PM Dhan Dhaanya Krishi Yojana (Developing Agri Districts Programme)

Executive Summary

Executive Summary: PM Dhan Dhaanya Krishi Yojana (DDKY)

1. **Transforming Agricultural Productivity** – DDKY aims to uplift low-productivity districts through strategic policies, innovation, and modern farming techniques.
2. **Sustainable & Efficient Resource Use** – Integrating **Nano Urea** to reduce chemical fertiliser dependency, expanding **PM Krishi Sinchayee Yojana (PMKSY)** for micro-irrigation. Leveraging **Agri-Tech** for AI-driven soil analytics and precision farming.
3. **Climate Resilience & Environmental Sustainability** – Scaling National Innovations in Climate Resilient Agriculture (NICRA) for drought-resistant cropping, promoting **carbon farming & agroforestry**. Expanding **PM-PRANAM & Green Credit Scheme** for eco-friendly farming incentives.
4. **Crop Residue & Soil Health Management** – Strengthening mechanised solutions, financial incentives, and awareness campaigns to curb **stubble burning** while improving soil health.
5. **Farmer Empowerment & Financial Inclusion** – Enhancing access to credit, expanding digital platforms for real-time market insights, and ensuring financial incentives for small and marginal farmers.
6. **On-Ground Implementation Support** – Establishes **Dhan Dhaanya Krishi Centres** for farmer guidance, research-based solutions, and streamlined scheme accessibility.
7. **Strengthening Rural Livelihoods** – Integrates skilling, rural employment, and crop diversification through initiatives like the Rural Prosperity Programme and Aatmanirbharta in Pulses
8. **Holistic Agricultural Growth** – Creating a **self-sustaining agricultural ecosystem** that fosters rural prosperity, market competitiveness, and climate adaptability through integrated interventions.

I. Introduction

Agriculture has long been the backbone of India's economy, yet many regions remain trapped in low-productivity and financial distress cycles. The PM Dhan Dhaanya Krishi Yojana (DDKY), announced in the Union Budget 2025-26[1], is set to be a game-changer in India's agricultural landscape. Aimed at boosting productivity in 100 low-yield districts, the scheme seeks to enhance irrigation facilities, facilitate credit access, and drive crop

[1] PIB Government Of India,2025

diversification. With 1.7 crore farmers expected to benefit, the program represents a critical push toward reducing regional disparities in agricultural output. DDKY is highly targeted, unlike previous broad-spectrum agricultural policies, focusing on districts that struggle with low cropping intensity, inadequate financial inclusion, and limited market access.

The program is designed around five core objectives: to enhance agricultural productivity, encourage crop diversification and sustainable farming, improve post-harvest storage infrastructure, strengthen irrigation facilities, and ensure the availability of long-term and short-term credit. While no separate budget allocation has been announced, funding is expected from various existing schemes under the Ministry of Agriculture and Farmers' Welfare and the Ministry of Fisheries, Animal Husbandry, and Dairying, with potential allocation following formal cabinet approval. A key inspiration for DDKY comes from the Aspirational Districts Programme [2](ADP), which demonstrates how data-driven governance and localised implementation can drive meaningful progress. While ADP significantly improved health, education, and rural infrastructure, its impact on agriculture remained limited, and DDKY seeks to fill this gap.

II. Analysis

The Aspirational Districts Programme (ADP), launched in 2018, transformed some of the most underdeveloped districts by fostering competition among local administrations and ensuring convergence of government schemes. ADP's education, health, and skill development success illustrated how real-time monitoring and focused policy interventions could drive progress. However, agriculture remained a weak spot, with little structural change in credit access, irrigation, or post-harvest infrastructure. DDKY, by design, aims to address these gaps and apply ADP's data-driven governance model specifically to agriculture. Additionally, the Rural Prosperity and Resilience Programme[3], announced alongside DDKY, will play a vital role in addressing under-employment in agriculture by promoting skilling, investment, and technology adoption. This initiative will ensure that migration remains an option rather than a necessity while creating new rural employment opportunities. It will particularly benefit rural women, young farmers, and landless families, ensuring that DDKY's impact extends beyond just crop productivity to include economic empowerment and rural enterprise development. The Aatmanirbharta in Pulses Mission further strengthens DDKY's focus on crop diversification and climate resilience. This six-year initiative aims to develop and commercialise climate-resilient seeds, enhance productivity, and improve post-harvest storage. By ensuring remunerative prices through government-backed procurement, the program aligns with DDKY's goal of enhancing market accessibility for small and marginal farmers. Similarly, the Comprehensive Programme for Vegetables & Fruits will complement DDKY's objective of crop diversification by promoting efficient supply chains, processing facilities, and stable price realisation for farmers. The establishment of farmer-producer organisations (FPOs) and cooperatives under this initiative will further support small-scale farmers in improving their bargaining power and accessing larger markets.

The newly introduced Grameen Credit Score framework will be instrumental in addressing credit accessibility gaps in DDKY districts. By enabling public sector banks to assess rural creditworthiness more effectively, this

[2] IE, February, 2025

[3] PIB Government of India

initiative will ensure that self-help groups (SHGs) and marginal farmers have better access to financial services, reducing their reliance on informal lenders.

