to Rs.81,524 million, reducing marginally in 2022 to Rs.77,424 million. In 2023, the investments in the agricultural sector has fallen to Rs.29,255 million, less than half of its investments in the previous year. The subsequent year, i.e in 2024 there was an increase in investments to Rs.37,548 million. However in 2025, the sector received investments of only Rs.25,156 million. Overall investments in the sector has been fluctuating in the past 7 years.

Chart 1
Chart showing Investment volume in the Agricultural sector from 2019 to 2023.



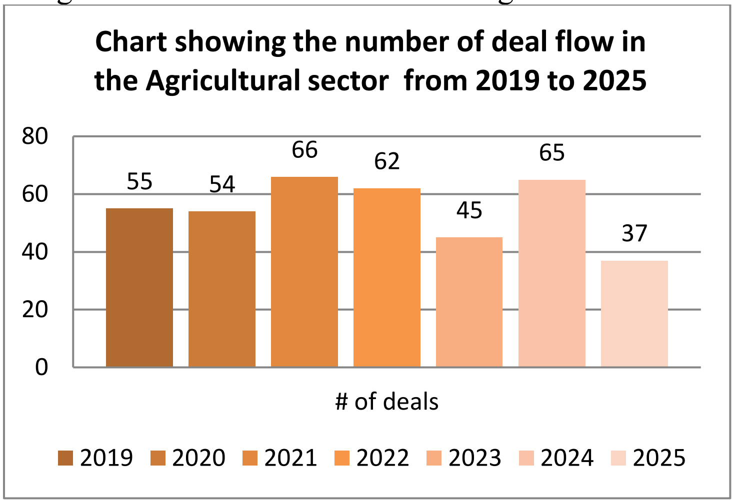
Analyses: In the chart above, it can be observed that during 2019, that is the pre – covid period, the investment in the agricultural sector was average. In 2020, there was a lot of restriction posed on the agricultural sector by the government due to which the investment reduced to Rs.38,386 million. In 2021 and 2022, when entire India was facing a lock down during co-vid, agricultural sector managed to secure maximum funding almost double the investment of 2020, i.e, Rs.81,524 million and Rs.77,424 million respectively. This can be due to the fact that new technological practices were introduced into the sector to make agriculture adaptable to contactless deliveries. However, it can be noticed that this increment was only for 2 years and there is a major drop in investment made to Rs.29,255 million in 2023. The sector tried to make a recovery in 2024, with a marginal increase in investment, but received its lowest investment in the past 7 years in 2025 with only Rs.25,156 million. Even lower than pre-covid times. This implies that farmers are required to finance themselves, due to the sudden decrease in investments.

Table 2
Table showing the number of deal flow in the Agricultural sector from 2019 to 2025

Year	# of deals
2019	55
2020	54
2021	66
2022	62
2023	45
2024	65
2025	37

Interpretation: In the above table, It can be seen that in 2019 the number of investments secured in the agricultural sector was 55. In 2020, This investment reduced by only one deal to 54. However, In 2021, number of deals in the sector rose to 66, reducing marginally in 2022 to 62. In 2023 there was a sharp fall in the number of deals to 45 as compared to the previous years. In 2024 there was a recovery to 65 number if deals in the sector but in 2025, the sector managed to get only 37 deals.

Chart 2: Chart showing the number of deal flow in the Agricultural sector from 2019 to 2025



Analyses: In the chart above, it can be observed that during 2019, that is the pre – co-vid period, the number of deals flowing into the agriculture sector was 55 deals. The momentum was maintained even in 2020 during co-vid lock down with 54 deals, which shows very little change. In 2021 and 2022, due to technological advancement promoted in the agricultural sector during the lock down, the number of deals increased to 66 and 62 respectively. However, post co-vid the numbers of deals have reduced drastically to 45 in 2023. This shows that co-vid actually helped investment into the agricultural sector; this could also be attributed to the fact that during lock down agriculture was one of the few sectors that could carry out its activities with proper authorization and protection. In 2024, the deals in the sector increased to its highest in 65 numbers. This showed that there was a recovery in the investments in the sector even though the amount invested was less compared to the number of deals as compared to previous years, but in 2025, this number of deals invested was only 37. The lowest in 7 years.

