



**National study on
*Pradhan Mantri Kisan
Samman Nidhi Yojana***

May, 2022

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Research objective and design



Research background and objective

Study background



The Government of India (GoI) is committed to solving the farm distress problem and is looking for new and innovative ways to address farmer issues. Considering the farmers' demand for quick-fix solutions, various state governments have introduced solutions, such as higher minimum support prices (MSPs), loan waivers, and direct income support. On a similar note, GoI rolled out its income support scheme called *PM Kisan Samman Nidhi Yojana* (PM Kisan) in December, 2018. Initially, GoI launched this scheme for small and marginal farmers (SMFs) but later extended the benefits to provide more coverage to farming families.

The scheme intends to supplement the financial needs of all landholding farmers' families by procuring various inputs to ensure proper crop health and appropriate yields commensurate with the anticipated farm income and domestic needs. Under the scheme, GoI releases 75 USD (6000 INR) per year in three equal installments of 25 USD (2000 INR) under direct benefit transfer (DBT) mode, subject to specific exclusions. Further, direct income transfer (DIT) lacks sufficient evidence to be theoretically considered an effective poverty reduction tool, especially in the agriculture sector.

MicroSave Consulting (MSC) conducted this nationally representative study with the following objectives:

Research objectives



1. Efficiency and efficacy of the cash transfer

To assess targeting, enrollment, inclusion or exclusion, timeliness, beneficiaries' perception, and farmers' perception of the scheme, among others.

2. Impact on agriculture

To assess the change in agricultural practices, change in quality or types of inputs purchased or used, change in agriculture production, use of the income transfer amount, etc.

3. Change in the agri market and services

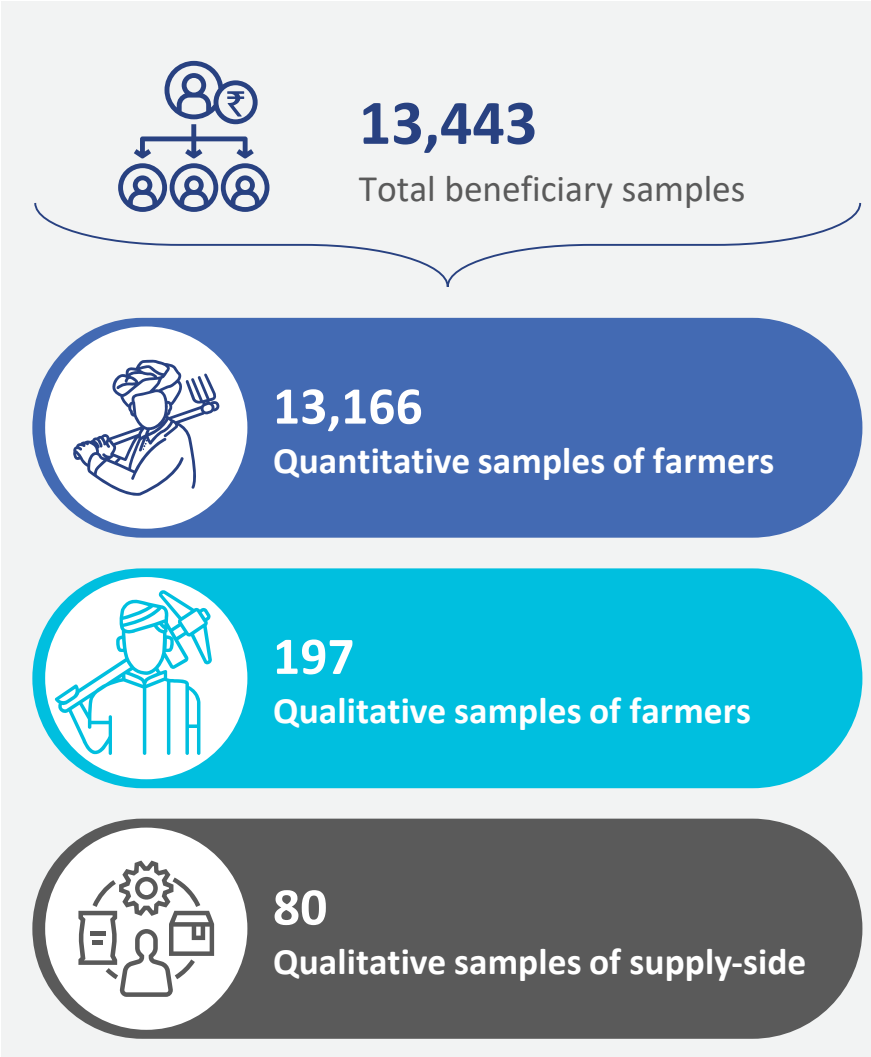
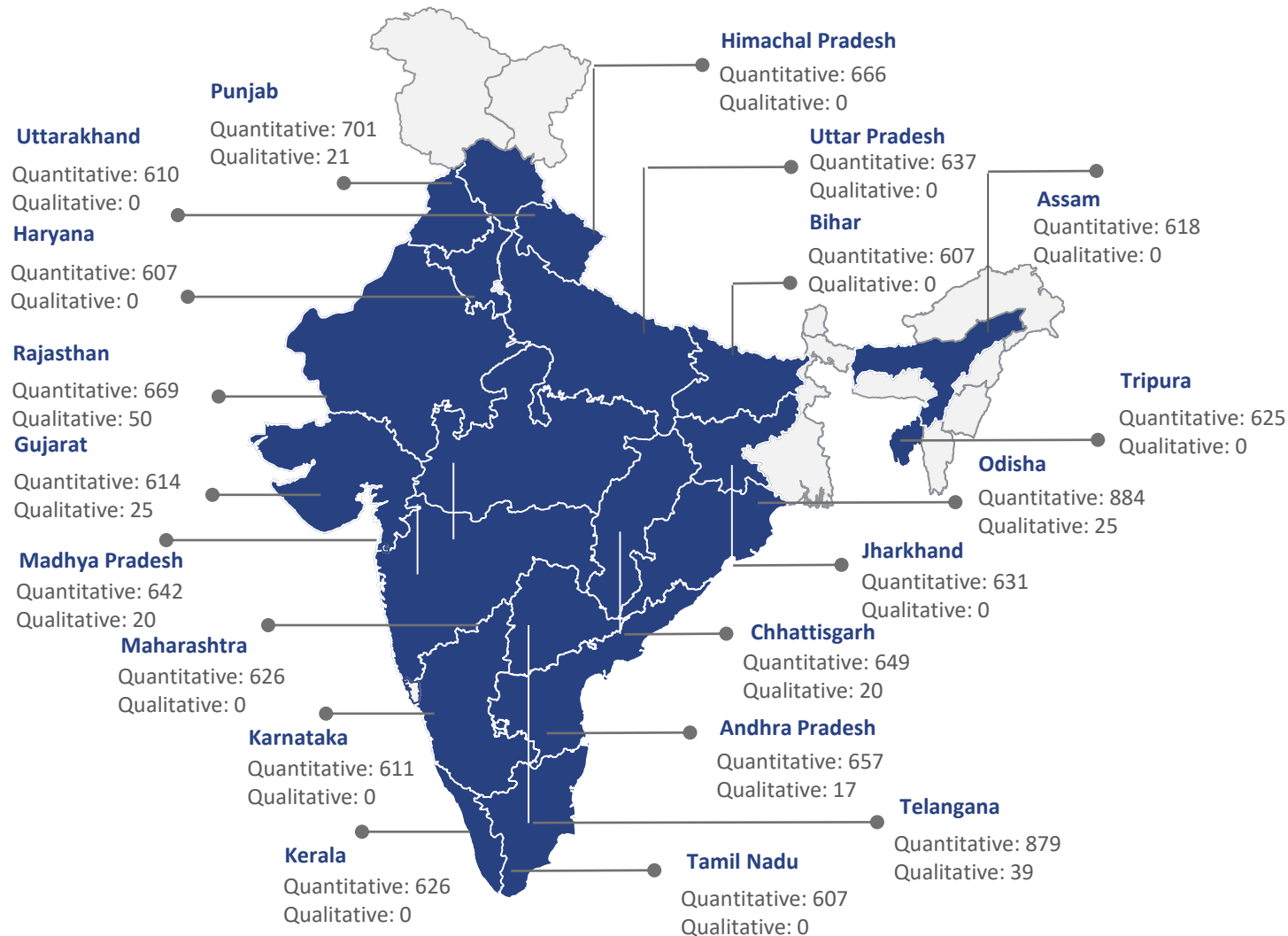
To assess and measure the change in availability of agriculture inputs and other agricultural services in the market after implementing PM Kisan.

4. Change in the financial status of farmer household

To assess and measure the change in the financial status of the farming households after implementing PM Kisan.

1 USD=80 INR (as on 19th , July 2022)

We covered an overall sample of 13,443 across 20 states, covering marginal, small, medium, and large farmers and supply-side officials.



Note: A total of eight installments of PM Kisan were given to beneficiaries when this study was conducted.

Insight 1: Scheme inclusion and targeting



PM Kisan covered farmer beneficiaries from varied background. Despite the accurate targeting, the program has a wrongful inclusion of about 10%.

