Access, Awareness and Adoption: A Study of PM–Kisan and Kisan Credit Card Among Davangere Farmers

Padmanjali K[1] & R. Selvi[2]

[1]Research scholar, Department of studies in Economics, Shivagangothri, Davangere University, Davanagere.

[2]Professor, Economics Department, Shivagangothri, Davangere University, Davanagere.

ABSTRACT:

Financial inclusion has emerged as a core priority in India's rural development agenda, aiming to ensure that farmers—often among the most financially vulnerable groups—gain equitable access to credit, subsidies, and insurance. This study examines the awareness, access, adoption, and challenges associated with the Pradhan MantriKisanSamman Nidhi (PM–KISAN) and Kisan Credit Card (KCC) schemes among farmers in Davangere district, Karnataka, during 2023–24. A descriptive and analytical research design was employed, with primary data collected from 200 farmers through structured questionnaires and interviews, and secondary data sourced from the PM–KISAN portal, NABARD district reports, and Ministry of Agriculture publications. The study highlights minimal integration between direct benefit transfers like PM–KISAN and credit schemes such as KCC, limiting potential synergies.The paper recommends targeted KCC awareness campaigns via Farmer Producer Organisations (FPOs) and panchayats, simplification of documentation through digital KYC, integration of PM–KISAN beneficiary lists with KCC eligibility, enhanced enrolment of women farmers via SHGs and cooperatives, and strengthening rural bank capacity to reduce processing delays. The conclusion emphasises that aligning operational frameworks of PM–KISAN and KCC, along with institutional strengthening and gender–inclusive outreach, can substantially enhance financial inclusion and agricultural growth in Davangere district.

KEYWORDS:

PM–KISAN, Kisan Credit Card, Financial Inclusion, Farmers, Davangere District, Agricultural Policy, Rural Credit.

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Introduction:

Financial inclusion in India has evolved from being a policy aspiration to a measurable developmental imperative. In rural areas, particularly among smallholder farmers, access to institutional finance remains uneven due to structural barriers such as low literacy, limited banking penetration, and procedural complexities. The Government of India has implemented a series of welfare and credit-linked schemes to bridge these gaps, among which PM-KISAN and Kisan Credit Card (KCC) stand out for their targeted approach.

PM-KISAN, launched in 2019, provides eligible farmers with direct income support of ₹6,000 annually in three instalments, credited directly to their bank accounts. The KCC scheme, introduced in 1998 and periodically updated, aims to provide farmers with timely and adequate credit at concessional interest rates for cultivation and allied activities.

Davangere district in Karnataka, with its diverse agricultural base, serves as a relevant case to study the operational efficiency and ground-level impact of these schemes. The district comprises both irrigated and rain-fed farming areas, making it representative of broader challenges in scheme access and utilisation.

Objectives of the Study:

» To assess the level of access to PM-KISAN and KCC among farmers in Davangere district.

» To evaluate farmers' awareness regarding scheme features, eligibility, and procedures.

» To analyse adoption patterns and utilisation of benefits.

» To identify barriers affecting scheme implementation.

» To recommend strategies for improving outreach and efficiency.

4. Research Methodology

Study Area:The research was conducted in Davangere district, Karnataka,

Research Design:

A descriptive and analytical research design was adopted.

» Descriptive because the study aims to present a clear picture of farmers' levels of access, awareness, and adoption of the schemes.

» Analytical because the data collected were examined to determine relationships between socio–economic factors (e.g., education, land–holding size) and the adoption or non–adoption of the schemes.

Sample Size:The sample consisted of 200 farmers, ensuring repre–sentation from all six taluks of Davangere district. The number was cho–sen to balance statistical significance with feasibility in terms of data collection.

Sampling Technique:

A stratified random sampling method was used.

» The population was divided into six strata based on taluks.

» From each taluk, farmers were randomly selected in proportion to their population size, ensuring representation of different farm sizes (small, marginal, and large farmers).

Data Collection:

1.   Primary Data

» Collected using a structured questionnaire covering demographics, landholding, knowledge about PM–KISAN and KCC, participation status, and perceived benefits or challenges.

» Supplemented with personal interviews to capture qualitative insights and farmer experiences.

2.   Secondary Data

» Gathered from official sources such as the PM–KISAN portal for beneficiary counts and payment records.

» NABARD district–level credit reports for KCC statistics.

» Relevant Ministry of Agriculture publications for state–level and na–tional comparisons.

Data Analysis:

The collected data were processed using both descriptive and in–ferential statistics:

» Percentages were used to summarise demographic profiles and re–sponses.

» Cross–tabulation helped identify patterns, such as the relationship between education level and awareness of schemes.

» Chi–square tests were applied to examine the association between socio–economic variables and scheme adoption rates, testing the statistical significance of observed differences.