ANALYSIS ON INVESTMENT MADE IN EACH SEGMENT OF THE AGRICULTURAL SECTOR IN INDIA IN THE PAST 7 YEARS:

In order to understand the total investment made into the agricultural sector, by various investors, institutional investors, entrepreneurs, social investors and individual investors and the understand their attitude for investing, the various segments in which investment has been made in the agricultural sector has been analysed. For this purpose the agricultural sector is divided into 9 segments they are:

1. Investment in procuring Agricultural Equipment,
2. Investment in getting agricultural Inputs or Advisory from professionals,
3. Investment in the Dairy segment,
4. Investment in procuring Farm Management and Enterprise Software,
5. Investment in Financial Services provision for agricultural sector such as insurance etc,
6. Investment in Food Processing,
7. Investment in Market Linkage that is expanding the reach of agricultural produce to the consumers,
8. Others Agricultural segments and
9. Installation and Maintenance of Storage and Warehousing for agricultural produce.

Table 3: Table showing the segments in the Agricultural sector with the highest investment and No. of deals in the past 7 years

Sl.No	Year	2019			2020			2021			2022			2023			2024			2025		
	Sector	$ value (mn)	Rs. value (mn)	No of deals	$ value (mn)	Rs. value (mn)	No of deals	$ value (mn)	Rs. value (mn)	No of deals	$ value (mn)	Rs. value (mn)	No of deals	$ value (mn)	Rs. value (mn)	No of deals	$ value (mn)	Rs. value (mn)	No of deals	$ value (mn)	Rs. value (mn)	No of deals
1	Agri Equipment	3	280	1	3	280	3	1	93	1	1	93	1	4	373	6	67	6,242	14	4	373	4
2	Agri Inputs or Advisory	96	8,944	10	27	2,516	11	177	16,491	11	110	10,249	14	70	6,522	5	47	4,379	14	39	3,634	8
3	Dairy	25	2,329	4	24	2,236	4	49	4,565	6	111	10,342	3	3	280	7	40	3,727	4	62	5,777	4
4	Farm Management and Enterprise Software	17	1,584	7	11	1,025	6	165	15,373	12	142	13,230	11	7	652	5	43	4,006	7	50	4,659	4
5	Financial Services	57	5,311	3	5	466	2	60	5,590	5	50	4,659	1	6	559	1	18	1,677	3	31	2,888	5
6	Food Processing	45	4,193	9	126	11,739	6	18	1,677	2	7	652	3	113	10,528	5	50	4,659	3	2	186	2
7	Market Linkage	164	15,280	15	153	14,255	16	370	34,473	25	408	38,013	24	101	9,410	14	109	10,156	19	82	7,640	10
8	Others	1	93	1	0	0	0	32	2,981	3	1	93	3	0	0	0	0	0	0	0	0	0
9	Storage and Warehousing	77	7,174	5	63	5,870	6	3	280	1	1	93	2	10	932	2	29	2,702	1	0	0	0
	Total	**485**	**45,187**	**55**	**412**	**38,386**	**54**	**875**	**81,524**	**66**	**831**	**77,424**	**62**	**314**	**29,255**	**45**	**403**	**37,548**	**65**	**270**	**25,156**	**37**

In the above table, It can be seen that the segment that received the maximum deals and also the maximum investment from 2019 to 2025 is in the market linkage segment. In 2019, 15 deals with an investment of Rs.15,280 million was made in market linkage. In 2020, the no. of deals made were 16, even though there was a marginal decrease in the amount invested. In 2021 the no. of deals in the segment increased to 25. Even the investments in the segment increased to Rs.34,473 million. In 2022, The volume of investment increased even though there was a marginal decrease in the no. of deals. In 2023, the no. of deals reduced drastically alongside amount invested into the segment. But it still managed to lead the other segment by a huge margin both in terms of no. of deals and amount invested. In 2024, there was an increase to 19 deals in the segment with an investment of Rs.10,156 million. In 2025, this reduced to 10 deals in the segment with a total investment of Rs.7,640 million,

Market Linkage dominated the entire period. It brought in the most money in six out of seven years and made up almost 40% of all investment since 2019. This shows that Investors have found it necessary to ensure that the agricultural produce reach the intended customers in the given time and at the earliest hence they invested heavily in the market linkage segment. The necessity of connecting the farmers with the customers was felt more during the co-vid era, hence this lead to a sudden spike in investment and the no. of deals especially in 2021 and 2022. It peaked in 2022, then declined every single year after. Even though market linkage is the highest of any segment in 2025, it is an 80% drop from its peak. The second segment to have received the maximum investment and the max no. of deals is the advisory segment. In 2019, 10 deals valued at Rs.8,944 million were received in this segment. In 2020 & 2021, 11 deals were invested in the segment valued at Rs.2,516 million and Rs.16,491 million respectively. In 2022, the segment secured 14 deals valued at Rs.10,249 million and in 2023, there were only 5 deals valued at Rs.6,522 million. In 2024, the segment secured 14 deals though its value of Investment was less when compared to previous years. In 2025, a total of 8 deals were secured totalling Rs.3,564 million in investment.