PM Kisan emphasized covering many farmers initially. However, this led to a lot of anomalies in the collected data.



Agriculture landowners

13,166



Inclusion error

1,339
(10.2%)

“



We faced a lot of pressure to complete targets when the scheme initially kicked off. Along with his other fellow officials, I worked days in and nights out to increase the registrations.

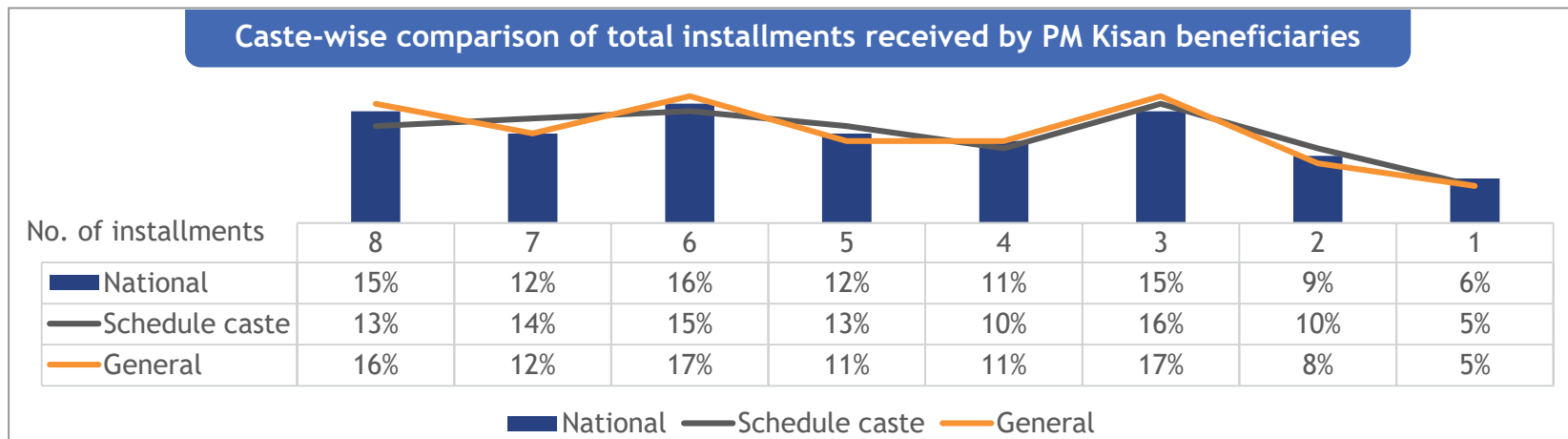
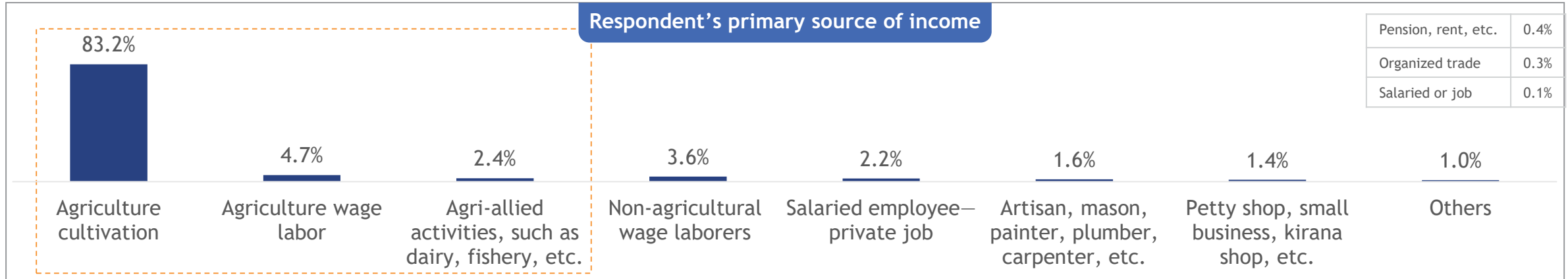
Farmer details were retrieved from the databases of other schemes and used to enroll farmers in the present scheme. However, such hasty registrations led to various errors, which the officials later verified and corrected. These errors also led to delays in payments to several farmers. - **A gram Sewak from Gujarat**

In Odisha, PM Kisan does not cover many medium and large farmers.

In the first phase of enrollment for PM Kisan, only the small and marginal farmers were eligible. The beneficiaries were directly identified from the KALIA (Krushak Assistance for Livelihood and Income Augmentation) database. Due to this, the medium and large farmers received no communication regarding the enrollment process for PM Kisan.

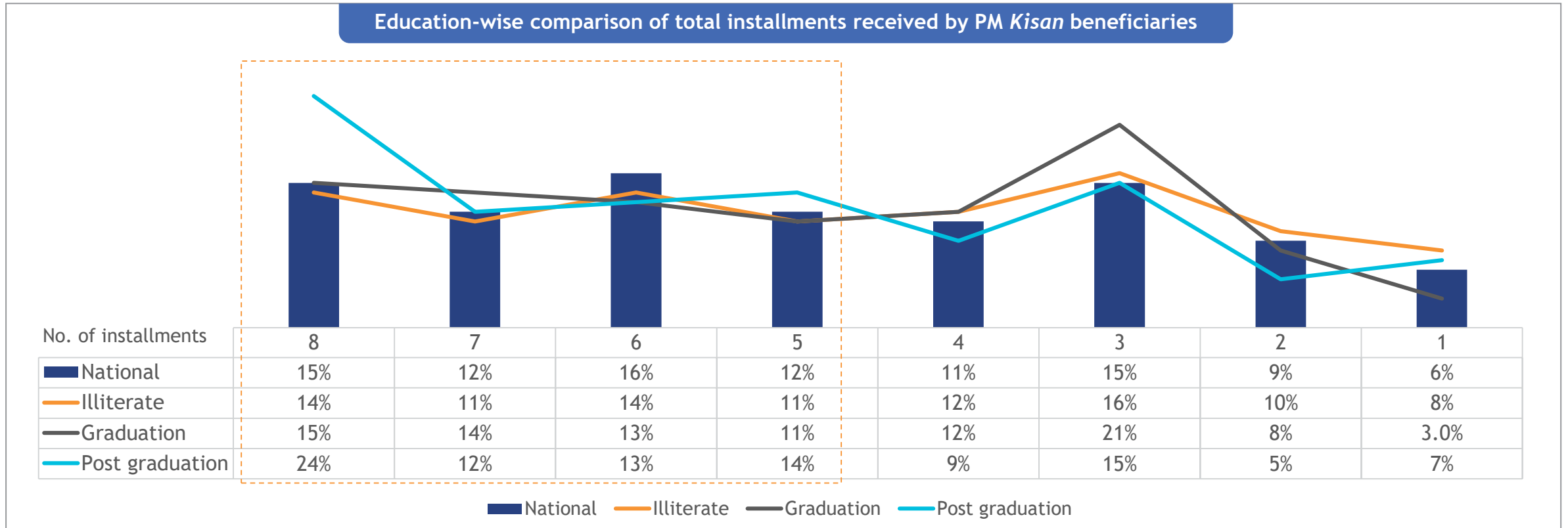
From 2020, the Government of India (GoI) extended the benefits under PM Kisan to all landowning farmers. The state has not made extra efforts to include the medium and large farmers previously excluded under PM Kisan. Many medium and large farmers are unaware they can apply on the PM Kisan portal to enroll themselves under the scheme.

A majority of PM *Kisan* beneficiaries have agriculture or allied activities as their primary source of income. The scheme also ensured the inclusion of general and scheduled caste categories, indicating better targeting and inclusion.



“ When the registrations for PM *Kisan* started, we got instructions from the department to focus on the scheduled caste category to ensure they were not left out of the registration process. We also provided handholding support.
- An official from Madhya Pradesh ”

People with higher education were early catchers for the PM *Kisan* scheme, while the illiterate beneficiaries were the laggards.



Nationally, **55%** received five or more PM *Kisan* installments.



63% of postgraduate and **53%** of graduate beneficiaries received more than five installments.



However, **50%** of illiterate beneficiaries received more than five installments.

Many women do not benefit from PM *Kisan* due to patriarchal landownership.

Landownership pattern



Mostly owned by men

As per our research, 90% of men owned the agricultural land, whereas only 10% of women had land in their names. We observed that women who own agricultural land are not receiving PM *Kisan* benefits because their husbands or sons have also applied for the scheme and are receiving benefits.



90%

“

We usually remove the female beneficiary from the PM *Kisan* beneficiary list if two or more people from the same household have registered for the scheme.

— Official handling PM *Kisan* at the district level, Madhya Pradesh

Credit of benefit amount



In the male member's account

As per our research, mostly male family members received the benefit amount in their accounts as men more often own the agricultural land than women.



85%

Why is women's landownership low?



Women mostly own land after the death of their husbands, they inherit land from their parents, or they own land due to the lower charges on registration of land in the name of female members. They are primarily involved in rearing and milking the cattle, making cow dung cakes, etc.

One of the common reasons for women not participating in the agriculture decision-making is a lack of knowledge regarding farming activities.

However, this mainly was the trend in the case of small farmers. In large farmer households, we observed that women also participate in the decision-making related to agriculture activities.



