

Analysis Of Prime Minister Dhan Dhanya Krishi Yojana

I. Executive Summary

The Prime Minister Dhan Dhanya Krishi Yojana was introduced by the Finance Minister of India, Smt Nirmala Sitharaman Ji, on 1st February, 2025. As a part of the Union budget of FY 2025-26, the scheme was focused on the development of the agriculture sector. The scheme will include various agricultural programs to develop 100 low-performing district areas. The scheme targets around 1.7 crore small and marginal farmers to improve their conditions. It focuses on the development of agricultural districts through strategic implementation strategy. The scheme has major objectives of enhancing crop diversification, improving agricultural infrastructure, encouraging sustainable practices, and expanding credit access. Certain measures are also suggested to increase the impact of the scheme, including Geographic Information System (GIS) mapping, public-private partnership, widened crop infrastructure, skill development centers, digital platforms for market linkage, adequate fund allocation and subsidised loans.

II. Introduction

Indian agriculture consists mainly of small or marginal landholders. These farmers represent 86% of the farmer population but they maintain possession of only 47% of the agricultural land area.¹ The owners of small and marginal farms encounter numerous operational difficulties. Farmer productivity remains low because small landholders face shortfalls of agricultural products, credit hardships along with weak rural infrastructure networks. Through the Prime Minister Dhan Dhanya Krishi Yojana presented in the Union Budget for FY 2025-26, the Government of India addressed the prevailing agricultural issues. Benefits from this extensive program will be provided to the 1.7 crore farmer groups operating in 100 low-productivity districts. A multifaceted approach under the scheme includes practices for sustainable agriculture, irrigation improvements, strengthened credit access for farmers and active promotion of crop variety expansion. This scheme contains two core objectives that seek to engender economic growth in rural areas and improve farmers economic conditions. The Bharatiya Janata Party (BJP) has launched this important project for agricultural sector revitalization in India. The multiple components of the scheme require some recommendations to maximize its effectiveness. The Government is recommended to implement GIS mapping, public-private partnership initiatives, widened infrastructures for crops, skill development centers and digital market linking platforms. Furthermore, the Government is advised to provide adequate funding for irrigation projects and subsidised loans to women for increasing the impact of the scheme.

¹ Dr. Sanjeev Chopra & Development Intelligence Unit. (n.d.). ANNUAL SURVEY OF STATE OF MARGINAL FARMERS IN INDIA. In ANNUAL SURVEY OF STATE OF MARGINAL FARMERS IN INDIA.

<https://www.developmentintelligenceunit.in/wp-content/uploads/2023/08/3.-Annual-Survey-for-Marginal-Farmers.pdf>

III. Context of the Issue

Agriculture in India is a risky sector. Indian farmers face various problems that stifle agricultural growth and development. Despite a majority of the population being dependent on agriculture, the risks in agriculture continue to exist. Some of the predominant issues are-

A. Poor Agricultural Productivity

The agricultural sector of India has demonstrated marked variations in growth patterns during the past ten years because its rates moved from 5.8% in 2005-06 to the lowest point of -0.2% in 2014-15.² The irregularity in statistics reveals fundamental matters affecting farm output. Indian rice production places the country in third position globally, but its land-based yield rates fall short when compared to Brazilian, Chinese, and American farmers. Efforts to raise productivity must become urgent since ongoing farming practice discrepancies display agricultural needs for modernisation.

B. Inadequate Credit Access

Most Indian farmers encounter substantial hurdles in obtaining formal credit, which remains an essential issue. The debt obtained through informal sources among farmers amounts to 30.7% of their total outstanding debt portfolio, yet they pay these funds with excessively high interest, which generates adverse financial outcomes.³ The use of non-institutional lenders prevents farmers from acquiring quality inputs and modern technologies, which diminishes their productivity and income capacity.