From 2020 to 2021, there was a major increase of investment into the segment. This could be to the fact that during co-vid a phenomenon not experienced in modern day agriculture, many farmers and agents who deal in agricultural produce required advise on how to go about marketing their produce in such trying times. This lead to a lot of advisory firms setting up businesses. The increase in advisory segment deals from 2019, all through to 2022 shows that they were encouraged by impact investors who were willing to invest. However, after lockdown the need for such service has reduced which can be seen in the fluctuation in the no. of deals in the subsequent years. However, the deal activity has stayed steady at 8 to 14 deals most years, so investors are still interested, but they are writing smaller cheques. From 2019 to 2025 it shrank about 14% per year.

Farm Management and Enterprise software was another segment that received major investments and deals from 2019 to 2025. In 2019, 7 deals valued at Rs.1,584 million were made. In 2020, there was a slight reduction to 6 deals valued at Rs.1,025 million. In 2021 and 2022, the deals increased to 12 deals and 11 deals valued at Rs.15,373 million and Rs.13,230 million respectively. In 2023, the investment into the segment had reduced to 5 deals at Rs.652 million only. The segment got an investment of Rs.4,006 million and Rs.4,659 million in 2024 and 2025 respectively even though there were only 4 deals in 2025.

It can be seen that investors are interested in investing in technology and computers in the agricultural industry. This interest alongside Co-vid made the segment perform really well in 2021 and 2022, even though it collapsed in 2023 it can be seen that it has recovered in 2025, it has given a nearly 20% annual growth since 2019.

Investments were also made in the Food Processing segment. However, in the past 7 years we can see that there is a decrease in the number of deals in this segment. In 2019, Investments into this segment were Rs. 4,193 million with 9 deals. In 2020, Rs.11,739 million was invested in a total of 6 deals. In 2021, only 2 deals with an investment of Rs.1,677 million was received. In 2022, 3 deals valued at only Rs. 652 million and in 2023, 5 deals valued at Rs. 10,528 million were made. In 2024, the segment managed to get only 3 deals with the total investment amounting to Rs.4,659 million and in 2025, only 2 deals valued at Rs.186 million.

We can observe that while all the other segment mentioned previously did well during the co-vid years this segment did not follow the same trend. It had good investments before co-vid, and immediately at the start of 2020 the no. of deals reduced but the investment made was high. In 2021 and 2022, this segment had very minimal deals and investment but in 2023 again there is a reversal in the trend and deals made though only 5, its investment increased. However in the subsequent years the investment have been very less, especially in 2025.

In other segments the investment more or less remained constant and the observation made on them are as follows:

The number of deals in diary product remained constant in 2019 and 2020. It increased marginally to 6 deals valued at Rs.4,565 million in 2021 and though the no. of deals reduced in the subsequent year, the value invested almost doubled to Rs.10,342 million. In 2023, this trend reduced drastically to only Rs.280 million investment. In 2024 and 2025, the deals the segment received was 4 each year with the amount invested being Rs.3,727 million and Rs.5,777 million respectively. It was noticed that dairy is getting more volatile year to year, but the trend is upward. Its best year was 2022 and 2025 is its second best. In 2025, Dairy also had the largest deals on average.

Agriculture Equipment segment had less growth for the five years with deals ranging from 1 to 3 no. There was a sudden spike in 2024 with 14 deals and an investment of Rs. 6,242 million. It fell back to Rs.373 million again in 2025. In the storage and warehousing segment, there was good investment in as it started off as the third largest segment with 5 deals and 6 deals respectively in 2019 and 2020 valued at Rs.7,174 million and Rs.5,870 million, But from 2021 this investment declined steadily and hit zero investment in 2025.

Financial Services was cyclical. It peaked at Rs.5,590 million in 2021, dropped to Rs.559 million in 2023, and came back to Rs.2,888 million in 2025. It can be noted that in the financial service segment given to the agricultural sector we can see constant fluctuation especially during 2021 and 2022, when co-vid was at its peak hinting at the requirement of finance by farmers and other agricultural agents which attracted investments into the segment. The “Others” segment disappeared after 2022 and received no investments in 2025.

FINDINGS AND SUGGESTIONS

The agricultural sector has managed to secure active investment from 2019 to 2027, even though there have been fluctuations in the investments and the no. of deals. The agricultural investment sector went through a full boom-and-bust cycle. 2019 started at a healthy Rs.45,187 million investment received across 55 deals. 2020 dipped slightly during Covid to Rs.38,386 million. Then 2021 and 2022 were clear boom years, with investment jumping to Rs.81,524 million and Rs.77,424 million respectively. Deal count also peaked in 2021 at 66.. After 2022 the market corrected hard. 2023 fell to just Rs.29,255 million and 45 deals, which is less than half of 2021 levels. 2024 looked like a recovery in deal count with 65 deals, but the total money only rose to Rs.37,548 million. That means investors were doing far more deals, but much smaller investments were coming in.. 2025 is the weakest year overall. It recorded only Rs.25,156 million across 37 deals, which is 44% lower than 2019 on Investments and 33% lower on deal count. So the sector in 2025 is smaller than it was seven years ago, and momentum is clearly down.