A positive case from Telangana

Some women farmers are members of self-help groups (SHGs), where they pool, lend, and borrow money. These SHGs meet once every two to three months to discuss agriculture practices, loan facilities, neem-coated urea, etc., to ensure women's active participation in agriculture.

Ideally, this percentage should be 90%, as the PM *Kisan* amount is transferred only to the beneficiary's account. This difference of 5% can be due to the PFMS mapping and verification errors.

The use of digital databases facilitates better targeting and implementation of the PM *Kisan* scheme.

Use of household ID



Household IDs or databases like *Praja Sadhikara* (smart survey) in Andhra Pradesh, *Samagra ID* in Madhya Pradesh, *Jan Aadhaar* in Rajasthan, and *Samagra Kutumbaka* in Telangana help filter out the incorrect inclusion of beneficiaries. These databases result in better targeting and also save government expenditure.

The PM *Kisan* beneficiary list is compiled and cross-verified against the digitized household ID database to weed out incorrect inclusions. In the case of multiple applications from a single household, only the head of the family as per the household ID is retained in the beneficiary list, and the rest of the names are removed.

Adoption of Ration Card as household ID

Since some states do not have any state-specific household database, they have started using the ration card database to identify household members. Now the central government has made ration cards mandatory for PM *Kisan* registration.

Usage of digitized land record



Digitized land records used in Andhra Pradesh, Madhya Pradesh, Rajasthan, and Telangana help filter out the wrongful inclusion of beneficiaries. Many times farmers who have rented land for agriculture or have multiple parcels of the land apply for the scheme numerous times. A digital land database helps in weeding out such cases.

A case of not using a digitized database for beneficiary verification

Implementation of PM *Kisan* in states like Chhattisgarh and Punjab has been a challenge for the implementing department and a hassle for benefiting farmers.

- Chhattisgarh accepted land records at the time of enrollment. However, since no digitized land record database is available with the state, it is almost impossible for the concerned department to distinguish genuine beneficiaries from ineligible ones.
- This lack of a database led to multiple fraud cases where family and friends of operators at choice centers for PM *Kisan* registrations received benefit amounts instead of actual beneficiaries. The overall implementation of the scheme was poorly executed in the state.
- Similarly, Punjab also did not ask for land records from the beneficiaries during initial registration. As a result, it also lacks a mechanism to check genuine beneficiaries and weed out ineligible ones.

Odisha is a good example of using an available digital database for accurate beneficiary targeting for KALIA.



Identification of beneficiary

Odisha uses four databases for beneficiary identification under KALIA:

- DBT database
- Share cropping database
- Green form—self-inclusion form for small and medium farmers
- Green form—self-inclusion form for landless agriculture households



Exclusion of beneficiary

Odisha uses 9 databases for beneficiary exclusion under KALIA:

- Red forms—self-exclusion forms
- *Pradhan Mantri Fasal Bima Yojana*
- Paddy Procurement Automation System
- Ineligibility list under State Food Security Scheme
- Ineligibility list under National Food Security Act
- Human resource management system, Govt. of Odisha
- Police personnel database
- Teacher database
- Centre for Modernizing Government Initiative database



Verification of beneficiary

Odisha uses six databases for beneficiary verification under KALIA:

- State Food Security Scheme
- National Food Security Scheme
- National Population Register
- Socio Economic and Caste Census
- UIDAI testing
- Bank account verification

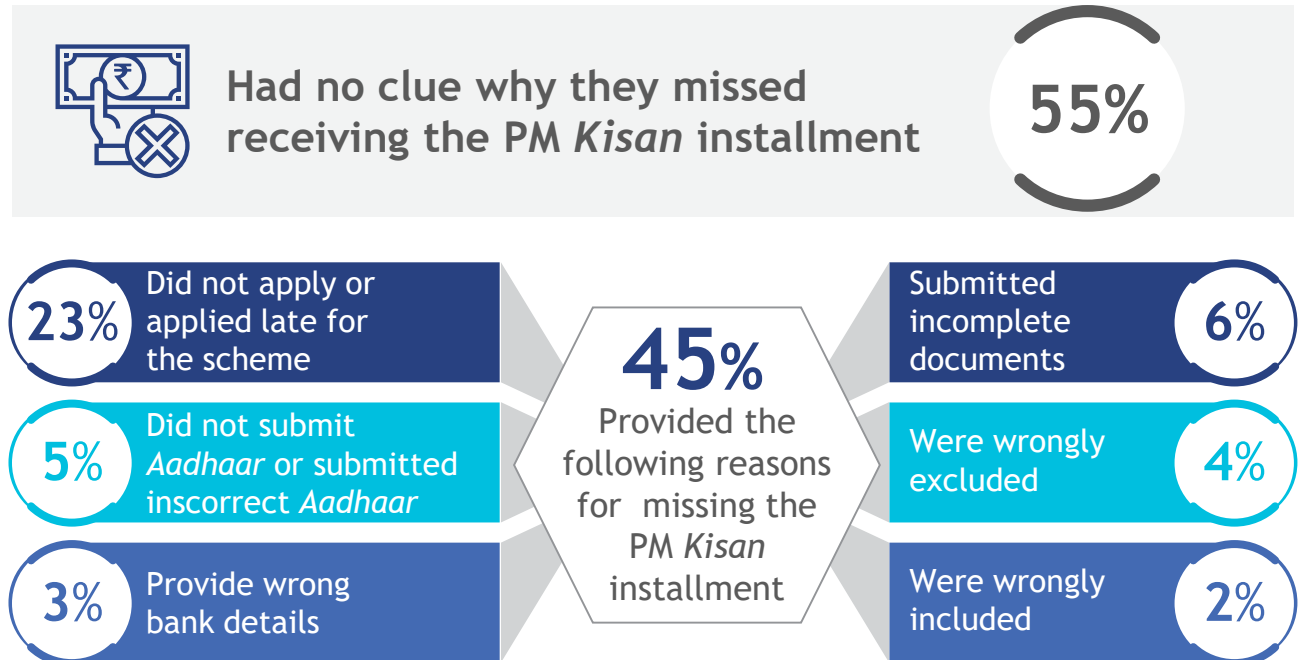
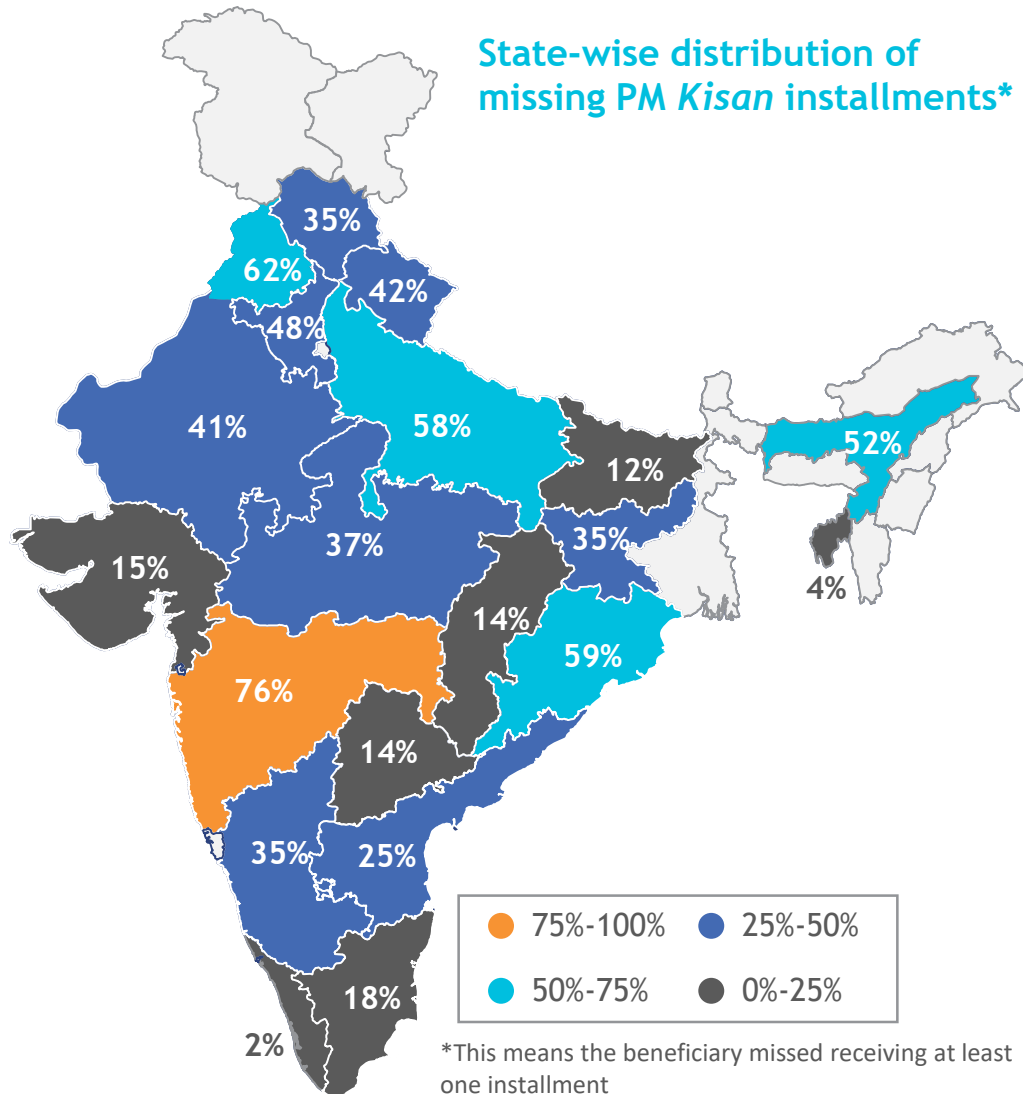
For PM *Kisan*, the small and marginal farmers are enrolled directly. Beneficiaries are identified from the KALIA database.



