

ANALYSIS OF GOVERNMENT POLICIES AND SUBSIDIES ON AGRICULTURAL PRODUCTIVITY IN HARYANA

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Abstract

Agriculture is the backbone of Haryana's economy, providing livelihood to a significant portion of its population. However, despite numerous government interventions, the agricultural sector still faces challenges such as fluctuating market prices, water scarcity, and limited access to modern farming techniques. The government has introduced various policies and subsidies, including the Minimum Support Price (MSP), Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), Pradhan Mantri Fasal Bima Yojana (PMFBY), and state-specific schemes like the Bhavantar Bharpai Yojana, to enhance agricultural productivity and ensure farmer welfare. However, the effectiveness of these schemes depends largely on farmers' awareness and accessibility to the benefits provided. The condition of farmers in Haryana, particularly in regions like Narnaul Tehsil, remains challenging due to bureaucratic hurdles, lack of proper implementation, and gaps in knowledge about available government support. This research aims to analyze the awareness and satisfaction levels of farmers regarding government policies and subsidies in Haryana. The primary data has been collected through a structured questionnaire administered to beneficiaries of these schemes. The study presents a detailed analysis of policy implementation, farmer perception, and overall impact on agricultural productivity. The findings highlight gaps in the current system and provide recommendations for improving policy outreach and effectiveness to ensure sustainable agricultural development in Haryana.

Keywords: Agriculture, government, subsidies.

Introduction

Agriculture is the backbone of Haryana's economy, contributing significantly to employment, food security, and economic growth. The state, often referred to as the "**Granary of India**," plays a vital role in India's agricultural output, particularly in the production of wheat, rice, and sugarcane. Haryana was one of the pioneers of the **Green Revolution**, which transformed Indian agriculture by increasing productivity through the use of high-yield variety seeds, chemical fertilizers, and advanced irrigation techniques. Despite these advancements, Haryana's agricultural sector faces multiple challenges, including depleting groundwater levels, unpredictable climate conditions, rising input costs, and fluctuating market prices. These challenges necessitate continuous government intervention through policies and subsidies aimed at supporting farmers and enhancing agricultural productivity.

To address these concerns, the **Government of India and the Haryana state government** have introduced several agricultural policies and subsidy programs to promote sustainable farming, reduce financial burdens, and improve farmers' livelihoods. Key initiatives include the **Minimum Support Price (MSP)**, **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**, **Pradhan Mantri Fasal Bima Yojana (PMFBY)**, **Bhavantar Bharpai Yojana (BBY)**, and subsidies on fertilizers, seeds, irrigation equipment, and farm mechanization. These policies aim to ensure price stability, enhance financial security, and encourage the adoption of modern agricultural techniques. Additionally, irrigation schemes like the **Atal Bhujal Yojana** focus on addressing Haryana's acute groundwater depletion, which is a major concern for sustainable agriculture in the state. While these schemes are designed to benefit farmers, their effectiveness

depends on proper implementation, accessibility, and farmer awareness. Many farmers in Haryana struggle to fully utilize these benefits due to administrative complexities, bureaucratic delays, and insufficient knowledge of available programs. Limited access to institutional credit and technological advancements further restricts the effectiveness of government policies. Additionally, over-reliance on subsidies and price support mechanisms has led to concerns about financial sustainability and environmental degradation, particularly due to the excessive use of groundwater and chemical inputs.

This research paper aims to critically examine the impact of government policies and subsidies on agricultural productivity in Haryana. By analysing farmer awareness, satisfaction levels, and economic outcomes, the study seeks to identify gaps in policy execution and recommend improvements. The paper will rely on **primary data collected through farmer surveys and interviews**. Understanding the effectiveness of government interventions in Haryana's agricultural sector is essential for ensuring long-term sustainability, increasing productivity, and improving the overall welfare of farmers. By identifying challenges and potential areas for policy reform, this research will contribute to the broader discourse on agricultural development and policy efficiency in India. For the purpose of the present paper following schemes were selected i.e.), **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**, **Pradhan Mantri Fasal Bima Yojana (PMFBY)**, **Bhavantar Bharpai Yojana (BBY)** as these are most popular schemes