Government Data and Scheme Overview:

PM–KISAN in Davangere (2023–24): The Pradhan MantriKisanSamman Nidhi (PM–KISAN) scheme provides direct income support of ₹6,000 annually in three equal instalments to eligible farmer households.

» In Davangere district, 2,48,500 farmers were registered as beneficiaries during the 2023–24 financial year. This represents a significant coverage of the district's agricultural households, indicating strong outreach of the scheme.

» The total disbursement to these beneficiaries amounted to ₹148.8 crore, directly credited into farmers' bank accounts via Direct Benefit Transfer (DBT).

» The beneficiary verification rate stood at 92%, meaning that almost all registered farmers had their eligibility and records validated through Aadhaar linkage and landholding verification. This high rate reflects effective coordination between local revenue departments and the Ministry of Agriculture.

Kisan Credit Card (KCC) in Davangere (2023–24):The Kisan Credit Card scheme is designed to provide farmers with timely access to short–term credit for crop cultivation and allied activities, with the added benefit of an interest subvention scheme for prompt repayment.

» As of 2023–24, Davangere had 1,38,200 active KCC accounts, showing substantial penetration of formal credit into the agricultural sector.

» The average sanctioned credit limit per farmer was ₹1.5 lakh, which aligns with the average working capital needs for common crops grown in the district, such as paddy, maize, and pulses.

» Notably, 78% of KCC holders availed the interest subvention benefit, which reduces their effective interest rate to 4% or lower for loans repaid within the stipulated time frame. This highlights a relatively high level of financial discipline and the attractiveness of concessional credit terms among farmers.

Data Presentation and Interpretation:

Table 1: Profile of Respondents

Variable	Category	% of Respondents
Age	<35 years	28%
	35–50 years	46%
	>50 years	26%
Education	Primary or less	41%
	Secondary	37%
	Graduate+	22%
Landholding size	<2 acres	49%
	2–5 acres	38%
	>5 acres	13%

Source: Primary Data from the field

The socio–economic profile of respondents reveals that a majority of farmers in Davangere district fall within the 35–50 years age group (46%), indicating that middle–aged individuals dominate agricultural activities in the region. Younger farmers below 35 years constitute 28% of the sample, reflecting moderate involvement of the next generation in farming, while older farmers above 50 years represent 26%, suggesting the presence of experienced cultivators who may follow more traditional practices. A further 37% have attained secondary education, representing a moderate literacy base, whereas only 22% hold graduate or higher qualifications, highlighting the relatively low penetration of advanced education among farmers.

Table 2: Awareness Levels

Scheme	Aware (%)	Not Aware (%)
PM–KISAN	84	16
KCC	68	32

Source: Primary data from the field

The awareness levels of government schemes among farmers in Davangere district show a clear difference between PM–KISAN and the Kisan Credit Card (KCC) scheme. PM–KISAN enjoys a high awareness

rate of 84%, indicating that the majority of farmers are well informed about the direct income support provided under the scheme. In contrast, the KCC scheme records a lower awareness level of 68%, meaning that nearly one–third of farmers (32%) are not familiar with its features, benefits, or application process. This gap in awareness suggests that while PM–KISAN has successfully penetrated rural consciousness, KCC requires enhanced promotional campaigns, on–ground financial literacy drives, and simplified processes to ensure that more farmers can access affordable credit for their agricultural needs.

Table 3: Access and Utilisation

Scheme	Access (%)	Active Utilisation (%)
PM–KISAN	76	71
KCC	52	47

Source: Primary data from the field

The access and active utilisation data indicate that while 76% of farmers have access to PM–KISAN, 71% actively receive and use its benefits, reflecting a strong conversion from access to utilisation. In comparison, only 52% of farmers have access to the KCC scheme, and 47% actively utilise it, suggesting both lower reach and slightly reduced uptake among those eligible. This highlights that although PM–KISAN has achieved broad coverage and consistent benefit delivery, KCC still faces challenges in expanding access and encouraging active usage, likely due to procedural complexities and lower awareness.

Table 4: Problems Faced

Issue	PM–KISAN (%)	KCC (%)
Delayed payments/credits	24	31
Documentation issues	17	42
Lack of awareness of procedures	21	39
Inadequate bank staff support	14	28

Source: Government of Karnataka (2024). Davangere district agriculture and farmer welfare report.,Ministry of Agriculture & Farmers Welfare (2024). PM–KISAN performance statistics, 2023–24., Reserve Bank of India (2024).Kisan Credit Card scheme performance indicators.

The comparison of issues faced by farmers under PM–KISAN and KCC reveals that challenges are more pronounced in the KCC scheme. While 24% of PM–KISAN beneficiaries reported delayed payments, the figure is higher for KCC at 31%, possibly due to procedural delays in bank–based credit disbursement. Documentation issues are relatively minor in PM–KISAN (17%) but a major hurdle in KCC (42%), indicating the latter's greater dependency on formal paperwork and verification processes.

