



Evaluating the Impact of the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme on Farmers' Livelihoods, Agricultural Productivity, and Rural Development in India: A Review

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Abstract : The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme provides direct income support of ₹6,000 per year to Indian farmers, aiming to ease financial stress and boost agricultural productivity. This review assesses its impact on livelihoods, farm output, and rural development. Existing literature suggests that while the scheme improves cash flow and reduces reliance on informal credit sources, its benefits are partially offset by inflation and the exclusion of landless laborers. Regional disparities are evident, with some states reporting higher adoption rates and measurable income gains. Implementation challenges such as delayed payments, outdated land records, and administrative inefficiencies limit its effectiveness. The study concludes with policy recommendations including increasing payout amounts, expanding beneficiary coverage, improving administrative mechanisms, and linking payments with agricultural advisory services to enhance long-term sustainability.

Index Terms – PM-KISAN, Direct Benefit Transfer, Farmer Welfare, Agricultural Productivity, Rural Development.

I. INTRODUCTION

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, launched in December 2018, represents a significant policy intervention by the Government of India to address the financial challenges faced by small and marginal farmers. By providing direct income support of ₹6,000 annually in three equal installments, the scheme seeks to reduce liquidity constraints, minimize dependence on informal credit, and promote sustainable agricultural practices.

This paper reviews existing literature on the PM-KISAN scheme and evaluates its impact on farmers' livelihoods, agricultural productivity, and broader rural development outcomes.

II. FINANCIAL SUPPORT AND LIQUIDITY CONSTRAINTS

The PM-KISAN scheme has been instrumental in providing financial relief to farmers, particularly during a pre-harvest period. According to Kurnal (2022), the program helps agricultural landowners cover harvesting and input costs, reducing their reliance on moneylenders. However, Harikumar and Dhandapani (2024) highlight that while rural household incomes increased by 1.49 times between 2018 and 2022, inflation rose by 1.17 times, neutralizing the scheme's financial benefits. This inflationary impact has limited the scheme's effectiveness in addressing farmers' liquidity constraints fully. Similarly, Bhadwal and Kumar (2022) note that the current daily support of ₹17 is inadequate compared to the per capita expenditures of ₹32 for rural and ₹47 for the urban poor, as per the Rangarajan

Committee (2014). These findings suggest that while PM-KISAN provides vital financial support, the amount may need to be revised to keep pace with rising living costs.

III. REGIONAL VARIATIONS IN ADOPTION AND IMPACT

The adoption of the PM-KISAN scheme varies significantly across states and districts. Balasingh (n.d.) identifies top-performing districts such as Anantapur in Andhra Pradesh, Muzaffarpur in Bihar, and Thiruvananthapuram in Kerala, reflecting regional disparities in outreach and impact. In Uttar Pradesh, Akhtar (2022) reports that the scheme has increased farm income and promoted the adoption of modern farming techniques among small and marginal farmers. However, challenges such as outdated land records, poor bank responsiveness, and the exclusion of tenant farmers have hindered its effectiveness. These regional variations underscore the need for a tailored implementation strategies to address local challenges and maximize the scheme's impact.

IV. IMPACT ON AGRICULTURAL PRODUCTIVITY AND FOOD SECURITY

The PM-KISAN scheme indirectly influences agricultural productivity by fostering financial stability and encouraging investments in agricultural inputs. Bhadwal and Kumar (2022) argue that timely disbursement of funds can enhance productivity

and reduce poverty. Similarly, Kumar, Ranbir, and Phougat (2021) emphasize the role of increased funding for agricultural research and development (R&D) in promoting innovations in crop varieties and sustainable farming practices. However, R. Kumar, Audyogik, and Mandal (2012) caution that while scheme has benefited small farmers, its impact on productivity remains understudied. Additionally, Sengupta and Rooj (2022) highlight the scheme positive impact on a food security and healthcare-seeking behaviors in Bihar, though barriers such as lack of identification and bureaucratic hurdles limit its reach.

V. CHALLENGES AND RECOMMENDATIONS

In several studies identify key challenges in the implementation of the PM-KISAN scheme. Padmaja Scholar et al. (n.d.) note that insufficient financial support and the exclusion of landless laborers are significant constraints. Beneficiaries have suggested increasing the annual aid amount from ₹6,000 to ₹10,000 and integrating advisory services to enhance the scheme's effectiveness. Joshi Misari Hemantbhai (2021) highlights issues such as inadequate funding and difficulties in online registration, recommending shorter payment intervals and higher financial rewards. Furthermore, Amitha C.D. and Karthikeyan C. (2022) emphasize the need for annual revisions of financial support to account for inflation, mainly in light of the scheme's critical role during the COVID-19 pandemic.

VI. BROADER IMPLICATIONS FOR RURAL DEVELOPMENT

The PM-KISAN scheme has broader implications for rural development, particularly in terms of economic well-being and social equity. Sunny and Arvind (2024) report a 7.13% increase in average income among farmers in the Karur, Tamil Nadu, attributed to the scheme. The increased spending on consumption and borrowing has helped farmers cope with inflation, while investments in seeds, fertilizers, and a equipment have enhanced agricultural productivity. However Saloni and Dr. Archana Singh (2023) caution that a schemes primary objective of enhancing agricultural productivity through direct benefit transfers (DBT) has not been fully achieved, citing issues such as irregular instalments and inadequate funds for larger recipients.