The **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)** is a direct income support scheme that provides ₹6,000 annually to eligible farmers in three equal instalments, helping them meet agricultural expenses and ensure financial stability. The **Pradhan Mantri Fasal Bima Yojana (PMFBY)** is a crop insurance scheme designed to protect farmers from financial losses due to crop failure caused by natural disasters, pests, and diseases, thereby ensuring income security. Additionally, the **Bhavantar Bharpai Yojana (BBY)**, launched by the Haryana government, offers price assurance by compensating farmers when the market price of their produce falls below the government-determined base price, thereby safeguarding them from market fluctuations and income uncertainty. These schemes play a crucial role in supporting farmers and enhancing agricultural productivity in Haryana.

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)

The **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)** is a central sector scheme launched by the **Government of India** in **February 2019** to provide direct income support to farmers. The scheme aims to ensure financial stability for small and marginal farmers by offering them **unconditional cash transfers**, enabling them to manage agricultural and household expenses effectively. Under PM-KISAN, eligible farmers receive **₹6,000 per year** in three equal instalments of ₹2,000, which is directly credited to their bank accounts through the **Direct Benefit Transfer (DBT) system**. Initially, the scheme targeted small and marginal farmers with landholdings up to **2 hectares**, but it was later expanded to include **all landholding farmers** irrespective of the size of their land. The scheme excludes institutional landowners, government employees, professionals such as doctors, engineers, and lawyers, as well as income tax-paying individuals. Farmers can register through **Common Service Centers (CSCs)** or the **PM-KISAN portal**, ensuring a transparent and streamlined process.

The primary objective of PM-KISAN is to provide **direct income support** to farmers, reducing their financial distress and dependency on informal credit sources. The scheme helps farmers meet agricultural input costs, sustain household expenses, and prepare for unforeseen

emergencies. It also encourages them to invest in **better-quality seeds, fertilizers, pesticides, and farm machinery**, ultimately improving agricultural productivity. Furthermore, PM-KISAN promotes sustainable farming by enabling farmers to adopt modern techniques and reduce their reliance on high-interest loans from moneylenders. By ensuring a **steady flow of income**, the scheme contributes to rural economic growth by increasing farmers' purchasing power and overall financial security.

PM-KISAN has had a **significant impact** on the agricultural sector, particularly in states like **Haryana, Punjab, Uttar Pradesh, and Madhya Pradesh**, where farming is a major occupation. The scheme has played a crucial role in **improving financial stability**, allowing farmers to plan their expenditures better while reducing dependency on informal credit sources. Many beneficiaries have used the financial aid to **invest in quality inputs**, which has led to **higher crop yields and better productivity**. Additionally, the scheme has provided **some relief to farmers facing financial distress**, thereby contributing to the **reduction of farmer suicides**. Another notable impact is the **enhanced adoption of modern farming techniques**, as farmers are now able to invest in **advanced irrigation systems, mechanized tools, and high-yield variety seeds**. PM-KISAN has been particularly beneficial for **small and marginal farmers**, who often struggle to make ends meet and lack access to institutional credit.

Pradhan Mantri Fasal Bima Yojana (PMFBY)

The **Pradhan Mantri Fasal Bima Yojana (PMFBY)** is a flagship crop insurance scheme launched by the **Government of India in 2016** to provide **financial protection to farmers** against crop losses due to natural calamities, pests, and diseases. The primary objective of PMFBY is to **stabilize farmers' incomes** by ensuring that they do not suffer severe financial losses due to unpredictable weather conditions or market uncertainties. Under this scheme, farmers are required to pay a **minimal premium rate—2% for Kharif crops, 1.5% for Rabi crops, and 5% for commercial and horticultural crops**—while the remaining premium is **subsidized by the government**. The scheme is implemented by **empaneled insurance companies** and monitored by both **state and central governments**, ensuring transparency and efficiency. Insurance claims are settled based on **crop cutting experiments (CCEs)** conducted using advanced technology like **satellite imagery, drones, and remote sensing** to assess crop damage accurately.