Insight 2: Missing installments



Lack of awareness of missing PM *Kisan* installment hints toward scheme implementation and information dissemination issues.



- Farmers do not receive any intimation for missing installments, like a message on their phone. They have to get it checked by visiting the CSC or block-level officials.
- The portal vaguely states reasons for missing installments and mentions no specific point for stopping the installment. Further, the listed reasons are technical, and the beneficiaries cannot understand them.
- We found a few cases where even the officials handling the scheme could not understand the issue. They ask beneficiaries to resubmit all documents for new registration.

Across all the states, the pressure to boost registration numbers at the scheme's launch leads to hasty enrollments. Document verification was paid heed much later. This led to the pausing of payments to many beneficiaries.

A case from Rajasthan



In Rajasthan, several farmers complained about the nonreceipt of benefits. When their beneficiary status was checked, it showed the following errors:

Either the details were not registered in the portal or rejected due to incorrect information.

None of these beneficiaries knew the exact reason for not receiving the benefit amount.

While there is no provision for re-registration, several ignorant farmers incurred multiple charges for repeated registration attempts.

Even the concerned officials could not differentiate why some applications, which were correct in their perspective, were not processed.

Beneficiary Status

Aadhar Number Account Number Mobile Number

Enter Adhar **Get Data**

Either details are not registered in the portal or rejected due to wrong details.

Bank mergers led to a change in IFSC codes in multiple states. This change halted the payments of several beneficiaries, leading to missing installments.

A case from Gujarat



Few respondents knew that IFSC codes could be updated only at the tehsil office. So, they submitted the new IFSC codes.

However, even such respondents have not received any status if their IFSC code is updated and when they will get the money.

Respondents do not know if they will get all arrears missed during the temporary suspension of the *PM Kisan* installments.

More than 60 respondents stopped receiving the benefits in a village in Jaipur due to the Vijaya Bank and Bank of Baroda merger.

Farmer Name : HEMRAJ MEENA					
Father Name: Magana Ram	Mobile Number: *****1300				
Aadhar Number: *****7175	Account Number: *****3371 (IFSC: SBIN0RRMRGB)				
State: RAJASTHAN	District: JAIPUR				
Village: Gopirampura	Town: NA				
Ward: NA	Home Address: Hemraj, Gopirampura, Barkhera, Chakau, Jaipur				
Registration Status: Registration done (RJ221589331)	Registration Date: 29/03/2019				
Active/InActive: Active					
PFMS / Bank Status: Farmer Record has been accepted by PFMS / Bank	PFMS Response Date: 03/09/2019				
Aadhar Status: Aadhar Number is Verified	Payment Mode: ACCOUNT				
Status	1st Installment	2nd Installment	3rd Installment	4th Installment	5th Installment
Payment Status:	1st installment payment done	2nd installment payment done	3rd installment payment done	Rft Signed by State For 4th Installment	Rft Signed by State For 5th Installment
Bank Name:	RAJASTHAN MARUDHARA GRAMIN BANK	RAJASTHAN MARUDHARA GRAMIN BANK	RAJASTHAN MARUDHARA GRAMIN BANK	---	---
Credited Account:	*****3371	*****3371	*****3371	---	---
Credit Date:	28/10/2019	11/11/2019	25/11/2019	---	---
UTR No:	3058972873	3335754544	3577704685	---	---
Transaction Failed Reason:	---	---	---	---	---
FTO Pending Reason:	---	---	---	InActive IFSC	---
Status	6th Installment	7th Installment	8th Installment	9th Installment	
Payment Status:	Rft Signed by State For 6th Installment	Rft Signed by State For 7th Installment	Rft Signed by State For 8th Installment	---	
Bank Name:	---	---	---	---	
Credited Account:	---	---	---	---	
Credit Date:	---	---	---	---	
UTR No:	---	---	---	---	
Transaction Failed Reason:	---	---	---	---	
FTO Pending Reason:	---	---	---	---	

Registration through Choice Centers in Chhattisgarh (CSC) led to multiple beneficiaries missing the installments.



A case of the missing installment due to registration at choice center

Ramesh Sahu, a small farmer from Chhattisgarh, registered for the *PM Kisan* scheme in December, 2019 through the Choice Centers in Chhattisgarh (CSC).

However, the disbursement of the benefit amount to his account stopped after receiving two installments. He was confused since his registration was successful and his documents were correct.

After briefly interacting with the *Gram Sevak*, he was asked to register for the scheme again as his earlier registration stands invalid.

He was also told that all registrations made through the Choice Centers stand canceled after the Agriculture Department took over the scheme implementation from the Department of Revenue in Chhattisgarh.

The Agriculture Department officials also confirmed this incident. They mentioned the Choice Centers were conducting some malpractices and registering multiple fake beneficiaries. Further, there were issues related to wrong bank account entries. Due to this, many eligible beneficiaries were not receiving benefits.

Therefore, the state had to take collective action of canceling all the registrations done through the Choice Centers. However, this decision impacted the genuine beneficiaries negatively.



Insight 3: Benefit usage for agriculture purposes

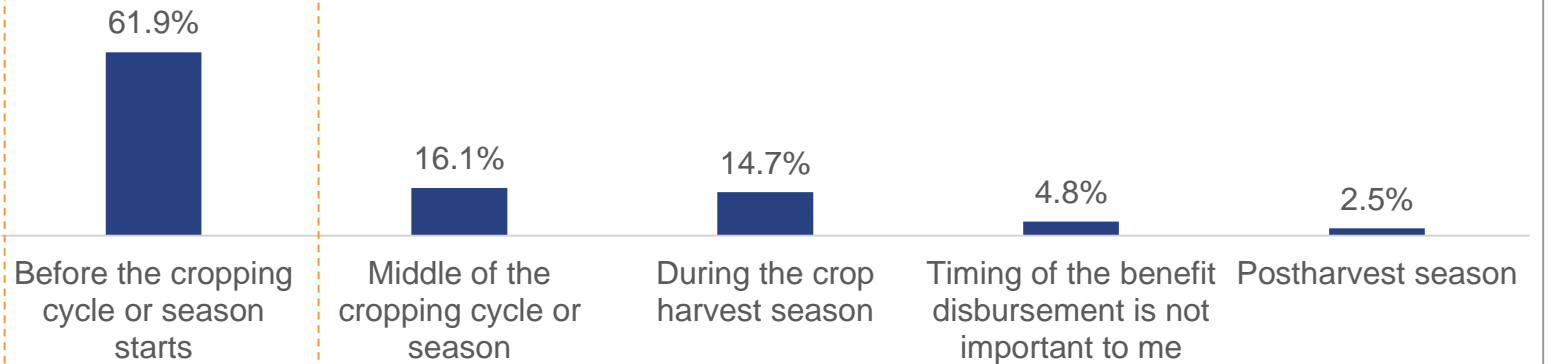
A majority of the respondents are happy with the timing of PM *Kisan* installments.

81%

Of respondents feel the government is disbursing the benefit amount at the correct time.



In the respondent's opinion, the correct timing of benefit amount disbursement is before the cropping cycle starts.



Eight out of 10 respondents were happy with the timing of benefit disbursement. However, according to popular opinion, the best time to receive the benefit would be before the cropping cycle starts.

“



I urgently needed money to pay the laborers working in my field one time. That day I received one installment of PM *Kisan*. I paid the laborers using that money. — **A small farmer from Rajasthan**

Last year, when it was time to sow the field, I planned to delay it because of a cash crunch. However, I received the PM *Kisan* benefit amount that week and bought the seeds. — **A farmer from Chhattisgarh**

Since the amount is credited in installments, it is used judiciously and put to its best use. If it was credited all at once, the funds could be spent on less essential expenses. — **Small farmers from Gujarat**

The benefit is mainly used for agriculture and allied activities since it is disbursed on time. We can expect such practices to have a long-term impact on Indian agriculture.