C. Rising Indebtedness

The financial condition of farmers worsens continuously because of the increased levels of debt. The All-India Survey of Rural Debt and Investment reports that 25% of rural households were subject to debt in 1992, yet this percentage rose to about 46% in 2013. Tenant farmer suicide rates account for 80% of all such cases, although this group comprises only 10.4% of India's total farming population.⁴

D. Agricultural Disparities and Regional Imbalances

The agricultural sector of India faces continuous challenges from unequal developmental patterns, even though it constitutes the foundation of the national economy. The agricultural productivity of Punjab and Haryana stands high, but eastern and central areas, as well as drought-hit regions, face multiple challenges in productivity rates, irrigation systems and financial stability.

² Analytical reports. (n.d.). PRS Legislative Research. <https://prsindia.org/policy/analytical-reports/state-agriculture-india>

³ Basumatary, R., Kalita, S., & Bharadwaj, H. (2024). Informal Credits in India's Agriculture Sector: Debt Incidence, Size and Distribution across Major Farm-size Groups. *International Journal of Rural Management*, 20(3), 392–412. <https://doi.org/10.1177/09730052241262599>

⁴ Reddy, A. A., Raju, S., Bose, A., ICAR-Central Research Institute for Dryland Agriculture, Hyderabad, ICAR-Central Marine Fisheries Research Institute, Kochi, & O P Jindal Global University, Sonipat, Haryana. (2020). Farmers' income, indebtedness and agrarian distress in India. *The Microfinance Review*, 12(1), 20–38. https://www.ssoar.info/ssoar/bitstream/handle/document/87735/ssoar-microfinr-2020-1-reddy_et_al-Farmers_Income_Indebtedness_and_Agrarian.pdf?isAllowed=y&sequence=1&utm_source

IV. Prime Minister Dhan Dhanya Krishi Yojana

As a national initiative, the Government of India introduced the PM Dhan Dhanya Krishi Yojana (PMDDKY) to improve agricultural production in areas with poor yield levels, small territories, and limited credit access. The Government introduced this scheme through the Union budget (FY 2025-26) to adapt the successful model of the Aspirational Districts Programme. It merges agricultural programs with specific actions to develop 100 poor-performing district areas to benefit 1.7 crore farmers. It pursues sustainable farming practices, better irrigation, crop diversification and improved financial accessibility for farmers. Small and Marginal farmers are the core beneficiaries of this scheme. The scheme helps various beneficiary groups, including Agricultural Cooperatives, farmer-producer organisations, Agri-Tech Startups, Women Farmers and Self-Help Groups.

A. Essential Components and Suggested Policies of the Scheme

1. Agricultural District Development through Strategic Implementation Strategy

The scheme targets agricultural advancement within districts. Through its strategy to select 100 underdeveloped districts, it allocates public funds to the areas in need of assistance. The State Government targets specific farming needs in specific agricultural areas to achieve success. Financial credit norms receive special attention through this program since inadequate agricultural credit has long prevented small farmers from success in India.

2. Building Rural Prosperity and Resilience

The Government executes the Rural Prosperity and Resilience Programme as a multi-sectoral approach to revitalise rural economic conditions and increase agricultural output. Under this initiative, the program seeks to reduce agricultural underemployment by developing farm-based skills while promoting technological advancements. The ongoing initiative works to enable rural women and youth by creating employment within industries based on agriculture. Small farmers can develop entrepreneurial businesses through financial benefits combined with market connection support. Agricultural storage needs modernization for minimising losses between harvest and marketing. The successful completion of this initiative requires the development of local work opportunities which would allow migration to remain voluntary rather than becoming mandatory. The program depends on international benchmark methods together with funding from banking institutions to achieve its objective of implementing permanent structural reforms in rural Indian regions.

3. Self-Sufficiency in Pulses

With pulses fundamental for achieving protein security, the Indian Government has established a six-year Self-Sufficiency Mission in Pulses. A specific segment of this mission concentrates on improving production levels and market stability for tur, urad and masoor pulses. This scheme focuses on growing more pulses for national self-reliance. Central agencies like National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers' Federation of India Limited (NCCF) are providing procurement support to farmers. The Government initiative is consistent with its wider objectives to decrease import reliance while providing sufficient food for India's expanding population.