PMFBY is **mandatory for farmers availing institutional credit (such as bank loans) and voluntary for non-loanee farmers**, ensuring broader coverage and risk mitigation. It provides insurance coverage for **pre-sowing, post-harvest losses, and mid-season adversities**, making it a **comprehensive risk management tool** for the agricultural sector. The scheme aims to reduce the **financial burden on farmers** by preventing distress sales and promoting **investment in modern farming techniques**. The claim settlement process has been streamlined through **digital applications and direct benefit transfers (DBT)**, ensuring that farmers receive compensation in a timely manner.

PMFBY has had a **significant impact** on the agricultural sector by **reducing the financial vulnerability of farmers** in states like **Haryana, Maharashtra, Madhya Pradesh, and Rajasthan**, which frequently experience droughts, floods, and pest attacks. In Haryana, **over 15 lakh farmers have been insured under PMFBY**, and the state government has actively encouraged adoption by **simplifying enrolment procedures and spreading awareness through agricultural departments**. The scheme has resulted in **higher participation from small and marginal farmers**, who now feel more secure in investing in high-quality seeds,

fertilizers, and advanced irrigation methods. Additionally, PMFBY has **improved access to institutional credit**, as farmers with insured crops are more likely to obtain loans from banks. Despite these benefits, **delays in claim settlements, challenges in damage assessment, and low awareness in remote areas** remain areas of concern. However, with continuous policy refinements and technological integration, PMFBY is expected to play a **pivotal role in transforming Indian agriculture** by providing **financial security, promoting climate-resilient farming, and ensuring long-term sustainability**.

Bhavantar Bharpai Yojana (BBY)

The **Bhavantar Bharpai Yojana (BBY)** is a price deficit financing scheme launched by the **Government of Haryana in 2018** to provide financial protection to farmers against **fluctuations in market prices** of agricultural produce. The scheme aims to ensure that farmers receive a **minimum assured price** for their crops, compensating them for the difference between the **market price and the Minimum Support Price (MSP)**, thereby safeguarding them from financial losses due to price crashes. BBY was introduced as an alternative to the **traditional MSP procurement system**, particularly for crops that are not procured under MSP, thus expanding the benefits to a **larger group of farmers**. The scheme initially covered crops like **tomato, onion, potato, and cauliflower**, which are highly perishable and prone to **market price volatility**. Over time, its scope has been expanded to include other crops based on **farmers' demand and price fluctuations in agricultural markets**.

Under BBY, farmers need to **register their produce on the state's online portal** before selling in **mandis (wholesale markets)** to become eligible for compensation. If the market price of a crop falls below the predetermined **assured price**, the **difference is directly transferred to the farmers' bank accounts** through **Direct Benefit Transfer (DBT)**, ensuring **transparency and efficiency**. The scheme also incorporates a **price discovery mechanism** where **average market prices are determined based on the rates in nearby mandis**. Additionally, **Aadhaar-based registration and real-time monitoring** prevent fraudulent claims and ensure that the scheme benefits genuine farmers.

BBY has had a **significant impact on Haryana's agricultural economy**, particularly in stabilizing **farmers' incomes and reducing distress sales**. By providing **price assurance**, the scheme has encouraged farmers to **increase production and diversify into high-value crops** without fear of financial loss due to market crashes. In districts like **Hisar, Karnal, and Sonapat**, where vegetable farming is prominent, BBY has helped **mitigate the risks of price fluctuations**, ensuring that farmers do not suffer undue losses. Additionally, the scheme has **enhanced market participation** by enabling farmers to sell their produce at fair prices without being exploited by middlemen. Despite its advantages, **challenges such as delays in price assessment, difficulties in farmer registration, and the exclusion of certain crops** remain areas for improvement. However, BBY continues to be a **progressive step toward price stabilization in Haryana**, offering a model that other states could replicate to **protect farmers from unpredictable market conditions and promote sustainable agricultural growth**.

