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A Study on The Impact of The Pm-Kisan Samman Nidhi Scheme For Financial Assistance on Farmers in Ooty Taluk, Nilgiri District, Tamil Nadu

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Abstract
Agriculture plays a vital role in the Indian economy by providing employment and livelihoods to a large proportion of the population. Agriculture and allied activities account for about 18.2 percent GDP of the total economy.The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme was introduced 2019 by the Government of India to provide financial assistance to eligible farmer families. This study examines farmers' perceptions of the PM-KISAN scheme and its influence on agricultural activities. Primary data were collected from fifty farmers using a structured questionnaire. Percentage analysis and factor analysis were employed to analyse the data. The findings reveal that the scheme encouraged farmers to continue in agriculture, supported improvements in crop cultivation and irrigation activities, and facilitated seed purchases. The factor analysis identified three major components of farmers' perceptions: Beneficiary Experience, Financial Assistance and Investment Outcomes, and Awareness and Outreach Programme. These components highlight the importance of hassle-free benefit transfers, accessibility, the use of financial assistance for agricultural and household needs, and awareness activities. The study concludes that PM-KISAN supports farmers by providing financial assistance and encouraging their continued participation in agriculture.

Key words: PM-KISAN Scheme, , Agricultural Activities, Financial Assistance, Direct Benefit Transfer (DBT) , Farmers' Welfare

I. Introduction

Agriculture in India is one of the oldest and most important sectors of the economy, farming the backbone of rural life and national development. It refers to the practice of cultivating crops, growing fruits and vegetables, and rearing livestock to meet the food and economic needs of the population. For thousands of years, Indian agriculture has been closely linked with the country's culture, traditions, festivals, and livelihood patterns. A large part of India's population 47 percentage still depends on farming for income, making agriculture a major source of employment and a key driver of rural development. Understanding agriculture in India is essential to appreciate why schemes like PM-KISAN are necessary for the welfare and progress of the farming community. To support farmers and strengthen the agricultural and allied activity , the Government of India has introduced various schemes. One of the most significant among them is the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-KISAN), which provides financial assistance to farmers to reduce their economic burden and improve their livelihoods.

Origin of PM-KISAN Scheme

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme was introduced in 2019 as a policy response to the growing financial distress faced by small and marginal farmers in India. Rising cultivation costs, fluctuating market prices, and uncertain climatic conditions have led to income instability in the farming sector. To provide assured income support and strengthen the rural economy, the Government of India introduced a direct income assistance model. The scheme was first announced in the Interim Union Budget of 2019 and was officially launched on 24 th February 2019 at Gorakhpur, Uttar Pradesh. Initially, it covered small and marginal farmers owning up to two hectares of cultivable land. Later, the scheme was expanded to all farmer's across the country. The introduction of PM-KISAN marked a significant shift in agricultural policy from indirect subsidies and loan waivers towards a transparent, technology-driven direct income support system aimed at enhancing farmers' financial security and promoting inclusive agricultural growth.

Since 2019, several central government initiatives have been introduced or strengthened to

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support farmers through income assistance, social security, agricultural infrastructure, and sustainable development. Among these, PM-KISAN provides direct income support of ₹6,000 per year to eligible farmers in three equal instalments in each 2000 rupees per annum through the Direct Benefit Transfer (DBT) system, ensuring greater income stability. The PM-KISAN scheme continues to play a significant role in strengthening farmers' income security across the country. Under the 23rd instalment, released on 20th June 2026 at Hooghly, West Bengal, the Prime Minister disbursed over ₹18,880 crore to more than 9.44 crore farmers. Since its launch in 2019, the scheme has transferred over ₹4.46 lakh crore directly to farmers, making PM-KISAN one of the world's largest Direct Benefit Transfer (DBT) initiatives. The occasion was also celebrated as "PM KISAN Utsav Diwas."

The PM-KISAN scheme operates through a centralized digital portal that integrates state land records with the national database. Aadhaar-based e-KYC has been made mandatory to ensure transparency, prevent duplication, and facilitate the direct transfer of financial assistance into beneficiaries' bank accounts. Certain categories, including income tax payers, institutional landholders, and serving or retired higher-level government employees, are excluded from the scheme. PM-KISAN also converges with other farmer welfare initiatives such as the Pradhan Mantri Fasal Bima Yojana and PM-Kisan Maandhan Yojana, thereby strengthening comprehensive agricultural support. The scheme also promotes the adoption of renewable energy in agriculture by supporting the installation of solar pumps and solar power projects.

Objective of the Study

1. To assess the socio-economic status of Pradhan Mantri Kisan Samman Nidhi Yojana beneficiaries in Ooty Thaluk,Niligiri district, Tamil Nadu.
2. To explore farmers awareness and satisfaction of Pradhan Mantri Kisan Samman Nidhi Yojana within the study Area.

