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Pradhan Mantri Kisan Samman Nidhi (PM-Kisan): Performance, Problems, and Prospects in West Bengal

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Executive Summary

Introduction

The PM-Kisan scheme is a new central sector scheme launched by the Ministry of Agriculture and Farmers Welfare, operational from 1st December 2018. The scheme provides annual assistance of Rs 6,000/-in three equal installments of Rs 2,000 each, directly into the farmer's account. The state of West Bengal became part of the PM-Kisan scheme from the 8th installment during April - July 2021. As of March 2025, nearly 10.07 crore farmers are active beneficiaries under the scheme. The scheme has become quite popular among the farmers, especially the marginal and small landholders. The program's benefits are intended to provide financial support for farmers' inputs and other requirements, agriculture-related investments, cushioning 'no-income' periods, and other family needs. Although the scheme was launched a moderate number of years ago, to our knowledge, there has been no systematic analysis of the major purposes for which farmers use the financial assistance, the adequacy of the assistance, and the improvements they desire. This study aims to fill this gap by analyzing the use of PM-Kisan assistance, examining its utilization patterns, and the problems farmers face.

Objectives of the study

The specific objectives of the study are:

- To analyze the farmers' pattern of use of the financial assistance under PM-Kisan for input purchase, investment, consumption needs, or any other purpose.
- To analyze the adequacy of the assistance and whether there is a need to enhance the same.
- To assess the farmers' perceptions regarding various aspects of the program.
- To understand farmers' constraints in accessing the benefits under the program.

Methodology

This primary survey-based study is conducted to provide a detailed analysis of the performance, problems, and prospects of the PM-Kisan scheme for financial support in West Bengal. The study covers 200 sample households, of which 160 are beneficiary farmers and 40 are non-beneficiaries, across the three farm classes: marginal, small, and other large holdings in four sample districts: Bankura, Birbhum, Cooch-Behar, and Purba Medinipur.

Major Findings

Profile of the sample households

i. The beneficiary farmers in the state reveal a middle-aged group with more than 30 years of experience in agriculture. The caste distribution of beneficiary farmers' households is predominantly general caste, followed by scheduled caste and OBC. The study found the Hindu and the Muslim communities across the different districts of West Bengal.

ii. It is found that overall, in the state, most of the sample heads of farmer households are educated with primary education, followed by secondary and intermediate levels of schooling.

iii. It is found that overall, in the state, most of the total beneficiary and non-beneficiary farmers have cultivation as their main occupation, but the landholding is found to be only 1.76 and 1.63 acres, on average, for beneficiary and non-beneficiary farmers of the PM-Kisan scheme.

Income, expenditure, and debt patterns

i. It is evident that for both the beneficiary and non-beneficiary farmers, the agricultural income is the major share of the total income as a whole, but considering the farm class in terms of the size of landholding, the income share from agriculture of marginal farmers is relatively better than that of the non-beneficiary farmers in the PM-Kisan scheme. Apart from income from farming activities, wages are the second major source of income for beneficiary farmers.

ii. The study found that the non-beneficiary marginal farmers earn less from agriculture than the small and other higher landholding farmers, and they earn more from wage income, indicating a vulnerability in the income situation for the marginal farmers. This situation is even worse than that of the PM-Kisan beneficiary farmers. Agricultural income is highest among the higher farm class, indicating that it is the dominant source of income among non-beneficiaries in West Bengal in the reference year.

iii. The study has found an almost identical pattern of very low investment expenditure in agriculture for both PM-Kisan beneficiary and non-beneficiary farmers across the different regions of West Bengal. It shows that investment in agriculture in West Bengal is very limited and needs a special investment drive.

iv. It is found that almost half of the total expenditure is for non-agricultural purposes, for both beneficiary and non-beneficiary farmers. Current agricultural expenditure accounted for the second-highest share of expenses.

v. The study portrays a high burden of indebtedness among the farmers in both the PM-Kisan Beneficiary and non-beneficiary groups. Comparing PM-Kisan beneficiary and non-beneficiary farmers, the study found a relatively higher debt burden among non-beneficiaries. Considering the reference and base years, the study found a higher debt burden in the reference year (2023-24) than in the base year (2022-23).