Study Area

For the purpose of the study author has been selected Narnaul Tehsil of Mahendargarh District.

Hypothesis

Following are the hypothesis of the present study:

HO: there is no significant relationship between government policies/subsidies and productivity

H1: there is a significant relationship between government policies/subsidies and productivity

- Lack of essential information about the programmes and schemes to the public.
- The benefits of the schemes cannot reach the farmers because of their illiteracy and unawareness of these schemes.

Objectives

The objectives of present study are:

- To study the respondents awareness about government policies/subsidies which are offered by the government
- To examine the satisfaction of beneficiaries through government policies/subsidies
- To make suggestions on the basis of findings

Source of Data Collection

For the purpose of study List of beneficiaries of **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**, **Pradhan Mantri Fasal Bima Yojana (PMFBY)**, **Bhavantar Bharpai Yojana (BBY)** was obtained from Department of agriculture, department of welfare at district level. 20 respondents from beneficiaries of **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**, 20 respondents from beneficiaries of **Pradhan Mantri Fasal Bima Yojana (PMFBY)**, and 20 respondents from beneficiaries of **Bhavantar Bharpai Yojana (BBY)** were selected for this study on the basis of random sampling. The data collected through the questionnaire has been analysed which has further been depicted in various tables.

Research Methodology

Samples were selected for the purpose of study on the basis of random sampling. There are numerous schemes being implemented by Government of Haryana for productivity e.g. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), Pradhan Mantri Fasal Bima Yojana (PMFBY), Bhavantar Bharpai Yojana (BBY), Mukhya Mantri Bagwani Bima Yojana (MMBBY), Soil Health Card Scheme, Sub-Mission on Agricultural Mechanization (SMAM), National Food Security Mission (NFSM) etc. For the purpose of the present paper only three schemes were selected i.e. **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**, **Pradhan Mantri Fasal Bima Yojana (PMFBY)**, **Bhavantar Bharpai Yojana (BBY)** as these three are most popular schemes. The primary data has been collected with the help of questionnaire which was administrated to the beneficiaries of subsidies

I. Knowledge Of Respondents Regarding Government Subsidies To Increase Efficiency Of Agriculture Productivity

TABLE-1

No. of Respondents who have knowledge	No. of Respondents who don't have knowledge	Total
25	35	60
41.7%	58.3%	100%

Source: Field Survey

Knowledge Awareness Among Respondents

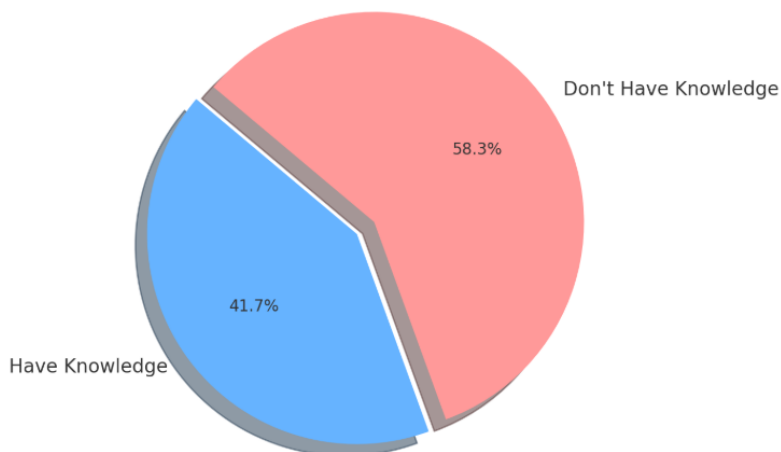


FIGURE 1

As it is clear from above about (41.7%) of the respondents had knowledge about the respective subsidies provided for them and (58.3%) did not know anything about these facilities.

