# Shortcomings in the PM-KISAN Scheme

## What is the issue?

PM-KISAN scheme's support has not reached farmers in most of the country's regions.

## What is PM-KISAN?

- PM-Kisan Samman Nidhi Scheme aims to supplement the financial needs of the farmers in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income.
- The scheme's original objective, to "supplement financial needs" of the country's Small and Marginal Farmers (SMFs) and to "augment" farm incomes, has now been broadened to include all categories of agricultural landowners.
- The revised Scheme is expected to cover around 2 crore more farmers, increasing the coverage of PM-KISAN to around 14.5 crore beneficiaries, with an estimated expenditure by Central Government of Rs. 87,217.50 crores for year 2019-20.
- Earlier, under the scheme, financial benefit has been provided to all Small and Marginal landholder farmer families with total cultivable holding upto 2 hectares with a benefit of Rs.6000 per annum per family payable in three equal installments, every four months.
- Now the cash transfer is not linked to the size of the farmer's land, unlike Telangana's Rythu Bandhu scheme, under which farmers receive ₹8,000 per annum for every acre owned.
- Though what the programme offers is meagre, it promises some relief to poor farmers by partially supplementing their input costs or consumption needs.

## What are practical issues with the scheme?

- **Practical Difficulties -** Though the first quarterly instalment, for the December 2018-March 2019 period, was to be provided in the last financial year, the benefits of PM-KISAN have not reached farmers in most parts of the country.
- With kharif cultivation activity under way already, the scheme's potential

to deliver is contingent on its immediate implementation.

- There are 125 million farming households owning small and marginal holdings of land in the country, who constitute the scheme's original intended beneficiaries.
- However, at present, the list of beneficiaries includes only 32% (40.27 million) of these households.
- Further, a majority of the intended beneficiary households are yet to receive even their first instalment of ₹2,000. Only 27% (33.99 million) received the first instalment, and only 24% (29.76 million) received the second.
- In budgetary terms, only 17% of the estimated ₹75,000 crore expenditure has been spent.
- **Structural Issues -** PM-KISAN offers ₹6,000 a year per household in three instalments. Broadly speaking, this amounts to only about a tenth of the production cost per hectare or consumption expenditure for a poor household.
- While landless tenants have been left out in both the schemes (PM KISAN, Rythu Bandhu) the link with land size makes the support provided by the Telangana scheme more substantial.
- Moreover, implementation in certain States has been prioritized.
- U.P., for instance, accounts for one-third of total beneficiary households 33% (11.16 million) in the first instalment and 36% (10.84 million) in the second.
- About half of the State's SMF households have been covered, a total of 17 States have received a negligible share of the first instalment, accounting for less than 9%.
- If the budgetary allocations shift decisively in favor of cash transfers, they will be a cause for great concern.
- Further, the scheme recognizes only landowners as farmers, Tenants who constitute 13.7% of farm households and incur the additional input cost of land rent, don't stand to gain anything if no part of the cultivated land is owned.

## What measures are needed to address the issues?

- For the scheme to be effective, PM-KISAN needs to be uniformly implemented across regions.
- Cash transfers will cease to be effective if the state withdraws from its other long-term budgetary commitments in agricultural markets and areas of infrastructure such as irrigation.
- Subsidies for inputs, extension services, and procurement assurances

provide a semblance of stability to agricultural production.

- Food security through the National Food Security Act is also closely linked to government interventions in grain markets.
- There is a strong case to include landless tenants and other poor families to the scheme.
- PM-KISAN can be formulated in the sidelines of Odisha's Krushak Assistance for Livelihood and Income Augmentation (KALIA) scheme, which includes even poor rural households that do not own land.
- Moreover, though the scheme is conceptualized to supplement agricultural inputs, it ceases to be so without the necessary link with scale of production (farm size) built into it.
- It becomes, in effect, an income supplement to landowning households.
- Thus if income support is indeed the objective, the most deserving need to be given precedence.

**Source: The Hindu**

