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Sub-Mission on Agricultural Mechanization (SMAM)

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Most Indian farms are too small to justify buying a tractor. A government scheme solves this in a simple way. It lets farmers rent machinery instead, at a village-level hiring centre.



A tractor at work in a Punjab wheat field. SMAM has helped fund machines like this since 2014. (Wikimedia Commons, CC BY-SA 2.0)

SMAM
: Sub-Mission on Agricultural Mechanization — a central scheme funding farm machinery since 2014-15.

CHC
: Custom Hiring Centre — a set of farm machines available for hire, so farmers don’t need to buy their own.

FMB

Farm Machinery Bank — a village-level store of shared farm equipment, funded under SMAM.

What SMAM Is

SMAM gives India's small farmers a way around one basic problem: machines cost more than their land can justify.

- The **Sub-Mission on Agricultural Mechanization (SMAM)** was launched in 2014-15. The Ministry of Agriculture and Farmers Welfare runs it, as a Centrally Sponsored Scheme.
- SMAM does not stand alone. It sits inside a larger umbrella scheme, which has changed its name more than once. As of 2026, that umbrella is the Pradhan Mantri Rashtriya Krishi Vikas Yojana (PM-RKVY).

> **Quick check 1.** SMAM was launched in 2014-15. *(True or False?)*
>
> See answer ↓

Reaching the Unreached

SMAM's own slogan sums up its goal: bring machines to farmers who could never afford them alone.

- SMAM calls its aim "reach the unreached." It targets small and marginal farmers, women, SC/ST farmers, FPOs, SHGs, and rural entrepreneurs.
- Its flagship tool is the **Custom Hiring Centre (CHC)**. A CHC is a set of farm machines, kept ready for hire. A farmer can use a costly machine for a day, without ever owning one.

- SMAM also funds Farm Machinery Banks (FMBs), and hubs for hi-tech, high-value equipment.
- Funding is shared between the Centre and the states. Most states get 60:40 Centre-state funding. North-Eastern and Himalayan states get 90:10. Union Territories get full, 100% Central funding.

> **Quick check 2.** A Custom Hiring Centre lets a farmer use costly machinery without buying it. *(True or False?)* See answer ↓

Subsidy Rates for Farmers



An agricultural drone in Kerala. SMAM funds drone use in farming, on top of its core machinery subsidies. (Wikimedia Commons, CC BY-SA 4.0)

SMAM does not pay every farmer the same subsidy rate.

- A general beneficiary gets a machinery subsidy of **40% of cost**. SC/ST farmers, small and marginal farmers, and North-Eastern beneficiaries get a higher **50%** instead.
- This subsidy is paid straight to the farmer's bank account, through Direct Benefit Transfer.
- North-Eastern states get even more support in some cases. They can get up to 100% subsidy for small machinery, and 95% support to set up a Farm Machinery Bank.

Quick check 3. Every individual farmer under SMAM gets the same 40% machinery subsidy, regardless of category. *(True or False?)* See answer ↓

Beyond the Individual Subsidy

Individual farmers are not the only ones SMAM funds. It also backs shared infrastructure and new technology.

- A Custom Hiring Centre project gets 40% financial support, capped at ₹250 lakh. A Farm Machinery Bank gets 80% support, capped at ₹30 lakh.
- SMAM funds drone use in farming too. A body like ICAR can get up to ₹10 lakh per drone. A Farmer-Producer Organisation can get grant support of up to 75%.
- SMAM sets aside 30% of its total funds for women farmers. See SciTech0001 — Science and Technology in Agriculture, Food and Industry for the wider tech context this mechanization push fits into.

Quick check 4. SMAM earmarks 30% of its total funds for women farmers. *(True or False?)* See answer ↓

Three Names, One Umbrella

SMAM itself has kept its name since 2014. Its parent umbrella scheme has not.

- SMAM began in 2014 as a sub-mission of the National Mission on Agricultural Extension and Technology (NMAET). Later, it was placed under the Rashtriya Krishi Vikas Yojana (RKVY). From 2017, that umbrella was renamed RKVY-RAFTAR.

- In October 2024, the government restructured farm schemes into two broad umbrellas. SMAM moved again, this time under PM-RKVY, where it sits today.
- A Custom Hiring Centre works like a machinery-rental cooperative. It solves a real problem: a small landholding rarely earns enough to justify buying a costly harvester outright.

> **Quick check 5.** As of 2026, SMAM sits under the Krishonnati Yojana umbrella. *(True or False?)* See answer ↓

Exam Trap — Know Which Rate Applies

Two common mix-ups show up again and again in questions on this topic.

- **Flat-Rate Trap:** SMAM is not one flat subsidy line. The 40-50% individual subsidy, the 40% CHC support, and the 80% Farm Machinery Bank support are three separate funding lines, each with its own cap.
- A question can swap these figures between categories, to test whether you know which rate applies to which component.
- **Umbrella-Name Trap:** SMAM is a sub-mission, not the umbrella scheme itself. It has sat under different umbrellas since 2014: NMAET first, then RKVY and RKVY-RAFTAR, and now PM-RKVY.
- A question naming an outdated umbrella for the current period is testing whether you tracked this 2024 restructuring, not whether you know SMAM's core purpose.