II. Respondents Come To Know About The Government Policies/ Subsidies

TABLE 2

Mode	No of Respondents	% of Respondents
TV	30	50%
RADIO	10	16.7%
NEWSPAPER	08	13.3%
ANY OTHER SOURCE	12	20%
TOTAL	60	100%

Source: Field Survey

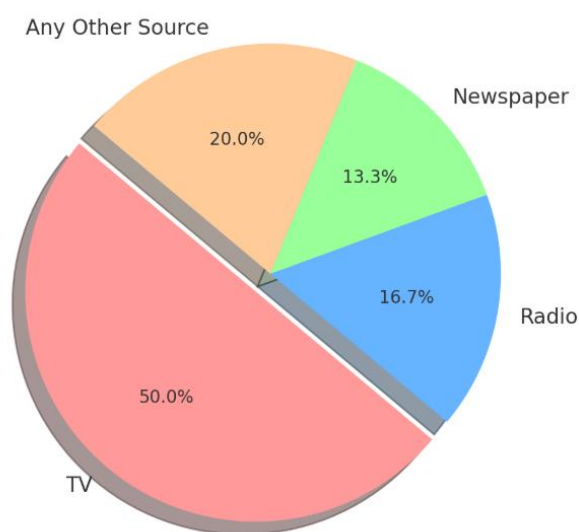


FIGURE 2

III. Given Bribe For Getting The Benefits Of The Policies/Subsidies

TABLE-3

Schemes	Corruption		Total
	Yes	No	
Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	(13) 65%	(7) 35%	(20) 100%
Pradhan Mantri Fasal Bima Yojana (PMFBY)	(14) 70%	(6) 30%	(20) 100%
Bhavantar Bharpai Yojana (BBY)	(11) 55%	(9) 45%	(20) 100%

Source: Field Survey

Table indicates that 65% of the respondents in **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**; 70% in **Pradhan Mantri Fasal Bima Yojana (PMFBY)** and 55% in **Bhavantar Bharpai Yojana (BBY)** felt that there is corruption while 35% in **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**, 30% in **Pradhan Mantri Fasal Bima Yojana (PMFBY)** and 45% in **Bhavantar Bharpai Yojana (BBY)** felt that there is no corruption.