Spending pattern of PM-Kisan assistance

vi. The study observed a significantly lower investment expenditure in agriculture, indicating that the opportunities for capital formation in agriculture under the PM-Kisan fund are clearly missing in West Bengal. The main purposes of the scheme’s fund are utilized on current expenditure in both agriculture and non-agriculture.

vii. The study also reveals that the PM-Kisan fund supports non-agricultural investments, especially for educational purposes, and helps tackle farmers' health issues in West Bengal. Across different landholding sizes, the study found that higher landholding farm classes have a higher share of non-agricultural expenditure and a relatively lower share of agricultural expenditure than lower landholding farmers in both reference and base years.

viii. The study analyzes perceptions of the importance of spending PM-Kisan funds, and it is seen that the sample farmers across the different farm classes in different regions reported that the PM-Kisan funds are not important for agricultural investment.

ix. Across the different landholding farm classes in different regions, the study finds that farmers reported the importance of the PM-Kisan fund for health and education investments.

x. Many beneficiary farmers reported the importance of the PM-Kisan fund for current agricultural expenditure on inputs, particularly fertilizer and seeds. Apart from this, farmers also reported the importance of other costs, such as labour and ploughing, which are other important inputs for cultivation. Across farm classes and districts, the results are similar.

xi. Overall, beneficiary farmers reported the importance of PM-Kisan assistance in food, followed by FMCG as current expenditure in non-agriculture. A few farmers also ranked loan repayment and clothing as important from the scheme. This clearly indicates the importance the farmers place on basic food and other daily consumable goods. The result is quite homogeneous across landholding classes and across the study's different sample districts.

Performance of the PM-Kisan Scheme

xii. In West Bengal, the implementation of PM-Kisan began with the 8^{th} installment of fund disbursement from April to July 2021. Hence, the farmers in the state received a maximum of 10 installments out of a total of 17 installments disbursed under the PM-Kisan scheme up to the survey period of this study. It is found that, on aggregate, almost 51.88 percent of the total farmers received the maximum of 10 installments, and 28.13 percent received 9 installments. This indicates very strong performance of the scheme in West Bengal.

xiii. Across the different farm classes in terms of size of landholdings, the study found that the percentage of farmers in the other higher landholding groups received a maximum of 10 installments higher compared to marginal, and the percentage of farmers is found to be lowest for the marginal class. A sharp variation is observed in the installment numbers received across different sample districts of the state. The number of installments is higher in Cooch Behar, Birbhum, and Purba Medinipur than in Bankura.

xiv. It is found that most of the farmers reported a delay in registration as the reason for receiving a lower number of installments. A few reported other issues, such as KYC and bank account-related issues, because of the delays in receiving lower installments than the standard benchmark of 14, as taken by this study.

xv. In the scheme rating, the study observes a high level of satisfaction across regions and farm classes. The satisfaction levels across four aspects are homogeneous among farmers. It reflects the scheme's high performance across all aspects, from financial assistance and the registration process to official support and the overall process.

Farmers' Perceptions

xvi. The study found that no transaction cost for accessing the scheme and DBT facilities (directly credited to the bank account of the farmers) is the major advantage reported by the farmers under the PM-Kisan scheme.

xvii. The study found that the main advantages of the scheme are its usefulness in agricultural expenses. In addition, the advantages of the scheme are significant for consumption expenditure, such as children's education, and for expenditure on health.

xviii. The study found that the farmers are unaware of when they need to update their e-KYC for the scheme and find it difficult to access the smooth PM-Kisan benefits process. Across the various farm classes and districts, the PM-Kisan scheme faces delays in timely e-KYC updates.

xix. The study found no such large-scale evidence of bank transaction-related problems. The study also found no such difficulties with the scheme's guidance. According to farmers' perceptions, the scheme operates smoothly and transparently.

xx. Most farmers reported an inadequate amount under the scheme. It indicates that the funds under the PM-Kisan scheme are inadequate and need to be increased. Given the timing of fund disbursement, the farmers are willing to receive the installment at the start of the crop season, i.e., at sowing time for Rabi and Kharif. The study found that most beneficiary farmers are satisfied with the existing three installments rather than an increase or decrease.

