

# IMPACT OF FARMER WELFARE SCHEMES ON FINANCIAL STABILITY

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Every year, Government fixes Minimum Support Price (MSP) for 22 mandated agricultural crops, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. Increased MSP has benefitted farmers which are evident from the details of procurement, MSP amount paid to farmers and number of farmers benefitted during 2024-25 (up to June 2025) given below.

| Procurement (In Lakh Metric Tonnes) (LMT) | MSP amount paid to famers (In ₹ lakh Crores) | Number of farmers benefitted (In ₹ Crores) |
|-------------------------------------------|----------------------------------------------|--------------------------------------------|
| 1,175                                     | 3.33                                         | 1.84                                       |

The details of achievement under PM-KISAN, Pradhan Mantri Fasal Bima Yojana (PMFBY) and Kisan Credit Card (KCC) are given below.

- i. [Pradhan Mantri Kisan Samman Nidhi \(PM-KISAN\)](#) scheme is a central sector scheme launched in February 2019 to supplement the financial needs of land-holding farmers. Under the scheme, a financial benefit of Rs 6,000/- per year is transferred in three equal installments, into the Aadhaar seeded bank accounts of farmers through Direct Benefit Transfer (DBT) mode. Maintaining absolute transparency in registering and verifying beneficiaries, the Government of India has disbursed over Rs 3.69 lakh Crore through 19 installments since inception.
- ii. **The Pradhan Mantri Fasal Bima Yojna (PMFBY)** was introduced in the country from Kharif 2016 season. The scheme provides financial support to farmers suffering crop loss/damage arising out of natural calamities, adverse weather incidence and to stabilize the income of farmers etc. Since inception of the scheme in 2016, farmers paid a total premium of Rs 35,753 Crore Rupees and have received claims of Rs 1.83 lakh Crore Rupees (as on 30.06.2025), which is roughly 5 times the farmers premium paid during the same period.
- iii. **The Kisan Credit Card (KCC):** The government is implementing a 100% centrally funded Central Sector Scheme known as the Modified Interest Subvention Scheme (MISS) across various States and UTs in India. This scheme aims to provide concessional interest rates on short-term agricultural loans obtained by farmers through Kisan Credit Cards (KCC) for their working capital requirements. The details disbursement of funds under Modified Interest Subvention Scheme (MISS) during the last five years is given below:

(In ₹ Crores)

| S. No | Year    | Disbursement of funds |
|-------|---------|-----------------------|
| 1     | 2020-21 | 17,789.72             |
| 2     | 2021-22 | 21,476.93             |
| 3     | 2022-23 | 17,997.88             |
| 4     | 2023-24 | 14,251.92             |
| 5     | 2024-25 | 17,811.72             |

The Agriculture Infrastructure Fund (AIF) is a Central Sector Scheme launched by the Government of India in 2020 under the Atmanirbhar Bharat initiative, with the objective of mobilizing a medium to long-term debt financing facility for investment in viable post-harvest management and community farming assets. The Scheme aims to drive growth and modernization in the agriculture sector by addressing the existing gaps in post-harvest management infrastructure in the country. Under AIF, provision for Rs. 1 Lakh crore loan has been made through lending institutions with interest rate cap of 9% on loans. The Scheme target of Rs 1 lakh crore has been tentatively allocated to all the States and UTs on the basis of the ratio of total value of output of Agriculture and Allied sectors of respective States/UTs.

As on 30<sup>th</sup> June 2025, Rs. 66,310 crore have been sanctioned for 1,13,419 projects under AIF. These sanctioned projects have mobilized an investment of Rs.107,502 Crore in the agriculture sector. Major projects sanctioned under AIF include 30,202 custom hiring centres, 22,827 processing units, 15,982 warehouses, 3,703 sorting & grading units, 2,454 cold store projects, around 38,251 other kinds of post-harvest management projects and viable farming assets.

This information was given by Minister of State for Agriculture and Farmers Welfare, Shri Ramnath Thakur in a written reply in Rajya Sabha today.

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