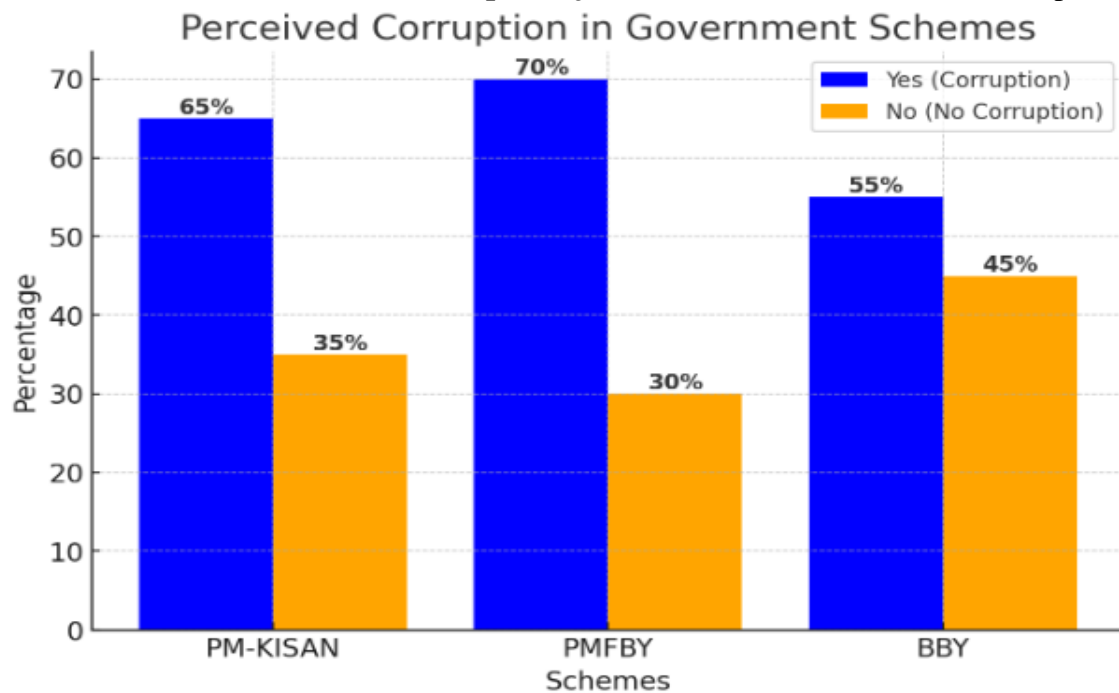


FIGURE 3

IV. Perceptions Of The Respondents Regarding The Procedure To Avail These Schemes

When some privileges are provided to recipients; it is essential to know whether the procedure is easy or complex to avail the benefits of schemes.

TABLE-4

MODE	NO. OF RESPONDENTS	% OF RESPONDENTS
Panchayat Member	20	33.3%
Farmer's Group	25	41.7%
NGO	05	8.3%
Any Other	10	16.7%
Total	60	100%

Source: Field Survey

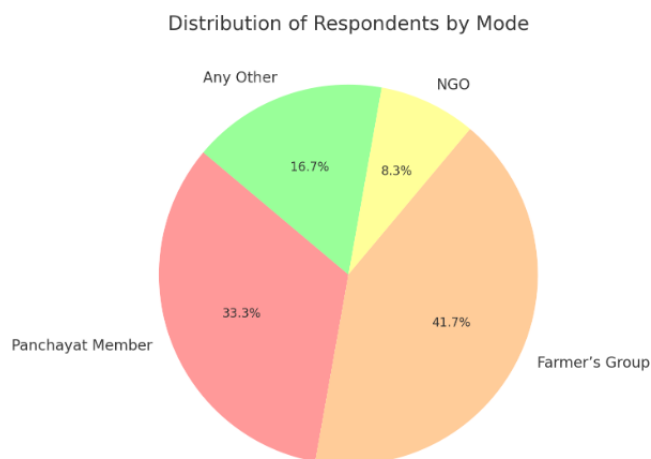


FIGURE 4

The pie chart illustrates the distribution of respondents based on their mode of participation. The majority belong to the *Farmer's Group* (41.7%), followed by *Panchayat Members* (33.3%), while NGOs (8.3%) and other modes (16.7%) have relatively smaller shares.

V. Perceptions Of Respondents Regarding The Benefits Of The Policies Helping In Securing Their Future

The respondents were asked about the official's attitude towards the beneficiaries. Their response has been tabulated on Table

TABLE-5

Schemes	View in regard to the benefits of the policies helping		
	Agree	Disagree	Total
Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	(6) 30%	(14) 70%	20 100%
Pradhan Mantri Fasal Bima Yojana (PMFBY)	(8) 40%	(12) 60%	20 100%
Bhavantar Bharpai Yojana (BBY)	(5) 25%	(15) 75%	20 100%

Source: Field Survey

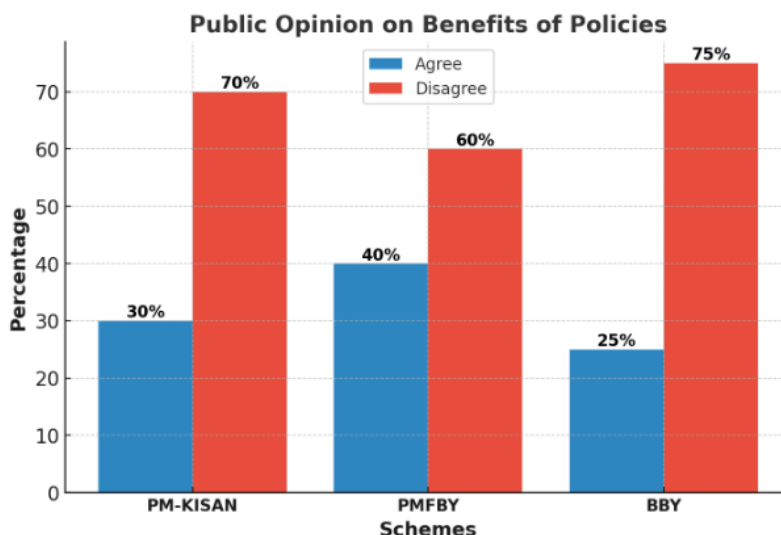


FIGURE 5

The bar chart represents public opinions on the benefits of three government schemes. A majority of respondents disagreed about the schemes being beneficial, with *Bhavantar Bhapai Yojana (BBY)* receiving the highest disagreement (75%) and *Pradhan Mantri Fasal Bima Yojana (PMFBY)* having the highest agreement (40%).

