



Transformational Impact of PM-Kisan Samman Nidhi Scheme on Agricultural Development: A Comprehensive Overview

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Abstract

There is a pivotal role of agriculture in the Indian economy, if we highlight its importance, we will discover that it is one of the key sources of employment. This study focused on the creation, benefits, and beneficiary status of the Pradhan Mantri Kisan Samman Nidhi Scheme throughout time. The plan's technology advances, such as self-registration methods, improved recovery processes, grievance redressal, and distinguishing features, are explored. The article underlines the transformative potential of direct credit transfer efforts like PM-Kisan, as well as the significance of long-term government aid in meeting farmers' evolving expectations and improving agricultural sustainability.

Introduction

Agriculture is the cornerstone of the Indian economy. It is the principal source of employment for Indian households. The agricultural and allied industry accounts for 20.2% of the entire economy's GVA, with a Gross Capital Formation (GCF) of ₹4.46 lakh crore at current prices. India is the world's second largest producer of arable land, accounting for more than 60% of its total land area. Farmers work tirelessly to feed India's population of more than 1.405 billion. Subsistence farming, like commercial agriculture, is a prevalent practice that focuses on feeding the farmer's family.

The present state of affairs for Agricultural Credit in India

As far, as agriculture is the keystone of the Indian economy, it is not unexpected that banking institutions give financial support to farmers across the country. Agricultural loans can be used to finance a variety of farming activities. In India, agricultural loans are available to anybody involved in agriculture-related sectors such as horticulture, aquaculture, animal husbandry, silk farming, apiculture, and floriculture, as well as farmers growing food crops. Loans are available for the following agricultural activities: everyday operations, farm equipment purchases, storage needs, land purchases, marketing loans, and company expansion.

How did the scheme come into effect?

In 2018, the Telangana government launched the Ryuthu Bandhu initiative. Under this project, the state government disbursed a certain amount twice a year to help farmers invest in agriculture. This effort received widespread recognition and appreciation for its immediate benefits to farmers. Following suit, the Indian government established a similar Farmer's



Investment Support Scheme to provide financial aid to farmers worldwide. The Pradhan Mantri Kisan Samman Nidhi Yojana went into effect on December 1, 2018. According to the government's first declaration, Rs.75000 crore will be provided to this plan annually.

Benefits of PM-Kisan Samman Nidhi Scheme:

- Reducing liquidity constraints.
- The initiative aims to modernize agriculture by promoting the use of contemporary technology, notwithstanding its initial purpose as a cash transfer program for farmers.
- Credit transfers make farmers more competitive by increasing their net income and risk-bearing capability.
- Non-discriminatory: PM-Kisan recipients are chosen without regard for caste or land size.

Period-wise beneficiary status of PM-Kisan Samman Nidhi scheme

Table.1.1: Period wise Installments of PM-Kisan Scheme

Time period	No. of Installment
2018-19 (Dec-Mar)	3,16,11,918
2019-2020 (Apr-Jul)	6,63,33,984
2019-2020 (Aug-Nov)	8,76,21,525
2019-2020 (Dec-Mar)	8,96,15,603
2020-2021 (Apr-Jul)	10,49,32,450
2020-2021 (Aug-Nov)	10,23,45,113
2020-2021 (Dec-Mar)	10,23,51,017
2021-2022 (Apr-Jul)	11,13,20,806
2021-2022 (Aug-Nov)	11,18,25,677
2021-2022 (Dec-Mar)	10,85,21,288
2022-2023 (Apr-Jul)	10,92,50,000
2022-2023 (Aug-Nov)	9,00,22,083
2022-2023 (Dec-March)	8,69,98,490
2023-2024 (Apr-Jul)	9,60,05,019
2023-2024 (Aug-Nov)	9,07,50,086

Process and technological advances achieved in the scheme:

- **Self-registration Mechanism:** To provide farmers the best potential advantage, the procedure of beneficiary self-registration has been simplified and made more accessible through mobile applications, the PM-Kisan online, and walk-ins at Common Service Centres.
- **Improved Recovery Mechanism:** In the case that a receiver is ineligible, the recovery process has been simplified and clear, with the state no longer needing to submit a demand draft or physical check.
- **Grievance Redressed & Helpdesk:** A comprehensive grievance redressal procedure has been envisioned to address the beneficiaries' issues and challenges. This requires establishing a central project management unit for the PM-Kisan Samman Nidhi scheme.
- **Physical Verification Module:** To ensure the program's legality and authenticity, 5% of recipients must be physically verified yearly, according to the scheme's criteria.
- **Income Tax Verification:** To ensure that the user base is inspected and authenticated, the beneficiary database in this scheme is routinely compared to the income tax payee database.
- **Demographic Aadhar authentication:** Aadhar authentication has been made necessary to improve transparency and authenticity throughout the process. As of right now, the scheme contains Aadhar-seed data for 11.20 crore beneficiaries.



Unique among the various schemes and plans: The PM-Kisan Samman Nidhi plan is a clear departure from conventional farmer support approaches, and its scope extends well beyond them, particularly for resource-constrained farmers experiencing severe cash challenges. When implemented correctly, a direct credit transfer technique such as PM-Kisan may change the game and have a significant effect.

Conclusion: A direct transfer program like PM-KISAN is a game changer that may have a major impact if it is timely, low in transaction costs, and includes complementing inputs like extension services. This scheme offered input and harvesting subsidies to agricultural landowners in several states and union territories. This may also protect them from falling into the hands of moneylenders to pay such costs, allowing them to continue farming. The plan is a gift to farmers, and it has improved their circumstances. In the future, the government should increase its budget to accommodate the rising requirements of farmers.

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