Policy Suggestions

i. Timely Fund Disbursement: The study found that most of the farmers are advised to receive the PM-Kisan assistance during the sowing time of the crops. It will help farmers use more agricultural inputs in the forthcoming cultivation. Hence, the study also suggested that the policy disburse the PM-Kisan financial assistance at the sowing time of the cultivation seasons, Rabi, Summer, and Kharif.

ii. Call for Complementary Investment Scheme: The study observed the insights needed for complementary schemes promoting investment for improved impact, along with PM-Kisan. The study found very low investment, particularly in agriculture, under the PM-Kisan scheme, and it supports supportive investment in agriculture for long-term development. The study suggests introducing alternative investment schemes in agriculture, linked to the PM-Kisan scheme for long-term development.

iii. Enhance the Amount of Support: From the perception analysis of the farmers, the study concluded that the PM-Kisan amount is quite inadequate at present. The scheme was launched in 2019 with a financial allocation of Rs. 6000 per year, which has remained unchanged even after a sharp increase in the cost of living over the past five years. Hence, the study suggested that increasing financial support under PM-Kisan would bolster financial resilience among smallholders, enabling broader investment in inputs and sustainable farming practices.

iv. Introduce Voice-call Alert System for e-KYC: One of the important constraints faced by the farmers regarding the PM-Kisan is the timely upload of the e-KYC documents in the PM-Kisan portal. The PM-Kisan scheme requires e-KYC documents from beneficiary farmers on an ongoing basis for authentication and transparency. However, farmers remain unaware of the e-KYC update; as a result, financial disbursements remain paused, and farmers' funds remain stuck. At present, SMS (text message) alerts are available to inform farmers about pending e-KYC but go unnoticed by most due to limited knowledge and mobile habits. The study suggests introducing voice-call alerts in regional languages to address the e-KYC-related issue.

v. Simplify Registration Process with Proactive Support: Again, there is a need to simplify the registration process of the PM-Kisan scheme with the proactive support of the local government for registration facilities for farmers in villages.

vi. Strengthening digital infrastructure: Another important policy needed is to strengthen the digital infrastructure at the village level and to conduct a digital awareness camp for improving the knowledge and process of registration and e-KYC of PM-Kisan, along with other governmental support schemes. Presently, the PM-Kisan portal is very simple to register and submit e-KYC documents. However, farmers face many issues due to a lack of digital knowledge. Digital awareness camps with hands-on training will help farmers access the schemes' portal more easily and reduce problems with the digital portal, such as e-KYC. The study also suggested introducing a common service centre at the village level, where farmers can easily resolve their problems with minimal inconvenience.

vii. Policy needed to ease the land titling procedure: The land titling procedure should be developed in West Bengal, where, in general, the land is very structurally fragmented. There should be a streamlined land titling procedure with institutional support. There should be a reduction in the document burden of the land titling procedure, lowering fees and other agency costs, and minimizing the time required for the procedure, particularly for marginal non-beneficiary farmers.

viii. Inclusion of some alternative scheme for non-beneficiary farmers: The study also emphasized introducing some other scheme, particularly for the non-beneficiary tenant farmers in the state of West Bengal. Most of the time, the tenant farmers, who cultivate the land, get no benefit from any scheme. All the benefits are utilized by the landowner, who may incur no loss even in unforeseen agricultural situations, due to a fixed contract with the tenant farmers.