Remember: NMAET (2014) → later RKVY → RKVY-RAFTAR (2017) → PM-RKVY (Oct 2024). And the subsidy rate depends on who you are and what you're funding — never assume one flat number.

Quick check 6. SMAM's 40% CHC support, 80% Farm Machinery Bank support, and 40-50% individual subsidy are all the same funding line. *(True or False?)* See answer ↓

Current Affairs — SMAM's Scale

A July 2026 PIB backgrounder gave SMAM's full cumulative scale, from its 2014-15 launch through 2025-26.

- Central assistance reached **₹9,404.47 crore**. That funded 21.61 lakh machines, 27,554 Custom Hiring Centres, 646 Hi-Tech Hubs, and 25,608 Farm Machinery Banks.
- Individual beneficiaries grew from 2.07 lakh in 2020-21, to 2.32 lakh in 2024-25.
- The same backgrounder detailed SMAM's drone push. Between 2023-24 and 2025-26, ICAR and its partners ran 40,928 Kisan Drone demonstrations, across 40,918 hectares, backed by ₹52.5 crore in support. (Source: PIB Backgrounder)

Quick check 7. SMAM's cumulative central assistance from 2014-15 to 2025-26 crossed ₹9,000 crore. *(True or False?)* See answer ↓

Exam Edge

Must KnowSMAM launched 2014-15, Ministry of Agriculture and Farmers Welfare, Centrally Sponsored Scheme. Flagship tool: Custom Hiring Centre (CHC). Aim: "reach the unreached."

Good to KnowIndividual subsidy: 40% general, 50% SC/ST, small/marginal, and North-East. CHC support 40% (cap ₹250 lakh); FMB support 80% (cap ₹30 lakh). 30% of funds earmarked for women.

Great to KnowUmbrella history: NMAET (2014) → later RKVY → RKVY-RAFTAR (2017) → PM-RKVY (Oct 2024). Funding split: 60:40 Centre-state, 90:10 NE/Himalayan, 100% for UTs.

Exam TrapCumulative to 2025-26: ₹9,404.47 crore, 21.61 lakh machines, 27,554 CHCs, 25,608 FMBs, 646 Hi-Tech Hubs.

Quick Q&A

Q: What is SMAM's flagship intervention?
A: The Custom Hiring Centre, letting farmers hire machinery instead of buying it.

Q: Which umbrella scheme does SMAM sit under today?
A: PM-RKVY, after the October 2024 restructuring — not RKVY or RKVY-RAFTAR, its earlier names.

Q: What subsidy rate do SC/ST and small farmers get?
A: 50% of machinery cost, higher than the 40% general rate.

Q: How much central assistance has SMAM given since 2014-15?
A: ₹9,404.47 crore, as of the 2025-26 cumulative figure.

MCQ on Agricultural Mechanization

Try 5 practice questions on SMAM, its subsidy rates, and its scale.

Practice MCQs

1. In which year was the Sub-Mission on Agricultural Mechanization (SMAM) launched?

A. 2007

B. 2014-15

C. 2024

D. 2017-18

See answer ↓

2. SMAM's flagship intervention lets farmers hire machinery instead of buying it outright. What is this called?

A. Kisan Credit Card

B. Custom Hiring Centre (CHC)

C. Direct Benefit Transfer (DBT)

D. Farm Machinery Bank (FMB)

See answer ↓

3. Under SMAM, individual farmers get a machinery subsidy of 40% of cost as general beneficiaries.

Which groups get a higher 50% subsidy instead?

A. Only Self-Help Groups

B. Only Farmer-Producer Organisations

C. Only Union Territories

D. SC/ST, small and marginal farmers, and North-Eastern beneficiaries

See answer ↓

4. After the Union Cabinet's October 2024 rationalisation of agricultural schemes into two umbrellas, SMAM (as Agricultural Mechanization) was placed under which one?

A. PM-RKVY (Pradhan Mantri Rashtriya Krishi Vikas Yojana)

B. Krishonnati Yojana (KY)

C. PM-KISAN

D. National Food Security Mission

See answer ↓

5. A July 2026 PIB backgrounder gave SMAM's cumulative central assistance from 2014-15 to 2025-26. What was the figure, and how many machines did it fund?

A. ₹3,250 crore, funding 5 lakh machines

B. ₹52.5 crore, funding 40,928 machines

C. ₹9,404.47 crore, funding 21.61 lakh machines

D. ₹1,01,321.61 crore, funding 27,554 machines

See answer ↓

Answer Key

1. **B.** SMAM was launched in 2014-15 by the Ministry of Agriculture and Farmers Welfare. ↑ Q1
2. **B.** A Custom Hiring Centre is a set of farm machinery available for hire by farmers. ↑ Q2
3. **D.** SC/ST, small/marginal farmers, and NER beneficiaries get 50% subsidy, versus 40% for general beneficiaries. ↑ Q3
4. **A.** SMAM sits under PM-RKVY, not Krishonnati Yojana, the government's other 2024 agri umbrella. ↑ Q4
5. **C.** SMAM's cumulative central assistance reached ₹9,404.47 crore, funding 21.61 lakh machines. ↑ Q5

Quick-check answers

1. **False.** ↑ 1
2. **False.** ↑ 2
3. **False.** ↑ 3
4. **False.** ↑ 4
5. **False.** ↑ 5
6. **False.** ↑ 6
7. **False.** ↑ 7

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