90%

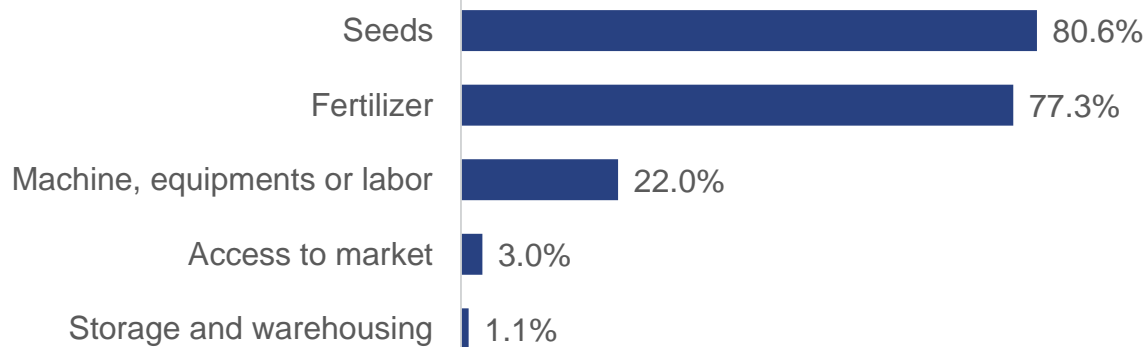
Of respondents spend their PM *Kisan* benefit amount on agriculture-related activities

Only 10% of respondents mentioned using PM *Kisan* amount for household purposes



- Majority of respondents mentioned spending on seeds, fertilizers, farming equipment, and labor.
- Respondents also mentioned using the benefit amount to repay agriculture credit or loans. These loans are often informal loans taken at an interest of 3% to 7%.

Of this, respondents use PM *Kisan* amount for following agriculture purposes



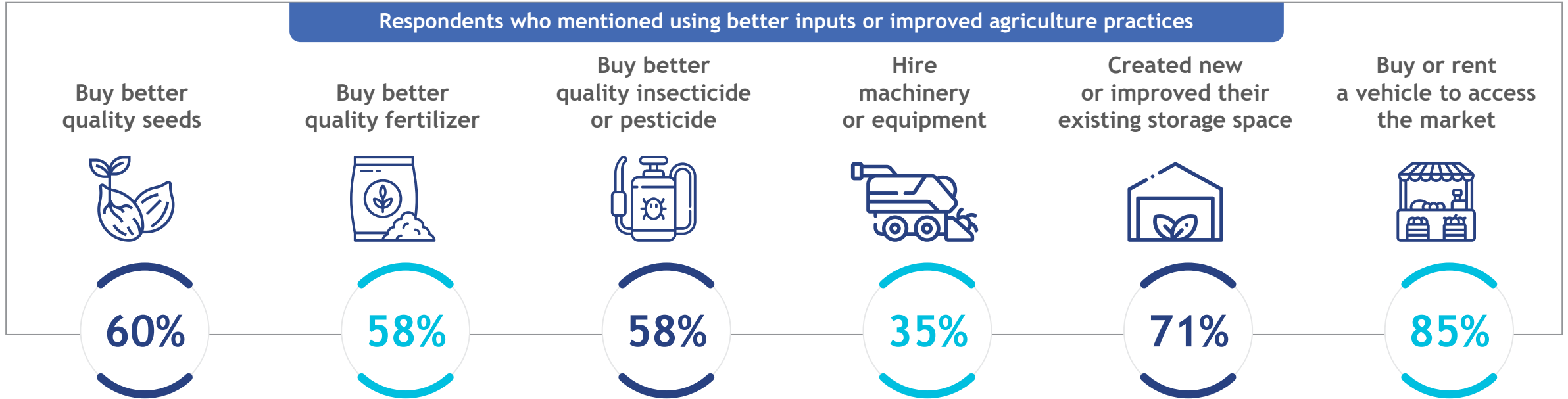
“

Earlier, we used seeds produced on our farms. Since I started receiving PM *Kisan* benefits, I have bought good-quality seeds from the market. — A farmer from Gujarat

Pests and insects damage our crops every year. With the PM *Kisan* benefit, at least our expenses on insecticides are covered. — A farmer from Chhattisgarh

Earlier, my family used to work on the farm during the harvest and sowing seasons. Now, I use the PM *Kisan* money to hire labor or rent machines during the harvest season. — A farmer from Madhya Pradesh

PM Kisan can lead to positive results like better agricultural products and productivity.



- A large number of farmers mentioned buying better quality inputs and renting or buying other necessary agricultural equipment. Such practices can lead to better quality products and increased productivity in the future.
- The scheme is instrumental in providing short-term liquidity support to small and marginal farmers to purchase or hire essential agricultural inputs.
- However, the quantum of cash transfer benefits only provides superficial support initially, considering the rising input costs, such as labor charges, increased machinery rent, fertilizer, and seed costs.

Small farmers find PM *Kisan* benefit amount more useful.

Small and marginal farmers find the PM *Kisan* benefits helpful because it contributes to a significant proportion of their agriculture-related investments.



Annual assistance of 75 USD (6000 INR) is not a large sum, but at least the government covers this amount. Otherwise, this amount would also go from our pocket. We are thankful for this. – **Small farmers from Madhya Pradesh**

Small farmers have benefitted from the subsidy. However, it is difficult to notice any significant change for larger farmers. – **Farmers from Punjab**

For small farmers, this is like a salary. Even if we make a loss in agriculture, we will still receive this money from the government. – **Farmers from Gujarat**

Small farmers do not ask for credit anymore for agriculture activities in their field. Such assistance from the government undoubtedly helps a small farmer like me. – **A farmer from Odisha**



Farmers find the *Rythu Bandhu* benefits more adequate since the payment is given per acre of land. However, some farmers feel that the scheme helps wealthy and institutional farmers.

The PM *Kisan* benefit seems insufficient to farmers to cover their expenses, especially after the COVID-19 crisis. So, the scheme can benefit small and marginal farmers to meet some of their expenses through timely disbursement of subsidies and other externalities.

Rythu Bandhu pays 62.5 USD (5000 INR) per acre and is better placed to provide more prolonged income support to farmers.

1 USD=80 INR (as on 19th, July 2022)

The PM *Kisan* benefit helps small farmers avail fewer loans for agriculture.



A case of obtaining less agricultural credit after PM *Kisan* benefits

Namiti, a 70-year-old woman farmer in Ajmer district, regularly receives the PM *Kisan* installments.

She is happy with the scheme and believes it helps her buy fertilizer, insecticides, and seeds in time.

Before PM *Kisan*, she had to borrow money during the harvest season, but now the timely disbursement of the benefit supports her greatly.

She says,

“Dawai bhi lawan, beej baaj bhi lawan paison se, udhaar kam hogya ab.”

(I purchase the fertilizers, insecticides, or pesticides for the crops and seeds. Moreover, I have fewer loans now.)

On asking if she was happy with the frequency and disbursement timing, she said,

“Ek baar me paisa naa aawe, ye do hazaar theek hai.”

(I like to receive the benefit as installments of 25 USD (2000 INR). I do not want to receive the benefit in full at one time.)

She works as a laborer offseason and also holds a MGNREGA job card. She does not face any difficulty making transactions at a bank or eMitra center.

However, medium and large farmers are indifferent to the benefit.

A large farmer involved in agriculture activity in a large area that he owns, leases, or rents invests much more than the PM *Kisan* benefit amount, and thus, they do not find it helpful. They often do not use the benefit amount for agriculture purposes.

“



While beneficiaries agreed that the scheme supported their regular income, they felt the amount was too little to affect their agricultural practices or productivity substantially. One mentioned that the cost of growing cauliflower was 625 USD per *bigha*, and the installment barely reduced their investment on the same. — **A large farmer from Rajasthan**

This amount can barely cover the labor expenses of my land. I often do not even withdraw this money from my account. — **A large farmer from Punjab**

The benefit of 25 USD (2000 INR) in four months amounts to 6.25 USD (500 INR) per month. What good is 6.25 USD (500 INR) for agriculture? How am I supposed to use it? — **A large farmer from Chhattisgarh**

Given my scale of farming, 75 USD (6000 INR) a year is a minuscule amount. I did not withdraw the money for many months and recently used it to purchase a new tire for the tractor, which cost about 200 USD (16000 INR) .—**A large farmer from Punjab**

Large farmers or farmers doing agriculture on a large parcel of land usually do not use the *PM Kisan* benefit amount for agriculture purposes.



A case of a farmer doing agriculture activity in a large area

Nahar Patel, along with his father and brothers, is involved in agriculture activities. His family owns 3.5 acres of land in his father's name. He also leases additional 17 acres of land for agriculture purposes.

His father has received 5 to 6 *PM Kisan* installments. When enquired about the usage of the benefit amount, he mentioned it is a meager amount for his family. His monthly expense on labor is much more than the benefit amount. He spends an average of 3,125 USD (2,50,000 INR) on his land, and the *PM Kisan* benefit does not significantly impact his agriculture activities.

We concluded his family owns a small parcel of land and is receiving benefits under *PM Kisan*. Still, overall, his family falls in the category of medium to large farmers. Therefore, the scheme benefit cannot create the intended benefit. They mostly use the benefit amount for regular household expenses.