II. Review of literature

Yadav et al. (2025) examined the socio-economic impact of the PM-Kisan Samman Nidhi Scheme using purposive-cum-random sampling. The scheme helped marginal and small, farmers by reducing financial distress and improving their social and economic well-being. Beneficiary farmers showed better returns compared to non-beneficiaries, indicating progress in rural development. The study also noted the progressive nature of farmers, resources potential of districts, and diversification into enterprises like dairy, poultry, and fisheries.

Reddy et al. (2025) analyses how marginal and small paddy farmers in Andhra Pradesh utilize funds from the PM-KISAN and Rythu Bharosa schemes reveals that most farmers use the funds for land preparation, seed purchase, and harvesting while spending on fertilizers, pesticides and irrigation remains low. In my opinion this research shows that such schemes provide vital short-term relief but improving awareness and resources management could enhance their long-term impact on farmers productivity and livelihoods.

III. Methodology

The study is based on primary data collected from 50 small and marginal farmers(below two hectare Agriculture land) by using a structured questionnaire. The respondents were selected using the random sampling method to examine their socio-economic characteristics, agricultural activities and awareness and satisfaction of PM Kisan scheme in Ooty Taluk, Nilgiris District.

Tools for analysis

1. Percentage Analysis

It is a simple descriptive statistical tool that expresses the frequency of responses in percentage terms for easy comparison and interpretation.

The percentage was calculated using the following formula:

Percentage=(Total number of respondents/Number of respondents in a category)×100

2. Factor Analysis

Factor analysis is a statistical technique used to identify underlying factors that explain the relationships among a set of observed variables. In this study, factor analysis was used to identify the major components of farmers' perceptions.

$$X_i = a_{i1}F_1 + a_{i2}F_2 + \ldots + a_{im}F_m + e_i$$

Where,

X_i =Observed Variable

a_{ij}= factor loading of variable i on factor j

F_j = common factor

e_i= unique factor or error term

m= number of extracted factors

Factor analysis is interpreted using factor loadings, which show the relationship between variables and factors. Higher absolute loadings indicate stronger relationships. The KMO test and Bartlett's test are used to check whether the data are

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suitable for factor analysis. The factors are then named based on the common characteristics of the variables grouped under each factor**.**

IV. Result and Discussion

Table 1: Socio-Economic and Demographic Characteristics of PM Kisam Samman Nidhi Scheme Farmers

Gender	**Frequency**	**Percent**	**Housing Type**	**Frequency**	**Percent**
Male	41	82	Tiled	17	34
Female	9	18	Concrete	33	66
Total	50	100	Total	50	100
Education	**Frequency**	**Percent**	**Area**	**Frequency**	**Percent**
Primary	4	8	village	44	88
Higher Secondary	34	68	Town	6	12
Graduate	12	24	Total	50	100
Total	50	100	**Years of Farming Experience**	**Frequency**	**Percent**
Annual income	**Frequency**	**Percent**	0-20	24	48
Less than 250000	14	28	21-30	14	28
250000-350000	18	36	Above 31	12	24
Greater than 350000	18	36	Total	50	100
Total	50	100	**Family Members Engaged in Agriculture**	**Frequency**	**Percent**
Type of Family	**Frequency**	**Percent**	Yes	32	64
Nuclear	42	84	No	18	36
Joint	8	16	Total	50	100
Total	50	100			

Source: Primary Sourc

Table 1 explains the socio-economic and demographic characteristics of farmers. Regarding gender, 82per cent of the respondents were male, while 18per cent were female. In terms of education, 68per cent had higher secondary education, followed by 24per cent who were graduates and 8per cent who had primary education. Regarding annual income, 36per cent earned between ₹2,50,000 and ₹3,50,000, 36per cent earned more than ₹3,50,000, and 28per cent earned less than ₹2,50,000. In terms of family structure, 84per cent belonged to nuclear families, while 16per cent belonged to joint families. Regarding residential area, 88per cent lived in villages, whereas 12per cent lived in towns. In terms of housing type, 66per cent lived in concrete houses, while 34per cent lived in tiled houses. Regarding farming experience, 48per cent had 0–20 years of experience, followed by 28per cent with 21–30 years and 24per cent with more than 31 years of experience. Furthermore, 64per cent reported that their family members were engaged in agriculture, while 36per cent reported that their family members were not engaged in agricultural activities

Table 2 : Utilization of Financial Assistance Received under PM Kisan Samman Nidhi Scheme by the Farmers

S.No	**Particulars**		**Frequency**	**Percentage**
1.	**Influence to Stay in Agriculture**	Yes	46	46
		No	4	4

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		Total	50	50
2	**Improved in Crop cultivation**	Yes	30	60.0
		No	20	40.0
		Total	50	100.0
2	**Irrigation activities**	Yes	31	62.0
		No	19	38.0
		Total	50	100.0
3	**Purchasing fertilizers**	Yes	24	48.0
		No	26	52.0
		Total	50	100.0
4	**Labour wage**	Yes	31	62.0
		No	19	38.0
		Total	50	100.0
5	**Buying Machinery**	Yes	26	52.0
		No	24	48.0
		Total	50	100.0
6	**Purchasing Pesticides**	Yes	32	64.0
		No	18	36.0
		Total	50	100.0
7	**Procuring Seeds**	Yes	41	82.0
		No	9	18.0
		Total	50	100.0

