



A STUDY ON FARMERS AWARENESS TOWARDS PRADHAN MANTRI KISAN SAMMAN NIDHI YOJANA IN THE GUNTUR DISTRICT

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ABSTRACT

Pradhan Mantri Kisan Samman Nidhi is an initiative by the government of India in which all small and marginal farmers will get up to Rs.6, 000 per year as minimum income support. Rs.6,000 per year will be paid to each eligible farmer in three instalments and will be deposited directly to their bank accounts. On 24 February 2019, Narendra Modi launched the scheme in Uttar Pradesh's Gorakhpur by transferring the first instalment of ₹2,000 each to over one crore farmers. The main objectives of the study are to study the awareness of farmers towards PM Kisan scheme. To offer various suggestions based on findings for better implementation. In this methodology was used exploratory research design will use.

Keywords: PM Kisan scheme, Guntur district farmers, awareness, perception.

INTRODUCTION

Adoption of modern technologies is one of the most promising strategies to increase farm incomes. Among the constraints in technology adoption, the most prominent ones are: lack of information and credit also show that access to formal credit significantly increased the investment in existing small businesses. In India, more than half of the farming households do not have access to formal credit. In such a situation, the introduction of a cash transfer scheme (Pradhan Mantri Kisan Samman Nidhi, PM-KISAN) in December 2018 to ease liquidity constraints of farmers for procuring inputs is quite salient. While the scheme is pitched as a general cash transfer for the farmers, its role in the adoption of modern technologies remains an important research question that this paper addresses. In general, effects of cash transfers are well analyzed on outcomes such as household consumption, educational attainment, and health. However, the impacts of cash transfers on the agriculture sector are comparatively less studied including importantly its impact on technology adoption. In this context, PM Kisan presents a natural experiment to assess the effects of cash transfers. For any intervention to provide long-term impacts there must be some investments in productive activity. In this context, show that a small monthly cash transfers may lead to increased consumption even after beneficiaries left the program. It is a large unconditional transfer to poor households may increase future earnings by encouraging investments in livestock. To multiplier effect of cash transfers. All these studies point towards a productive investment in the short-run lead to sustained long-term impacts. Conceptually, cash transfer can encourage farmers to spend the amount in the productive activities for several reasons. First, it may help in easing incumbent credit and liquidity constraint in purchasing agricultural inputs; extremely pertinent in India where more than 50% farmers rely on informal credit and one-fifth farmers purchase inputs on credit. Finds that access to credit encourages fertilizer use. Secondly, cash transfer increases the net income of farmers and, thus in turn may enhance farmer's risks taking capacity leading to undertaking riskier but comparatively productive investments. Yet, cash transfer beneficiaries' investment in the



productive activities may be limited in developing countries. We attempt to capture this issue by examining heterogeneity in impact estimates.

Specifically, we ask whether farmers who have more information on investments related to productive activities respond differentially to direct cash transfer (DCT). It is likely that DCT would increase investment of comparatively informed farmers first. Studying heterogeneity in impact estimates of DCT in agriculture sector contributes to a small but growing literature on the heterogeneous impact of DCT. There are two main objectives of the study. The first is to analyze the implementation of PM-KISAN by examining its coverage, and its targeting accuracy, also examining the spending patterns of the beneficiary farmers to assess the alignment of PM-KISAN with its objectives. Second, it examines PM-KISAN's role in stimulating the adoption of modern cultivars for paddy cultivation among comparatively informed farmers defined in this study as Krishi Vigyan Kendra (KVK) beneficiaries. Our analysis is based on the primary survey of 1406 farmers in Uttar Pradesh, India. Binary choice model is used to study the targeting accuracy and correlates of spending. Differential impact of the scheme is examined by the application of triple difference with matching (TDM) procedure. Our implementation and coverage result reveals: a) the scheme reached one-third farmers in first three months itself of its implementation, b) there seems to be no evidence of selection bias in choosing PM-KISAN beneficiaries based on attributes s like caste and land size, and c) the spending patterns show that farmers more dependent on agriculture, and with relatively poorer access to credit are more likely to spend the DCT in the agriculture sector. Finally, the paper provides evidence that the scheme has augmented the KVK's impact in the adoption of modern cultivars. Note that the outcome assessed pertains simply to the choice of seed type, and not the final outcomes i.e. agricultural productivity and farmer's incomes, as the scheme is only recently implemented.

PM-KISAN

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), a central government funded scheme launched in December 2018 to facilitate farmers in purchasing various agricultural inputs. The scheme started from February 2019. It provides to each eligible farmer's family Rs 6000 per annum in three instalments of Rs 2000 each. Initially, farmers with less than 2 hectares of land were eligible; subsequently, from June 2019 it was extended to all farmers i.e. 140 million farmers. Money is transferred directly to beneficiary's bank account. According to government data, the scheme reached 50 million farmers by 15th September 2019. Highest number of beneficiaries comes from Uttar Pradesh (28%, 17 million farmers) followed by Maharashtra (10%), Andhra Pradesh (9%), and Gujarat (7%).