Market Linkage is the undisputed long-lasting segment of the sector. It attracted the most money in 6 out of 7 years and accounted for nearly 40% of all investment since 2019. It peaked dramatically in 2022 at fell every year after. Even in 2025 it still led the sector but at an 80% drop from its peak. So when Market Linkage slows, the whole sector feels it.

Agricultural advisory and Inputs is the second largest segment overall. It had a huge year in 2021but has been on a steady decline since. It’s still one of the most active segments for deals, with 8 to 14 deals every year except 2023.The only three segments that actually grew from 2019 to 2025 are Farm Management and Software, Financial Services and Dairy. Farm Management had a massive spike in 2021 and 2022, crashed in 2023, then recovered by 2025. That gives it almost 20% annual growth since 2019. Dairy is volatile but trending up.

It also had the largest average deal size in 2025.Food Processing and Storage & Warehousing are the biggest casualties.

The boom of 2021-2022 looks like it was driven by Market Linkage and tech-enabled Farm Management platforms. As that funding cooled, the sector hasn't found a new growth engine yet. Dairy and Farm Management are holding up, and Agricultural Equipment showed one strong year, but they're not big enough to offset the decline in Market Linkage and the collapse in Food Processing and Storage.

The most important finding is that Co-vid had a positive impact on investments in the agricultural sector. Even though the number of deals had increased by only 10 extra deals, the investment made were almost Rs.40,000 million more that the pre-covid and post co-vid times.

To get clarity has to why co-vid years benefitted the agriculture sector and to understand the attitude of investors an analysis on the different agricultural sector was made. In the study, it can be seen that market linkage secured the highest funding. This implies that during co-vid the most important task for farmers was getting the product available to the end users before the yield got spoilt. This in turn led to a need of various middle men who could do the job during co-vid. Many start-ups like Fresh to Home etc, came into existence where they procured the yield directly from the farmers, processed and packed the food and distributed it to the consumers at their door step by tie up with different aps. These starts ups received good funding from investors.

Another segment that benefitted was the advisory segment. Most farmers had to grow and supply food under lock down. A scenario which has never been seen or faced before. As such most of them were unaware how to handle the difficulties. Hence, there was a need for advisory services in the agricultural sector who could guide the farmers in getting the best returns for the crops in challenging times.

Use of computer and technology in agriculture such as farm management software was also another segment that attracted investments in the last seven years. This shows that farmers are more techy savvy and as such they want to make use of this knowledge to ensure it will lead to smarter and faster work and good yield. Food processing was also another popular segment that investors found attractive as an investment opportunity. They were investing in units that stored food and ensured food never perished overnight.

The post co-vid investments made in the agricultural sector was very low. There has been a sharp fall in investments and in the number of deals.

CONCLUSION

The agricultural investment landscape went through a clear boom-and-bust cycle over these 7 years. 2019 and 2020 were steady but modest. Then 2021 and 2022 were the boom years. Investment more than doubled in 2021and stayed high in 2022. Deal count also peaked at 66 in 2021. After that, the market corrected sharply. 2023 the sector investments fell drastically. 2024 saw a rebound in deal count to 65, but the Investment value only recovered modestly with 2025 being its weakest year in the entire period.

The rules of investing capital have changed in the agricultural sector. Average deal size halved from 2021-2022 to 2025. Only 4 segments crossed Rs. 2500 million in 2025. Market Linkage, is still the largest but no longer drives sector growth. Capital has rotated to segments with proven fundamentals. Dairy,Farm Management, Financial Services are the sectors that grew since 2019, showing resilience in the sector. Agri Equipment spike in 2024 hints at a potential third pillar around mechanization, though it needs confirmation.

The cause for the agricultural cycle was not agri-specific. It was driven by global venture capital attitude and liquidity and the covid thesis, then got reversed by macro tightening. Segments that got funded in 2021 did not get funded in 2025, as it was noticed.

The easy-money era of 2021-2022 is over. The next wave of agricultural segment winners will be built on cash flow, not narrative.

The agricultural sector has shrunk back to its 2019 size, but it's healthier — leaner, more disciplined, and concentrated in segments where India has a real structural advantage. Thereby, creating an opportunity to impact investors in backing the "Resilient" archetypes at reset valuations.

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