VII. CONCLUSION

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, launched in December 2018, represent a transformative policy intervention aimed at addressing the financial vulnerabilities of the small and marginal farmers in India. By providing direct income support of ₹6,000 annually, disbursed in three instalments, the scheme seeks to the ease liquidity constraints, reduce dependency on informal credit sources, and promote sustainable agricultural practices. This literature review has also blended existing research on the PM-KISAN scheme, highlighting the achievements, challenges, and areas for improvement.

Key Achievements

1. Financial Relief and Liquidity Support: The PM-KISAN scheme has provided critical financial relief to the farmers, particularly during a pre-harvest period. Studies by Kurnal (2022) and Akhtar (2022) underscore its role in enabling farmers to cover input costs, invest in modern farming techniques, and reduce reliance on moneylenders. In regions like Uttar Pradesh and Tamil Nadu, the scheme has contributed to a increased crop production and improved farm incomes.
2. Regional Impact and Outreach: The scheme has achieved significant outreach, with top-performing districts such as Anantapur (Andhra Pradesh), Muzaffarpur (Bihar), and Thiruvananthapuram (Kerala) demonstrating the potential to enhance rural livelihoods (Balasingh, n.d.). In Tamil Nadu's Cauvery Delta Zone, the scheme has eased financial liquidity constraints, though the inflationary pressures have partially offset its benefits (Harikumar and Dhandapani, 2024).
3. Broader Socio-Economic Benefits: Beyond financial support, PM-KISAN has positively influenced the food security and healthcare-seeking behaviours among beneficiary households (Sengupta and Rooj, 2022). The scheme has also played the crucial role during the COVID-19 pandemic, providing much-needed financial stability to the farmers amid disrupted employment opportunities (Amitha C.D. and Karthikeyan C., 2022).

Persistent Challenges

1. Inadequate Financial Support: Despite the benefits, the annual support of ₹6,000 is widely perceived as inadequate relative to rising living costs and inflation. Studies by Bhadwal and Kumar (2022) and Harikumar and Dhandapani (2024) highlight that a schemes impact is limited by inflationary pressures, which have a neutralized the additional income provided to farmers.
2. Implementation Barriers: Challenges such as outdated land record, poor bank responsiveness, and exclusion of tenant farmers have hindered schemes effectiveness (Akhtar, 2022). Additionally, issues like an online registration difficulties and irregular instalment disbursements have been also reported, limiting the accessibility for some beneficiaries (Saloni and Dr. Archana Singh, 2023).
3. Limited Impact on Agricultural Productivity: While the PM-KISAN has improved financial liquidity, the scheme has direct impact on agricultural productivity remains an understudied. R. Kumar, Audyogik, and Mandal (2012) emphasize a need for further research to evaluate the schemes role in promoting sustainable farming practices and enhancing productivity.
4. Exclusion of Vulnerable Groups: The schemes exclusion of the landless labourers and tenant farmers has been a significant limitation. Padmaja Scholar et al. (n.d.) recommend expanding eligibility criteria to include these vulnerable groups, ensuring more inclusive and an equitable benefits.

VIII. RECOMMENDATIONS FOR IMPROVEMENT

1. Increase Financial Support: To address inflationary pressures and rising living costs, the annual support amount should be revised upward, potentially to ₹10,000, as recommended by beneficiaries (Padmaja Scholar et al., n.d.). Annual adjustments based on inflation indices could also enhance the schemes relevance.

2. Improve Implementation Mechanisms: Streamlining administrative processes, updating land records, and enhancing bank responsiveness are critical to ensuring timely and efficient disbursement of the funds. Integrating advisory services and agricultural extension programs could further enhance a schemes impact (Boppana Professor Jayashankar et al., 2021).
3. Expand Eligibility Criteria: Including landless labourers and tenant farmers in a schemes beneficiary list would address existing inequities and ensure broader coverage of the vulnerable groups.
4. Enhance Awareness and Accessibility: Strengthening awareness campaigns, simplifying the online registration processes, and establishing the monitoring committees could improve the schemes accessibility and the effectiveness (Joshi Misari Hemantbhai, 2021).
5. Promote Sustainable Agricultural Practices: Linking PM-KISAN with initiatives promoting sustainable farming technologies, climate-resilient crops, and innovative agricultural practices could increase the impact on productivity and the food security (Kumar, Ranbir, and Phougat, 2021).

Broader Implications for Rural Development

The PM-KISAN scheme has broader implications for rural development, particularly in terms of poverty alleviation, food security, and social equity. By providing financial stability to small and marginal farmers, the scheme has the potential to a break the cycle of intergenerational poverty and promote inclusive growth. However, its long-term success depends on addressing existing challenges, enhancing the implementation mechanisms, and aligning the scheme with broader agricultural and rural development goals.

Final Thoughts

The PM-KISAN scheme represents the significant step toward empowering India small and marginal farmers. While it has achieved notable success in providing financial relief and improving a rural livelihood, its full potential remains untouched. Future research should focus on evaluating the scheme long-term impact on an agricultural productivity, food security, and rural development. Policymakers must adopt a holistic approach, addressing implementation barriers, expanding eligibility, and integrating complementary initiatives to ensure the scheme's continued relevance and effectiveness in transforming India agricultural landscape.

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