Krishi Vigyan Kendra (KVK)

KVK was launched by ICAR in 1974 in Pondicherry district with the main goal to provide institutional support to agriculture and allied sectors with location- specific technologies through assessment, refinement, and demonstrations. KVKs are now available in every district of the country. KVKs are financed fully by Indian Council of Agricultural Research (ICAR), government of India. The mandate of KVKs is to (a) conduct "On-Farm Testing" (OFT) for the assessment of agricultural technologies across different farming systems, (b) carry out Front Line Demonstration (FLDs) to demonstrate the implementation of frontier technologies, (c) increase 5 the capacity development of farmers and extension workers, (d) work as a knowledge and resource centre for the agricultural economy of the district. The

total budget of KVKs in India is only Rs 686 crore in 2016-17. That India spends 0.7% of agriculture GDP on research, education, extension and training. Out of this, 0.54% goes for agriculture research and education, and a meagre 0.16% goes to extension and trainings. KVKs have large huge local spillovers, and KVK beneficiaries are more informed about frontier technologies that results in greater adoption of the technologies.

RESULTS & ANALYSIS

The percentage of farmers who received the benefits from PM-KISAN scheme till 30th April 2019 i.e. within 3 months of implementation. Our result shows that 30% farmers received the benefits. Before the implementation, the concerns were raised about the selection bias in choosing PM-KISAN beneficiaries. We run a probity model to test for factors associated with selection. The results, 'without' and 'with' district fixed effects, respectively. Coefficients of social, economic, and agricultural characteristics are all insignificant, with an exception of male dummy. Further, the variable (such as post office) that captures the farmer's 7 access to formal system is correlated with the likelihood of receiving PM-KISAN benefits. Further, the result shows that 93% non-beneficiary farmers have already applied to the scheme depicting awareness. The distribution of farmers who received one instalment or two instalments, 60% received one instalment while 40% received two instalments. The spending pattern of PM-KISAN beneficiaries is presented in disaggregated by instalments. Our result shows that 52% of those who received first instalment spent it on agriculture and 26% on consumption, 7% on education and health, and the remaining 16% on other incidental expenses (such as festival, marriage). Second instalment recipient spent 39% on consumption, followed by agriculture (23%) and education and medical (19%). Given a significant spending in the agriculture sector, we explore if this easing of liquidity constraints has implications for the adoption of modern technologies. Land size, agriculture dependency, access to banks, and access to KVKs are correlated with the spending the DCT on agriculture. PM-KISAN has likely eased credit and liquidity constraints for farmers. Also, farmers with better access to KVKs are more likely to spend on agriculture. Presents the timing of instalments along with the spending patterns in Farmer's receiving PM-KISAN benefits in agricultural peak season are more likely to spend in agriculture, in off season they are more likely to spend on consumption.

Beneficiaries under the scheme are to be identified by the respective State/UT. The details of farmers are being maintained by the States/UTs either in electronic form or in manual register. To make integrated platform available in the country to assist in benefit transfer, a platform named PM Kisan Portal available at URL (<http://pmkisan.nic.in>) shall be launched for uploading the SMF details at a single web portal in a uniform Structure.

PM Kisan Portal:

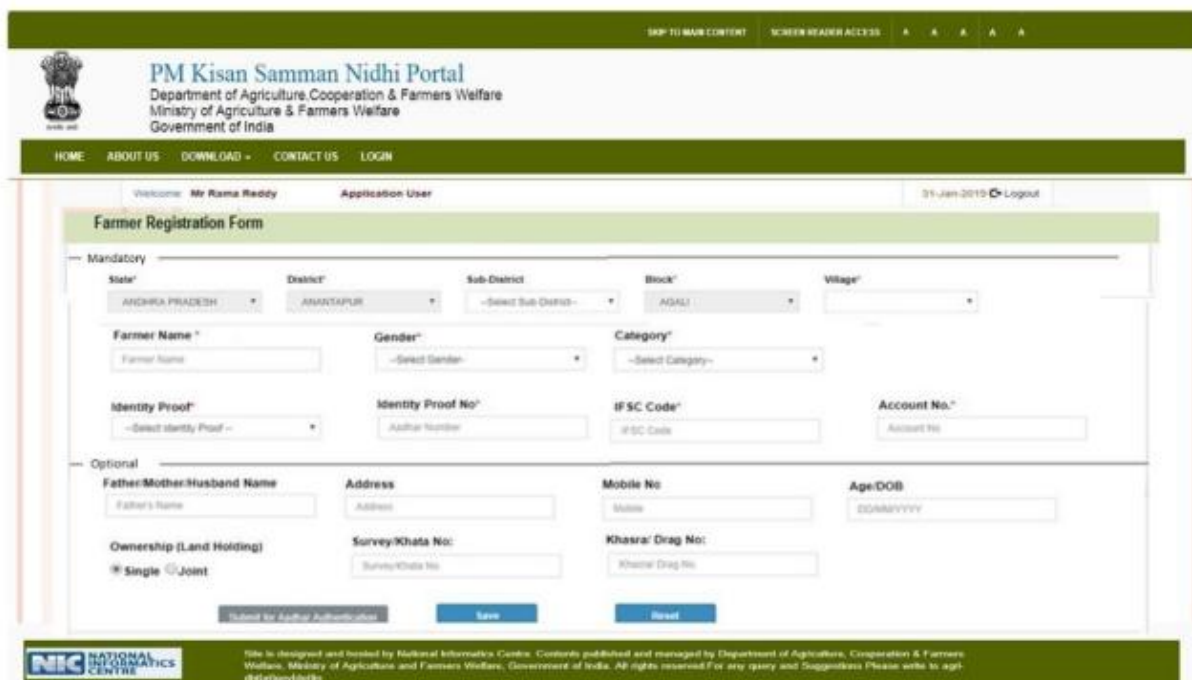
The following farmer attributes need to be entered in the Portal: Farmer Attributes: (Essential): State, District, Sub-District/Block, Village, Farmer Name, Type of Identity – Aadhaar Number and in case Aadhaar not available, Aadhaar enrolment number with any other ID proof like Voter ID etc, Gender, Category, IFSC Code, Bank Account Number.