Lessons from past agricultural schemes also highlight what works and what does not. PM-KISAN[4], launched in 2019, provided direct financial support, offering farmers much-needed liquidity. The Soil Health Card Scheme (2015)[5] successfully promoted sustainable fertiliser use, preventing soil degradation. Similarly, e-NAM (2016[6]) attempted to create a pan-India digital market for agricultural produce, though its success has been inconsistent due to limited infrastructure and digital literacy gaps.

However, some policies failed to meet expectations. PM Fasal Bima Yojana (2016[7]), envisioned as a safety net for farmers, faced delays in claim settlements and high premium costs, making it unviable for many smallholders. The KUSUM scheme (2019)[8], which aimed to encourage solar-powered irrigation, saw low adoption due to high upfront investment requirements. Even the ambitious Doubling Farmers' Income target (2016-2022)[9] was missed, largely due to market inefficiencies, climate risks, and stagnant farm gate prices.

Climate change is no longer a distant threat but a pressing reality for Indian farmers. Rising temperatures, erratic rainfall, and extreme weather events such as droughts and floods have disrupted traditional farming cycles, making agricultural output highly unpredictable. Studies indicate that India's average temperature has risen by 0.7°C between 1901 and 2018, and projections suggest it could increase further by 1.5°C-2°C by 2050, significantly impacting crop yields. Unseasonal rains and prolonged dry spells have already resulted in severe crop losses, pushing farmers into cycles of debt and financial insecurity.

To enhance climate resilience under DDKY, India must promote drought-resistant crops, expand micro-irrigation and rainwater harvesting, and encourage agroforestry and soil conservation to prevent land degradation. AI-driven weather forecasting and village climate information centres can help farmers prepare for extreme weather while strengthening PMFBY and offering climate risk credit can mitigate financial risks. Adopting sustainable practices like zero-budget natural farming and organic fertilisers, diversifying into horticulture and fisheries, and improving digital market access will ensure higher productivity and stability. Strengthening cold storage infrastructure can further reduce climate-related post-harvest losses.

DDKY must learn from these experiences and adopt a multidisciplinary approach that incorporates technology-driven solutions, innovative financing models, and sustainable agricultural practices to ensure long-term impact.

[4] PM KISAN Samman Nidhi
[5] Soil Health Card Scheme
[6] e-NAM
[7] PM Fasal Bima Yojana
[8] Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan Scheme For Farmers
[9] Doubling Farmers' Income target (2016-2022)

III. Recommendations

To ensure the success of PM Dhan Dhaanya Krishi Yojana, a holistic and well-integrated implementation approach is needed, aligning with existing policies for a more cohesive agricultural transformation. This includes leveraging technology, financial inclusion, climate resilience, and public-private partnerships.

A. Integrating Nano Urea for Soil Health and Sustainable Yield

Firstly, integrating the Nano Urea policy will help reduce traditional urea dependence while improving soil health and long-term yield sustainability. By incorporating nano urea awareness and distribution within DDKY, the government can ensure balanced fertiliser usage and prevent soil degradation.

B. Enhancing Irrigation Through PM Krishi Sinchayee Yojana (PMKSY)

Irrigation remains a key bottleneck in low-productivity districts, and linking PM Krishi Sinchayee Yojana (PMKSY) with DDKY will facilitate the expansion of micro-irrigation techniques like drip and sprinkler systems. Additionally, the budgetary focus on rural infrastructure can be used to improve post-harvest storage, reducing crop wastage and improving price realisation. Better water management and irrigation facilities will enhance crop resilience, reduce yield volatility, and provide farmers with a more secure agricultural environment.

C. Establishing Special Committees for Crop-Specific Research and Solutions

a. Set up district-level committees in all 100 DDKY districts, including agronomists, economists, and local farmer representatives.
b. Identify the Most Suitable Crops: Conduct scientific research to determine which crops best suit each district based on soil health, climate conditions, and market demand.
c. Identify productivity constraints and address key challenges through data-driven solutions for better yields and sustainability.
d. Ensure Effective Implementation: Use real-time data and farmer feedback to continuously refine strategies, ensuring higher productivity and better income stability for farmers.

D. Building Climate Resilience with NICRA & Biofuel Hubs

a. Expand National Innovations in Climate Resilient Agriculture (NICRA) within DDKY to improve natural resource management and provide climate adaptation training to farmers.
b. Set up district-level Biofuel Hubs to collect crop residues (e.g., stubble) and convert them into biofuels, reducing air pollution.
c. Generate Additional Farmer Income by creating a market for agricultural waste and linking farmers to biofuel production units.
d. Promote Clean Energy Solutions through government and private sector collaboration, ensuring scalability and sustainability.

E. Launching Dhan Dhaanya Krishi Centres for Farmer Support and Scheme Accessibility

To enhance last-mile delivery of agricultural benefits, Dhan Dhaanya Krishi Centres should be set up at the district level to serve as research and service hubs. These centres will:

a. Provide scientific solutions for crop selection, soil health, and climate resilience.
b. Address low productivity and financial distress by guiding farmers toward customised solutions.
c. Act as one-stop enrolment hubs, ensuring that farmers know and successfully enrol in relevant government schemes, bridging the gap between policy and implementation

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