Source: Primary Data

Table 2 presents farmers' responses regarding the influence of the scheme on agricultural activities. Regarding the influence to stay in agriculture, 92per cent of farmers responded positively, while 8per cent responded negatively. In terms of improvements in crop cultivation, 60per cent reported improvement, whereas 40per cent did not. Regarding irrigation activities, 62per cent reported a positive response, while 38per cent did not. For purchasing fertilizers, 48per cent reported purchasing them, while 52per cent did not. Similarly, 62per cent reported labour usage, whereas 38per cent did not. Regarding the purchase of machinery, 52per cent reported purchasing it, while 48per cent did not. In terms of purchasing pesticides, 64per cent reported purchasing them, while 36per cent did not. Finally, 82per cent reported purchasing seeds, whereas 18per cent did not. Overall, the findings indicate that the scheme was widely associated with farmers' willingness to continue in agriculture and the purchase of seeds, while responses regarding other agricultural activities varied.

Table. 3 :Farmers' Perceptions of the PM-KISAN Samman Nidhi Scheme

Table 3.1 Reliability Statistics

Cronbach's Alpha	No of Items
.709	15

Source: Primary Data

Table 3.1 shows that Cronbach's Alpha value is 0.709 for 15 items, indicating an acceptable level of internal consistency among the items.

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Table 3.2KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measures of Sampling Adequacy		.771
Bartlett's Test of Sphericity	**Approx.Chi-Square**	470.616
	df	105
	Sig.	.000

Source: *Primary Data*

Table 3.2 shows that the KMO value is 0.771. It indicating that the data are suitable for factor analysis. Bartlett's Test shows a Chi-square value of 470.616 with 105 degrees of freedom and a significance value of less than 0.001, confirming that the data are appropriate for factor analysis.

Table 3.3 Rotated Component Matrix

Particulars	**Component**		
	Beneficiary Experience	**Financial Assistantance Investment Outcomes**	**PM Scheme Awareness and Outreach Programme**
Scheme reached through panchayats or media			.863
Online portal registration			.840
Faced no delays linking in Aadhaar to receive benefits	.861		
Eligibility land holding			.764
To buy fertilizers		.866	
Farm loans or debts on time		.837	
Payments was used for purchasing of seeds		.817	
Avoid of moneylenders		.784	
Direct benefit transfer was hassle-free	.920		
Instalments wise requirement used for cropping cycle	.859		
Farmer easy to access	.867		
Improved standard of living and education expenses		.824	
Awareness about Friends and Relative			.736
Local awareness camps by officials' adoption in my village			.808
Recommend to other farmers without hesitation	.897		

Source: *Primary Data*

Table 3.3 presents the rotated component matrix, which identifies three major components of farmers' perceptions of the PM-KISAN scheme: Beneficiary Experience, Financial Assistance and Investment Outcomes, and Awareness and Outreach Programme. Under Beneficiary Experience, hassle-free direct benefit transfer recorded the highest factor loading of 0.920, followed by recommending the scheme to other farmers without hesitation (0.897), no delays in Aadhaar linking (0.861), instalments

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being used according to cropping cycle requirements (0.859), and ease of access for farmers (0.867). Under Financial Assistance and Investment Outcomes, purchasing fertilizers recorded the highest factor loading of 0.866, followed by timely payment of farm loans or debts (0.837), purchasing seeds (0.817), avoiding moneylenders (0.784), and improvements in living standards and education expenses (0.824). Under Awareness and Outreach Programme, reaching farmers through panchayats or media recorded a factor loading of 0.863, followed by online portal registration (0.840), local awareness camps conducted by officials (0.808), eligibility based on landholding (0.764), and awareness through friends and relatives (0.736). Overall, the findings highlight the importance of smooth benefit delivery and accessibility, the use of financial assistance for agricultural expenditure and household needs, and the role of communication channels and awareness activities in informing farmers about the PM-KISAN scheme.

V. Conclusion

The study highlights the role of the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme in supporting farmers and addressing their financial needs. The socio-economic profile of the respondents reveals that most were male, belonged to nuclear families, resided in villages, and had family members engaged in agriculture.The findings indicate that the scheme was associated with farmers' willingness to continue in agriculture, improvements in crop cultivation, and agricultural activities such as irrigation and the purchase of seeds, fertilizers, pesticides, and machinery. The factor analysis identified the importance of hassle-free benefit transfers, accessibility, financial assistance for agricultural and household needs, and effective communication channels in improving farmers' experiences with the scheme. Overall, PM-KISAN supports farmers' welfare by providing financial assistance and encouraging continued participation in agriculture.

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