4. Program for Vegetables and Fruits

With rising income and nutritional awareness, the Government started a specific program to increase fruit and vegetable production. The initiative concentrates on three areas, including production enhancement, supply chain development and processing capacity building for decreasing post-harvest losses. The program will increase farmer incomes through its efforts to maintain profitable prices. The program will work with State Governments to actively include FPOs and Cooperative Societies for improving access to markets and group bargaining power.

5. Grameen Credit Score

The lack of credit options has restricted the growth of Self-Help Groups (SHGs) together with small farmers for a long time. Public Sector Banks will establish the Grameen Credit Score framework as a system to evaluate rural borrowers through their agricultural practices. Through this system, bank clients will obtain simpler loan access as it links rural credit systems with formal banking while fostering greater financial inclusion. It enables farmers to purchase modern farming equipment and necessary supplies because of the provided financial assistance, which helps cut down on rural India's financial exclusion barriers.

B. Objective of the Scheme

This long-term reform strategy of the Government has four major objectives that focus on the development of the agricultural sector-

1. Tackling Agrarian Distress

Indian small and marginal farmers regularly face three major agricultural challenges like unpredictable climatic conditions, variable crop pricing and rising production costs. This program directs its efforts towards low-productivity districts to enhance farmer revenue while minimising their dependence on debt. The scheme goes beyond providing short-term relief by developing rural employment opportunities and sustainable income sources to enable people to live better lives.

2. Promoting Crop Diversification & Sustainability

The scheme encourages farmers to transform from cereal cultivation to produce pulses, oilseeds, fruits and vegetables. This strategy increases income stability and makes agriculture more climate resistant. Through this program, the authorities focus on sustainable farming systems which combine natural methods and precise agricultural practices with agroforestry techniques to eliminate chemical usage. The agricultural strategy enhances soil quality, which results in water conservation and maintains steady farm yield production over time.

3. Improving Post-Harvest Infrastructure

Lack of proper storage facilities, together with limitations in market access, forces farmers to accept meagre payment from purchasers. The storage facility expansion project at the Panchayat and Block levels under PMDDKY enables producers to keep their products on-site until they secure appropriate

market prices. Through the initiative, farmers gain access to processing units, FPOs and cooperatives, which form better supply chains that reduce waste and increase farmer income.

4. Enhancing Irrigation and Credit Access

Small farmers remain unable to climb out of financial distress because they face both irrigation development challenges and obstacles in obtaining formal credit. Through local water conservation programs and existing irrigation schemes integration, PMDDKY provides dependable irrigation service. Public sector banks will establish Grameen Credit Score to provide Self-Help Groups and farmers with low-interest loan options for financial relief. The farmers' financial security enables them to purchase advanced seeds, modern equipment and enhanced techniques, which raises their overall productivity level.

V. Policy Recommendations

A. GIS-Based Crop Planning for Region-Specific Cultivation

It is recommended to integrate Geographic Information Systems (GIS) into agricultural planning because they let planners select appropriate crops for specific regions. The implementation of GIS technology enables planners to assess soil characteristics, water supplies and regional climate patterns so that they can select appropriate crop varieties for distinct areas. The state of Rajasthan benefits from GIS recommendations to plant drought-tolerant millet in contrast to Punjab, which utilizes the technology to recommend crop rotation systems for decreasing soil degradation. Precision farming with GIS-based planning boosts farming efficiency to its maximum possible potential.

B. Public-Private Partnership

Public-private partnerships (PPPs) should invest in Indian agriculture through funding, technology sharing, and knowledge transfer. Government partnerships with private agri-tech startups, agri-business firms, and research institutions can successfully improve the agricultural infrastructure. This will help develop modern agricultural equipment and new farming technology methods. The states of Karnataka and Maharashtra have established successful PPP models that have cut post-harvest waste.

C. Expanding Crop Insurance for Risk Mitigation

The Government is recommended to expand PM Fasal Bima Yojana (PMFBY) through coverage of more crops and reduction of premiums combined with expedited claim settlements. Crop insurance coverage extends to only some of the agricultural producers, with the rest of the farmers being exposed to climate risks and unpredictable markets. There is a need to expand the outreach of insurance claim protocols in order to secure immediate financial support for farmers.