Findings of the Study

- As it is clear from the study that 41.7% of the respondents were having complete knowledge about welfare schemes. Though majority 58.3% of the respondents are unaware of welfare schemes. They don't know the method to avail these benefits. This is mainly due to backwardness illiteracy, unawareness and ignorance on part of respondents and low publicity of these schemes is also responsible for this.
- It was found during study whenever the applicants face any difficulty in regards to their application they hesitate to go the other officials. . They always approach supervisors to make queries. It shows that supervisors have a major role to play in disbursement of benefits.
- It has been noticed during the study that implementation of these welfare schemes is also defective. Majority of the respondents felt that there was corruption, political interference and delay in sanctioning of amount and this corruption and delay was caused by involuntary manners of the officials.
- Some of the respondents felt that procedure to avail various benefits available under welfare schemes is very complex and lengthy. A number of formalities are to be cleared before a person is able to avail this facility.
- There has been made elaborate arrangements for farmer welfare by the government but majority of respondents felt (55%) that due to illiteracy, backwardness and unawareness among the people, complex administrative procedures, non co-operation of government officials, absence of monitoring and follows up of programme, farmers are not able to gain much benefit from the schemes. Only few officials are helping the beneficiaries with sincerity.

Suggestions

On the basis of observations and responses some valuable suggestions have been put forth for improvement:

- A number of policies for farmer welfare had been initiated during the last few years, but the implementation of schemes/ programmes seems to be weak. The main attention is needed for the implementation and strengthening of policies/subsidies at, various levels.
- Whenever a new scheme or plan is to be formulated for the Agriculture Welfare, there is a need to notice the bottlenecks and gaps of the previous plan or scheme so that these can be removed and an alternative and improved scheme can be formulated.
- The programmes require expertise, for instance, development corporations should be managed by technically qualified people on a commercial basis.
- There is a need to increase the benefits of welfare programs. So that all welfare policies/subsidies run by Haryana Government can fulfil the prescribed target.
- Formalities for the schemes should be minimized so that rural, illiterate and unaware persons can also avail these benefits easily.
- There is a need of advanced technology, so that the government department are computerized at district level. If the record of government offices is computerized then it would facilitate working of offices.
- For proper implementation of welfare schemes the professional skills of the welfare officers need to be strengthened. This can be done by providing training to these officers in such matters. Such a training program can be conducted at district level and once in a year training programme can be organised for all such officers by the state agency.

Conclusion

The analysis of government policies and subsidies on agricultural productivity in Haryana highlights both the benefits and challenges faced by farmers. Schemes such as PM-KISAN, PMFBY, and BBY have played a significant role in providing financial support, risk mitigation, and price stabilization. However, the findings indicate that while these policies have contributed to improved agricultural productivity, issues such as corruption, inefficiencies in implementation, and lack of awareness among farmers continue to hinder their full potential.

A considerable portion of respondents expressed concerns over corruption and ineffective distribution mechanisms, leading to dissatisfaction with certain schemes. The study also reveals that while financial aid and crop insurance programs have helped mitigate risks, a significant number of farmers still struggle with accessing these benefits efficiently. To enhance the effectiveness of these policies, increased transparency, streamlined implementation, and farmer-centric awareness programs are necessary. In conclusion, while government policies and subsidies have positively impacted agricultural productivity in Haryana, addressing implementation gaps and corruption concerns is crucial to maximize their effectiveness. A more holistic approach, integrating financial support with modern farming techniques, market access, and technological advancements, can further boost agricultural productivity and improve farmers' livelihoods.

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