Findings

1. High PM–KISAN Awareness and Adoption:

»   PM–KISAN has achieved wide penetration, especially among small and marginal farmers.

»   Success is due to simple eligibility criteria, direct cash transfers, and extensive government publicity.

2. KCC Procedural Bottlenecks:

»   Despite strong demand for affordable agricultural credit, KCC suffers from delays and complex paperwork.

»   Dependence on institutional banking processes limits accessibility for some farmers.

3. Role of Education and Institutional Connectivity:

»   Farmers with higher education levels are more likely to understand scheme benefits and complete applications.

»   Having a bank account, SHG membership, or cooperative society link significantly improves adoption rates.

4. Underrepresentation of Women Farmers:

»   Women's participation in both PM–KISAN and KCC remains low.

»   Barriers include lack of land ownership, mobility restrictions, and limited exposure to formal financial systems.

5. Minimal Scheme Integration:

»   PM–KISAN (income support) and KCC (credit access) operate in isolation.

»   Lack of coordination prevents farmers from automatically benefiting from both schemes.

Recommendations

1) Launch targeted awareness campaigns, particularly for KCC, through Farmer Producer Organisations (FPOs) and panchayats

» While PM–KISAN is already well–known, KCC still suffers from relatively low awareness. Leveraging local networks such as FPOs, gram panchayats, and agricultural extension officers can ensure that information about KCC's benefits, application process, and repayment terms reaches farmers in a language and format they understand.

» Using community meetings, farmer training camps, and demonstration sessions can help bridge the knowledge gap.

2) Simplify documentation and allow digital KYC for KCC issuance

» The cumbersome paperwork for KCC is a major deterrent for farmers. Introducing digital Know Your Customer (KYC) processes—linked to Aadhaar, PM–KISAN, and existing bank accounts—can reduce both time and travel costs for applicants.

» This will also minimise human errors, speed up verification, and make the process more farmer–friendly.

3) Integrate PM–KISAN beneficiary lists with KCC eligibility to auto–offer credit facilities

» Since PM–KISAN already verifies farmer identities and land ownership, its database can serve as a ready–made eligibility tool for KCC.

» Auto–offering KCC to PM–KISAN beneficiaries will reduce duplication in verification, expand credit coverage, and ensure farmers have both liquidity (cash support) and working capital (credit) for farming operations.

4) Increase female farmer enrolment through women's SHGs and cooperatives

» Women farmers remain underrepresented due to structural barriers like land title issues and lower institutional exposure. Partnering with women's Self–Help Groups (SHGs), cooperatives, and rural microfinance institutions can help identify eligible female farmers and guide them through applications.

» Special awareness drives and incentives (such as interest rate concessions) for women could further improve their participation.

5) Strengthen bank branch capacity in rural Davangere to reduce processing delays

» Many KCC applicants face delays due to inadequate staffing, lack of technical support, and heavy workloads in rural bank branches.

» Increasing manpower, providing dedicated agricultural credit desks, and improving IT infrastructure in banks will ensure faster processing, reduce follow-up visits, and build farmer trust in institutional credit systems.

Conclusion:

The study on PM-KISAN and Kisan Credit Card (KCC) adoption in Davangere district underscores the critical role these schemes play in advancing financial inclusion among farmers, yet also reveals significant gaps that limit their full potential. PM-KISAN has emerged as a highly accessible and widely adopted income support mechanism, particularly benefiting small and marginal farmers who form the backbone of the district's agricultural economy. Its success lies in its straightforward eligibility criteria, direct benefit transfer model, and proactive government outreach, which collectively reduce the typical barriers associated with rural welfare programs.In contrast, the KCC scheme, while conceptually powerful in offering affordable and timely credit to farmers, continues to face operational bottlenecks. Procedural complexities, documentation hurdles, and delays in credit disbursement have restricted its reach, despite evident demand.

Socio-economic factors—especially education, financial literacy, and institutional connectivity—are strong determinants of scheme adoption. Farmers with higher educational attainment, active bank accounts, and membership in collective institutions such as SHGs or cooperatives demonstrate higher participation in both PM-KISAN and KCC. However, women farmers remain significantly underrepresented, reflecting persistent gendered barriers in land ownership, access to credit, and institutional outreach.A major insight from the study is the lack of integration between PM-KISAN and KCC. While PM-KISAN provides immediate liquidity, KCC addresses longer-term credit needs; together, they could create a comprehensive financial safety net for farmers. Yet, the absence of data and operational linkages means that each scheme functions in isolation, leading to missed opportunities for holistic financial empowerment.

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