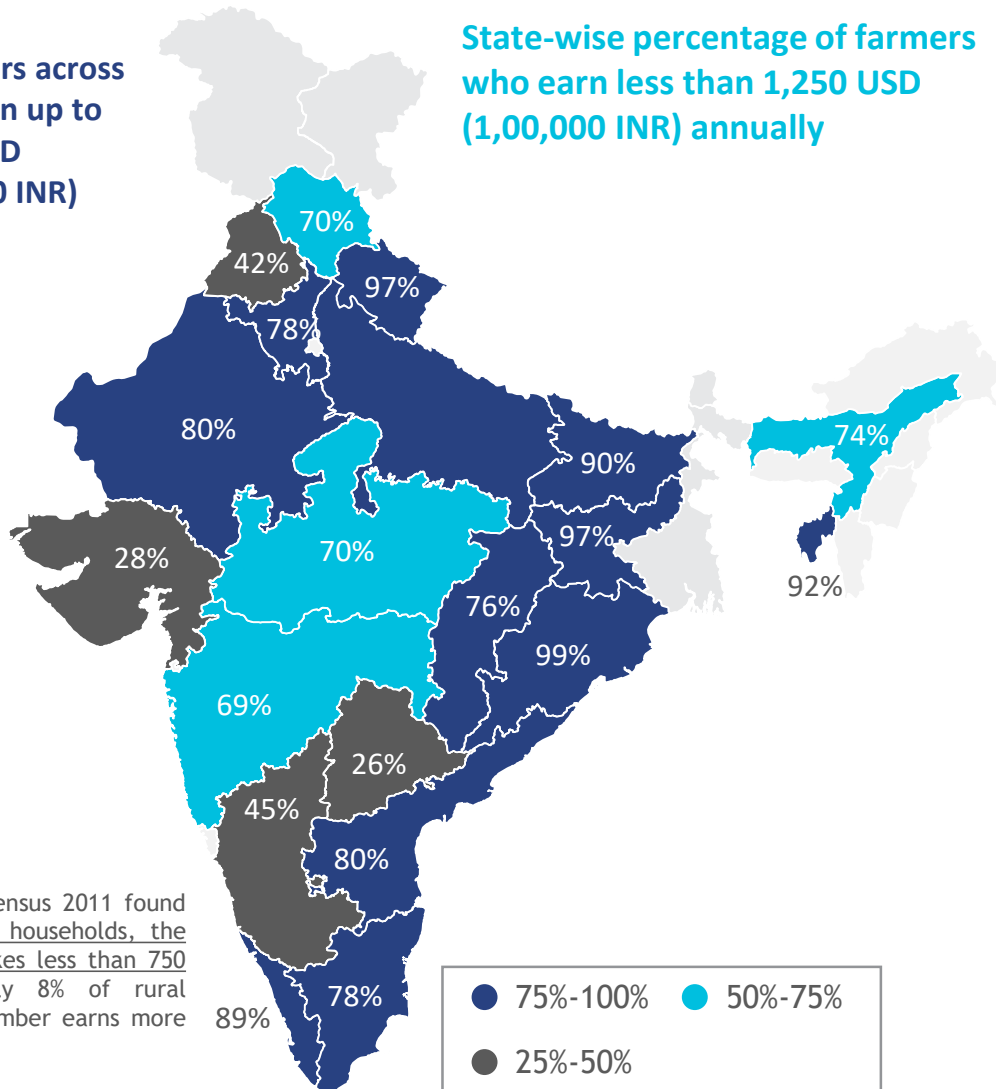
**Insight 4: PM *Kisan*'s
contribution to income
and expenses**



PM *Kisan* alone contributes 6% to 10% of the annual income of 3/4th of farmer families in India.

73%

Of farmers across India earn up to 1,250 USD (1,00,000 INR) annually



The Socio Economic and Caste Census 2011 found that in around 75% of the rural households, the main earning family member makes less than 750 USD annually. Further, in only 8% of rural households, the main earning member earns more than 1,500 USD annually.

1 USD=80 INR (as on 19th, July 2022)



The annual income of a farmer is **1250 USD (1,00,000 INR)** Excluding the income from PM *Kisan*



Government's contribution through PM *Kisan* is **75 USD (6000 INR)**



In Odisha, with some farmers receive **50 USD (4000 INR)** under KALIA and **75 USD (6000 INR)** under PM *Kisan* the government's contribution







PM *Kisan* forms ~10% of farmers annual income is contributed by PM *Kisan*.



In Telangana, this contribution will be even higher when we calculate farmers' income from *Rythu Bandhu* and PM *Kisan*.

The PM *Kisan* benefit contributes approximately 12% to 15% of the farmer's investment in an acre of land for various crops.

We calculated PM *Kisan*'s contribution to the average investment of farmers on an acre of land for the top three crops in India.

	 Rice	 Wheat	 Maize
 Investment per acre (in USD)	318 (25,436 INR)	250.8 (20,064 INR)	258.9 (20,715 INR)
 PM <i>Kisan</i>'s contribution (in USD) The benefit amount is 37.5 USD (75/2), given that most farmers cultivate in two seasons.	37.5 (3,000 INR)	37.5 (3,000 INR)	37.5 (3,000 INR)
 % contribution of PM <i>Kisan</i>	12%	15%	14%

Investment per acre is calculated from the national average cost of cultivations (A2+FL) in INR/quintal and the national average yield (quintal/hectare) mentioned in [Agriculture statistics 2020](#) published by the Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare.
 1 USD=80 INR (as on 19th , July 2022)



Insight 5: Broken GRM

Awareness regarding the grievance resolution mechanism remained low among the PM *Kisan* beneficiaries.



Respondents were unaware of the toll-free number to register PM *Kisan*-related grievance

89%



Respondents were unaware of any other method to register PM *Kisan*-related grievance

89%

- The first point of contact for most respondents in case of any challenges is either the panchayat officials or the department officials implementing the PM *Kisan* scheme in the states.
- Therefore, grievance resolution procedures and turnaround time vary from state to state.



A case of hand-holding for reserved category beneficiary

A farmer in the group said,
“The majority who have not yet registered for the scheme belong to the reserved categories.”

The reserved categories require more hand-holding

Some farmers expressed that people belonging to the backward category face extra challenges. They are less aware and are under-confident about the registration process.

54%

Of those who knew about GRM methods, used the toll-free number or any other method to register their complaint regarding PM *Kisan*

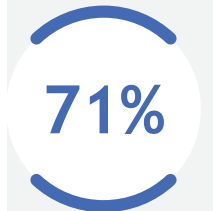
There was high awareness regarding the toll free number to register KALIA related grievances.



Respondents were unaware of a toll-free number to register KALIA-related grievance



Respondents were unaware of any other method to register KALIA-related grievance



Of those who knew about GRM methods, used the toll-free number or any other method to register their complaint regarding KALIA

- In most cases, people visited the Block office (ATMA) or the panchayat office to resolve their KALIA issues.
- For KALIA, the issues are usually resolved after submitting the ration cards or the missing documents.
- Respondents were unaware of the time it took to resolve the issues as they never checked their application status.



For KALIA, the agri-officials were trained properly. After the training, the officials could identify the reason for transaction failures by checking the status.

For *Rythu Bandhu*, awareness regarding the grievance resolution mechanism was moderate. However, the village agriculture department is proactive and responsive.



Respondents were unaware of different GRM methods



Respondents were unaware of any other method to register KALIA-related grievance



Of those who knew about GRM methods, used the GRM method to register their complaint regarding *Rythu Bandhu*

- The first point of contact for most respondents in case of any challenges is to register complaints through the block or district agriculture office.
- In 96% of cases, the beneficiary complaints were resolved, and most of these complaints were resolved within a week.

Good practice:

***Rythu Vedika* meetings are innovative and effective mechanisms for generating awareness.**

- The Agriculture Extension Officer (AEO) and the Mandal-level Agriculture Officer (MAO) organize a meeting called *Rythu Vedika* at the gram panchayat to provide all scheme-related information to the farmers.
- They organize one *Rythu Vedika* per four villages. These meetings are scheduled twice a week for the farmers of three to four villages.
- The grievances are discussed in these meetings and resolved within a quick turnaround time of one to two days.

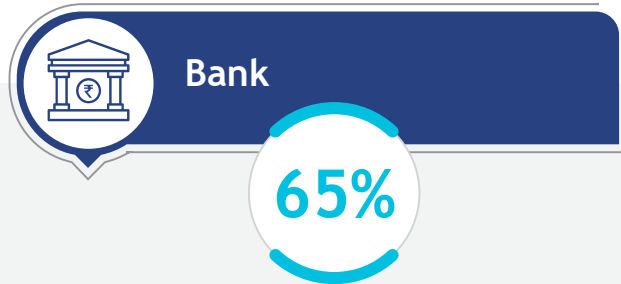


Other insights



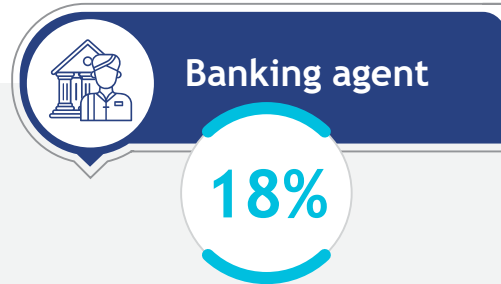
Beneficiaries prefer withdrawing the benefit amount from banks. However, usage of online payment methods remained low at 9%.

About 91% of respondents go to transaction points to withdraw money, 5% transact online, and 4% opt for both methods.



Why do beneficiaries prefer banks as withdrawal points?