D. Regional Centers for Skill Development and Youth Inclusion

The Government is recommended to create Regional Agri-Skill Development Centers to provide sustainable farming education along with agri-business and digital marketing instruction. All farmers, including youth and women farmers, are advised to be a part of this. Youth farming rates decrease year by

year because young people lack financial prospects on farms. The centers will train people in methods to boost agricultural yields and post-harvest practices together with organic standards certification. These centres can help more people in gaining effective skills needed for farming.

E. Increased Fund Allocation for Local-Level Irrigation and Water Management Projects

The Government is suggested to dedicate financial resources directly to local water conservation and irrigation projects within districts showing inadequate irrigation coverage. India has irrigation coverage for 52% of its cultivated land, while the remaining areas depend on rainfall that varies unpredictably.⁵ SHGs and cooperatives can be encouraged to lead community water management programs that incorporate rainwater harvesting, check dam construction and micro-irrigation systems. In Bundelkhand and Marathwada, the ground level water conservation projects have brought about a 40% increase in agricultural output during the previous five years.

F. Multi-Language Awareness & Education on Agricultural Policies

The implementation of a multilingual digital awareness campaign targeting farmers should begin to educate them about Government schemes and market trends alongside sustainable farming practices. Farmer's inability to access Government programs remains a barrier because they do not have sufficient awareness about programs. Through mobile apps, digital kiosks and community radio stations located in Gram Panchayats, the initiative will reach maximum subscribers through bilingual written and spoken content dissemination.

G. Subsidized Loans for Women Farmers & Financial Literacy Programs

Women farmers should have precedence over other farmers when applying for loans through Grameen Credit Score with reduced interest rates to boost their agricultural involvement. Due to this women will have more financial support and as a result they can also have land ownership. Financial literacy programs must provide training about sustainable farming techniques so these individuals can establish organic farming businesses and agri-business ventures. The Mahila Kisan Sashaktikaran Pariyojana demonstrates that investing in women farmers leads to enhanced rural profits together with improved comprehensive agricultural results. This would also align with the broader vision of women empowerment of the Government.

H. Removing Intermediaries Through Direct Market Linkages

Developers should create an easy-to-use online system which enables farmers to meet buyers without going through intermediaries. The final retail price that reaches farmers consists of 30-40% of the total value because of numerous intermediaries involved in the supply chain.⁶ The platform must be easy to use and available through mobile devices with support for local native languages to serve farmers with limited technology knowledge. The e-NAM (National Agriculture Market) demonstrates success in market

⁵ Rauscompass. (2023, August 31). 52% of cultivated land has access to irrigation for first time: NITI Aayog - Rau's IAS. Compass by Rau's IAS. <https://compass.rauias.com/current-affairs/52-of-cultivated-land-has-access-to-irrigation-for-first-time-niti-aayog/>

⁶ Drishti IAS Coaching in Delhi, Online IAS test series & study material. (n.d.). <https://www.drishtias.com/printpdf/enhancing-agricultural-productivity-and-sustainability>

integration of farmers yet faces challenges due to its complicated registration system. A basic digital trading environment has the potential to drive improved price information processes which leads to higher farmer profits.

VI. Conclusion

Through Prime Minister Dhan Dhanya Krishi Yojana, the Government is aiming to make a fundamental change to boost its agricultural performance, specifically focused on districts with limited output and insufficient credit opportunities. The execution of modern technology, irrigation enhancements, financial expansion and sustainable farming practices under this initiative targets both rural success and community stability. The scheme needs strategic modifications to reach its full potential. The scheme can be made more efficient when it adopts GIS-based crop planning, public-private partnerships, improved insurance coverage and direct market connections. The promotion of inclusive growth will become possible through better allocations of irrigation funds combined with women farmer-specific support and regional skill education programmes. Long-term agricultural transformation will unfold through this scheme which will boost farmer income and lower rural difficulties while establishing farming as a sustainable occupation for the next generations in India.

VII. References

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