Farmer Attributes (Optional):

Father name, Address, Mobile Number, Date of Birth/Age, Farm-Size in Hectare, Survey Number, Khasra Number Optional attributes such as Mobile number can be utilized for SMS alerts.

Other optional attributes may be used for purpose of future requirement. However, these attributes are not essential for purpose of transfer of benefits as States/UTs are certifying that beneficiaries are eligible for transfer of benefit.

These attributes are illustrated on PM KISAN Portal <http://pmkisan.nic.in> as follows



The screenshot displays the 'Farmer Registration Form' on the PM Kisan Samman Nidhi Portal. The form is divided into 'Mandatory' and 'Optional' sections. The 'Mandatory' section includes fields for State (ANDHRA PRADESH), District (AMARAVATI), Sub-District (Select Sub-District), Block (AGALI), Village, Farmer Name, Gender, Category, Identity Proof, Identity Proof No., IFSC Code, and Account No. The 'Optional' section includes fields for Father/Mother/Husband Name, Address, Mobile No., Age/DOB, Ownership (Land Holding) with radio buttons for Single and Joint, Survey/Khata No., and Khasra/ Drag No. The form has 'Save' and 'Reset' buttons at the bottom. The portal header includes the PM Kisan Samman Nidhi Portal logo and navigation links like HOME, ABOUT US, DOWNLOAD, CONTACT US, and LOGIN. The footer contains the NIC logo and copyright information.

CONCLUSION

We find that the scheme has reached 30% farmers within three months of its implementation. For selection in choosing PM-KISAN beneficiaries. Our result shows no evidence of selection in terms of social, economic, and agricultural characteristics of farmer. Therefore, the concerns raised about the PM-KISAN scheme and its implementation is well addressed in UP, to begin with. Banking infrastructure created through Pradhan Mantri Jan Dhan Yojana (PMJDY), 43 and the timely preparation of farmer's database by the state government played a key role in the appropriate implementation of PM-KISAN. However, it is still early days and there is a need of more evaluations across states with complete rollout. Our findings on utility of income support suggest that the spending patterns of farmers are well aligned with the objectives of the scheme. Evidence suggests that more than 50% farmers who received the benefits in agricultural peak season have spent their money in the agriculture sector, and more than 60% farmers who received the money in the off season spent the money on consumption, education and medical purposes. Moreover, the result shows that spending pattern 13 of farmers in the agriculture sector is correlated with the farmer's dependency on the agricultural sector, farm size, and to the poor access to credit facilities.



Our study establishes the evidence that the PM-KISAN has significantly stimulated the KVK's impact for the adoption of modern paddy cultivars. In particular, the study shows that PMKISAN has increased 36 p.p. adoption of modern cultivars for KVK beneficiaries as compared to the non-KVK beneficiaries. A lesson learnt from this research suggests that the agricultural extension system (e.g. KVKs) along with PM-KISAN can serve to encourage farmers for making productive investments in agriculture. If farmers invest some part of its cash transfer in productive investments, it can have implications for permanent increase in income in longer term.⁴⁴ From policy perspective, the study establishes the evidence on the significant role of PM-KISAN in stimulating the adoption of modern technologies through KVKs, which in turn, provides a pathway to encourage farmers for making productive investments in the agriculture sector. Therefore, the PM-KISAN shows a potential to break the cycle of intergenerational poverty and low income of farmers through investment in modern technology.

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