- Respondents update their passbooks and also withdraw money at banks to minimize the cost of commuting.
- Many beneficiaries lack ATM cards issued in their name. Therefore, they go to the bank for withdrawal.
- Lack of trust in banking agents and fear of fraud or mistake at the ATMs.
- Banking agents charge fees for withdrawing the benefit amount.



Why do beneficiaries prefer banking agents to withdraw money?

- Convenience in withdrawing money as banking agents are near the village.
- Bank denies withdrawal of small amounts and redirects beneficiaries to banking agents.



- The younger generation mostly prefers ATMs.
- Older adults are reluctant because of technical challenges and fear of fraud.



- People who receive doorstep delivery of pensions mentioned the post office as their point of withdrawal. They withdraw the PM *Kisan* benefit along with their pensions.

Low penetration of banks, ATMs, and banking agents is a common issue due to which beneficiaries face challenges like long-distance travel, incurring the cost of travel, loss of wages, long queues at banks, etc.



A case of pooling vehicles to save cost

In Telangana, a group of mid-aged farmers schedules their trips to the banks economically. The group members pool an auto-rickshaw and pay 0.25 USD (INR 20) each for a to-and-fro ride to the bank for 3 km. Pooling allows them to save money on the commute and socialize and discuss farming, finances, and household issues with their peers. This practice also keeps them motivated to schedule timely visits to the bank to withdraw scheme benefits.



A case of unavailability of enough withdrawal points

A respondent from Punjab has an account in a cooperative bank. He uses the bank branch for cash withdrawal because the bank has not issued an ATM card to him. The bank is about 2 km away from his home, and his village has no banking agents. He mentioned there are banking agents in the block market near the bank. But, he has not used the banking agent service as they charge money for withdrawals.



A case of forgoing wages to withdraw benefit amount

In a case from Madhya Pradesh, respondents mentioned that their village has no banks or banking agents. They have to go to another village or a nearby town to withdraw money. The minimum distance they have to travel is 8 km. Travel is an added expenditure they must incur to withdraw the benefit amount. In addition, they have to take a bus in the morning if they go to the nearby town. They prefer the bus because the fare is less than auto-rickshaws. However, they have to forgo their wages for the day because the returning bus only comes in the evening.

1 USD=80 INR (as on 19th, July 2022)



Recommendations

Recommendations



Club agriculture subsidies and provide it as DIT

By clubbing multiple subsidies, the government can benefit in the following ways:

- Saving on the operational and administrative costs;
- Consolidated database of farmers and farmer families getting benefits of various agriculture schemes from the government;
- Bigger amounts as DIT will lead to more investment in farmers' agriculture inputs, thus impacting the overall agri production and productivity.



Strengthen GRM

GRM related challenges need to be addressed at two levels:

- At the beneficiary level, there is a need to create more awareness about GRM;
- On the supply-side, there is a need to strengthen GRM, work on TAT, and effective communication about complaint resolution.



Use of digital databases

Using digital databases has proved beneficial to many states, as per our study. Using the available central and state databases to weed out bogus and duplicate beneficiaries will help in:

- Better targeting of the scheme and addressing challenges related to wrongful inclusion;
- Ensuring to a certain extent that there is no wrongful exclusion.



Spread awareness about the inclusion and exclusion criteria

Creating awareness among beneficiaries regarding the inclusion and exclusion criteria of the scheme will cater to a big issue of wrongful exclusion. This awareness will help check the wrong set of new enrollments to a certain level.

Comparison of PM *Kisan*, KALIA, and *Rythu Bandhu*



Comparative analysis of PM Kisan, KALIA, and Rythu Bandhu (1/3)

	PM Kisan	KALIA	Rythu Bandhu
Wrongful inclusion	10%	1%	3%
Scheme enrollment	50% Respondents contact panchayat for enrollment	94% Respondents contact panchayat for enrollment	80% Respondents contact agriculture department for enrollment
Installments received	55% Received five or more installments out of eight	24% Received five installments out of five	75% Received five or more installments out of seven
Missed scheme installments	34% Of which, 55% do not know why they missed the installment	54% Of which, 90% do not know why they missed the installment	3% Of which, 28% do not know why they missed the installment
Faced challenges	21% Enrollment related 21% Other challenges	99% Enrollment related 24% Other challenges	25% Enrollment related 23% Other challenges
Used GRM	54% Of those who are aware of GRM methods	71% Of those who are aware of GRM methods	93% Of those who are aware of GRM methods
Query resolution through GRM	62% Average grievance resolution time was one week	61% Average grievance resolution time was two weeks to one month	83% Average grievance resolution time was one week

Comparative analysis of PM Kisan, KALIA, and Rythu Bandhu (2/3)

	PM Kisan	KALIA	Rythu Bandhu
Scheme design	<ul style="list-style-type: none"> It is a household-level scheme. One landowning farmer from every household is eligible. The landless agricultural households are excluded from the scheme. 	<ul style="list-style-type: none"> It is a household-level scheme for small, marginal, and landless farmers. One person from every household is eligible. Medium and large farmer households are excluded from the scheme. 	<ul style="list-style-type: none"> It is an individual-based scheme. Only applicable to landowners.
Scheme benefit	<ul style="list-style-type: none"> The beneficiaries get yearly assistance of 75 USD in three installments of 25 USD. 	<ul style="list-style-type: none"> The small and marginal farmers get yearly assistance of 50 USD in two installments of 25 USD. A landless farmer gets yearly assistance of 125 USD. 	<ul style="list-style-type: none"> The beneficiaries get 62.5 USD per acre for each cropping season.
Scheme enrollment	<ul style="list-style-type: none"> Every state conducts an enrollment drive to register the beneficiaries under the scheme. Beneficiaries submit filled forms along with land documents, Aadhaar, bank passbook, and household ID if available in the state. 	<ul style="list-style-type: none"> An enrollment drive to register the beneficiaries under the scheme. Beneficiaries submitted filled forms, land documents, Aadhaar, and bank passbooks. Later, ration cards were collected for household identification. Now, the registration process is entirely online. 	<ul style="list-style-type: none"> Beneficiaries are enrolled through the land records management system like the Dharani portal. On-ground enrollment requires an Aadhaar card, bank account details, mobile numbers, and patta passbook.

Comparative analysis of PM *Kisan*, KALIA, and *Rythu Bandhu* (3/3)

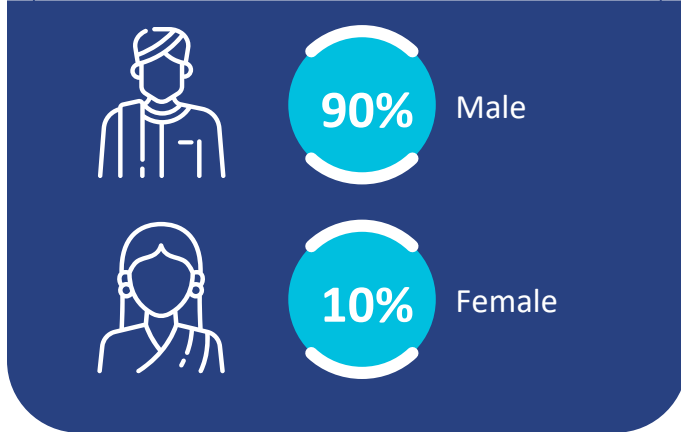
	PM <i>Kisan</i>	KALIA	<i>Rythu Bandhu</i>
Grievance resolution mechanism (GRM)	<ul style="list-style-type: none"> Awareness of GRM is very poor. Beneficiaries were not aware of the online help desk and toll-free number. Beneficiaries mostly complain to the village or block-level officials of the departments implementing PM <i>Kisan</i> in the state. 	<ul style="list-style-type: none"> Beneficiaries are aware of the toll free number. Though awareness on other GRM channels, like grievance application portal, is low. 	<ul style="list-style-type: none"> Beneficiaries are moderately aware of the different GRM methods. The Agriculture Officer and Agriculture Extension Officer are proactive, well informed, and engage with the farmers and resolve their grievances.
Supply-side challenges	<ul style="list-style-type: none"> Lack of appropriate training for officials to handle the exceptions and issues. They are unaware of possible reasons for various enrollment issues. Officials are unaware of any toll-free number under the scheme. The portal commonly experiences server issues. Transactions failures due to bank mergers. 	<ul style="list-style-type: none"> Beneficiaries are unaware of enrollment status checks; hence, they approach the block offices frequently. Beneficiaries have not linked their mobile with <i>Aadhaar</i> for eKYC. 	<ul style="list-style-type: none"> Server issues on the <i>Dharani</i> portal are prevalent, such as data mismatches related to land survey numbers, missing data on survey numbers, etc. Transaction failures were observed due to Andhra Bank and Union Bank merger. Beneficiaries have their <i>Aadhaar</i> seeded with a nonscheduled bank. Hence, they have to go through the hassle of opening another account in a scheduled bank and seed their <i>Aadhaar</i> to receive payments.



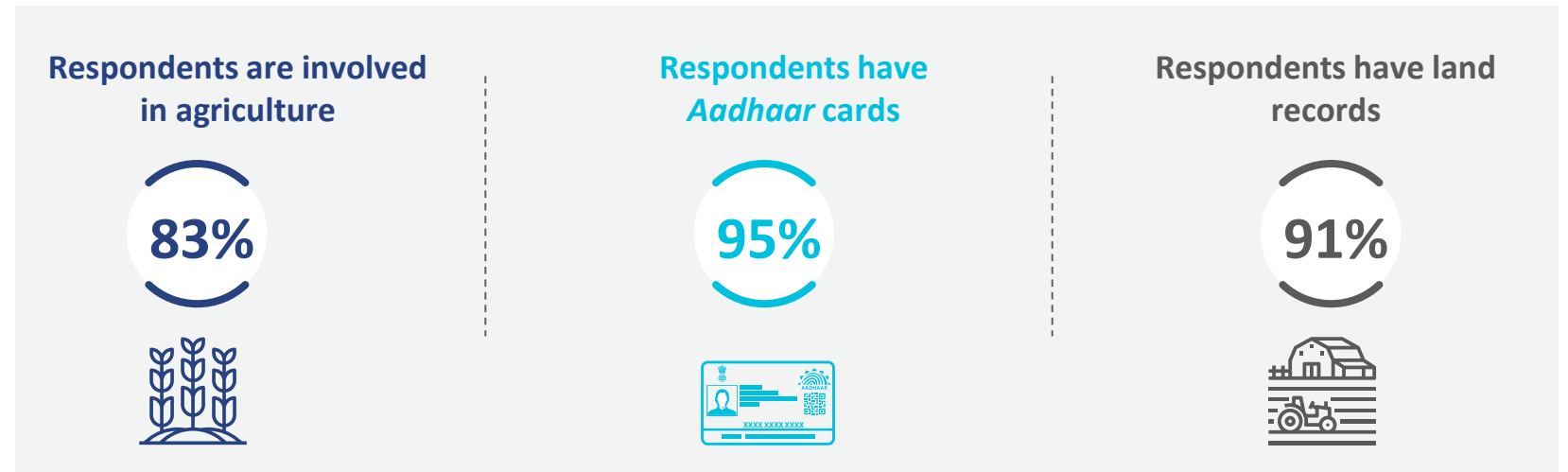
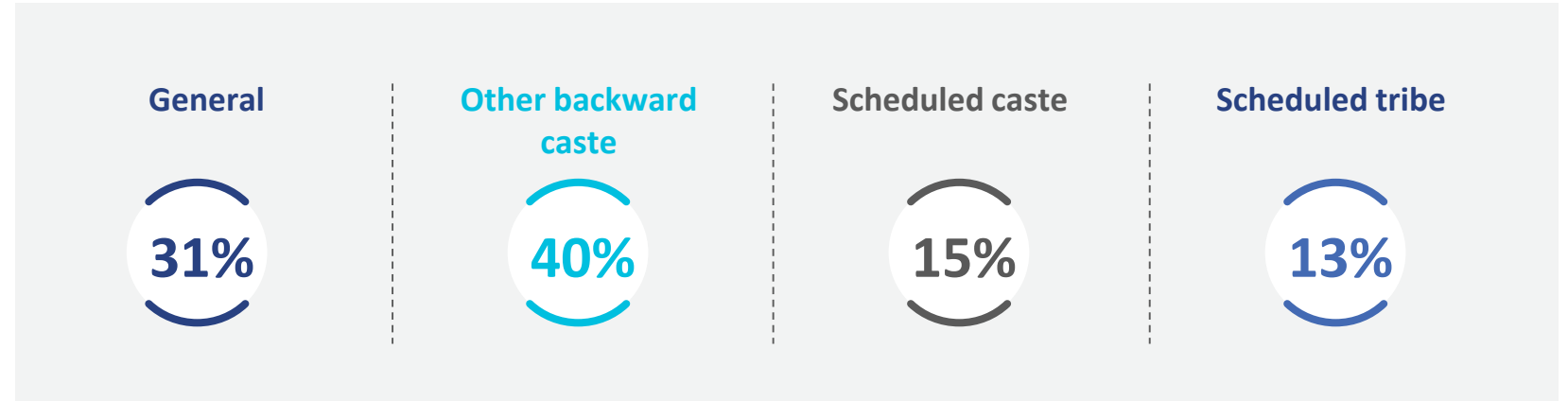
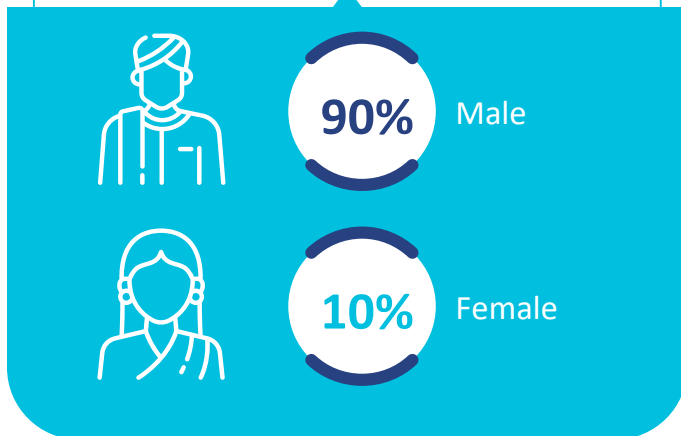
Demographic profile

Demographic profile

Gender of respondents



Gender of respondents with land registered in their names



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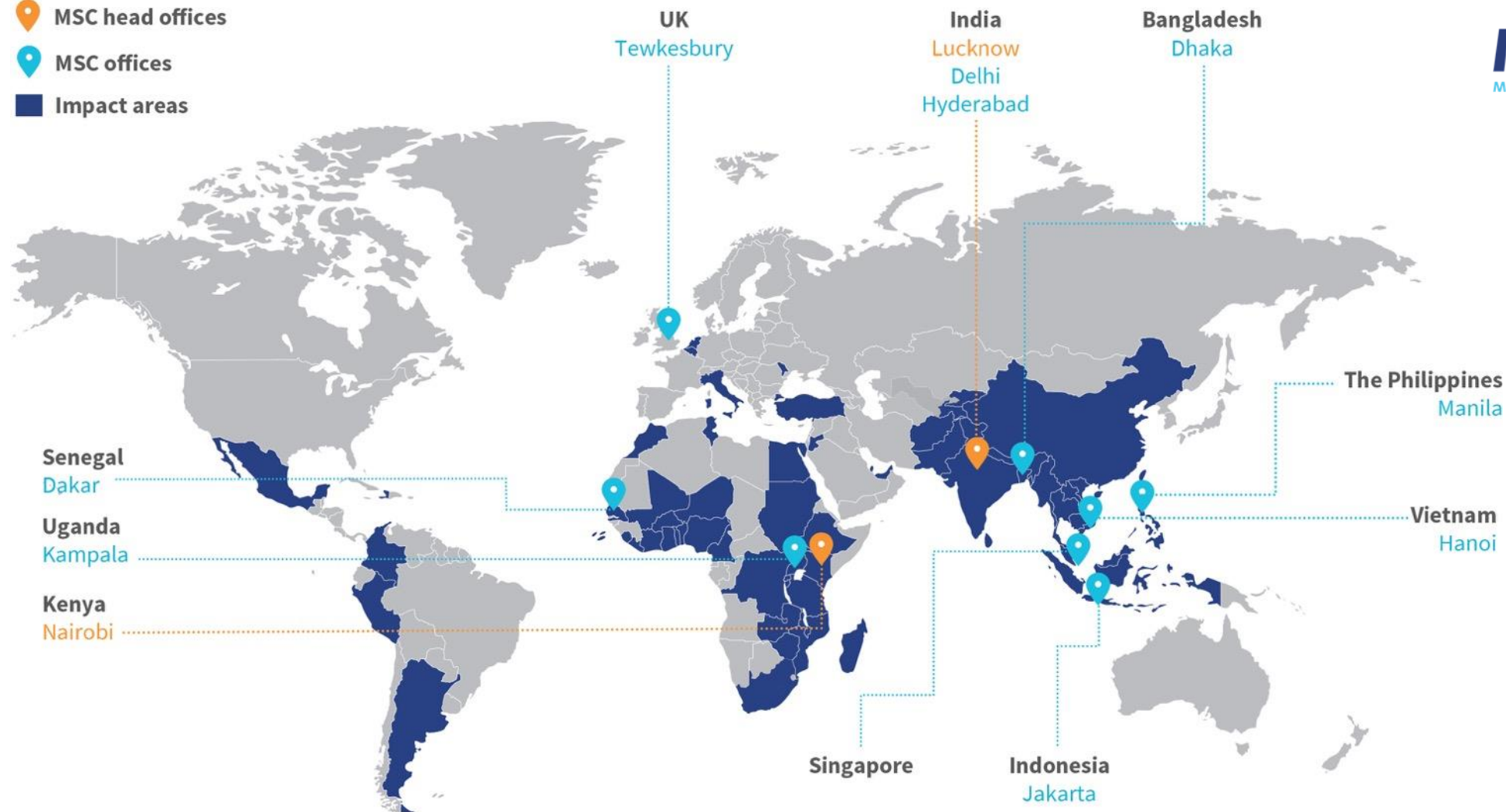
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