



# STUDY ON RYTHU BANDHU SCHEME IN TELANGANA STATE WITH SPECIAL REFERENCE TO MAHABUBNAGAR

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## ABSTRACT:

In Telangana state agriculture is a critical area not just for the policy makers but also for the producers who are engaged in this business. Even today, Telangana economy is vastly dependent on agriculture needs and therefore this article tries to understand problems that persist in the domain of agriculture, reflecting upon the situations and conditions in the state of telangana with special reference to Mahabubnagar. It deals with the need of an agricultural investment scheme like Rythubandhu scheme that was implemented by the telangana govt this article deals with reasons that led the govt to adopt this policy. This paper also high lets about the vision of this state to brake and stop the vicious circle of the debt trap. Which is the biggest concern for any farmer Suicide thus this scheme was launch for giving investment support to the farmers.

## KEY WORDS:

Farmer input scheme, debt trap, farmer suicide, agricultural development.

## INTRODUCTION:

After formation of Telangana, Rythubandhu scheme was launched by honorable CM K. CHANDRASHEKAR RAO Garu on Aug 14, 2018. This is also called farmers investment support scheme it is a welfare programme to assist farmers investment for to crops a year by the govt of Telangana. In Telangana state there are 58.33 lacks farmers are assisted 5000 Rs for acre for a season. This is a first and ever direct farmer investment scheme in India, where the cash is paid directly.

This scheme was announced by honorable CM K. Chandrasekhar Rao at farmer's co-ordination committee conference at Jayashankar agricultural university on 25 Feb, 2018. An allocation of Rs 12000 crores was made in 2018 state budget.

In Telangana majority of the farmers are marginal and small farmers. Marginal farmers means who are having 2.5 acres and small farmers means 2.5 to 5 acres. Before implementation of Rythubandhu scheme the marginal and small farmers had faced several problems such as investment problem lack of fertilizers, pesticides, market facilities, lack of minimum support price.

Before implementation of this scheme farmers like marginal and small depended on non financial institutions like money Landers, land lards, business people and commission agents etc. Farmers were charged high rate interest and discriminatory rate of interest on their loans. In this regard the farmers are exploited by them. So that agricultural occupation had become costly. The farmers are unable to cultivate their lands it leads to low production and productivity in agricultural sector. It leads to lack of food grains in the state.

86% of the farmers are marginal and small in the state they were unable to apply the modern technology, fertilizers, and pesticides due to cause of lack of financial support.

Mahabubnagar district was familiar for migration in India because of agriculture is non economize for 86% of marginal and small farmers in the district. Here another serious problem before formation of Telangana lack of irrigation facilities and average rain fall is less than the state average rainfall.

After implementation of this programme all farmers are being given input investment support. The farmers now need not depending on the non institutional investment sources. With special reference to Mahabubnagar district migration of the people is minimized and they are engaged in agricultural activity. Earlier the farmers were suffering from lack of market facilities and minimum support price. After

formation of Telangana the agriculture output either commercial crops or food grains purchased by govt through market yard and self help groups by paying minimum support price to the farmers.

Implementation of Rythubandhu scheme is immense economical support to the marginal and small farmers in the state for upliftment of the their economy and pulled them from vicious debt circle. And also from the hands of non institutional financial institutions.

### OBJECTIVES:

1. To analyse bring out the farmer from the hands of money landers
2. To analyse how it is helpful to extensive agriculture
3. To explain the overcome of the rural indebtedness
4. To analyse the production and productivity pattern in agriculture sector

### AIMS:

1. Providing financial incentives to the farmers
2. Farmers would never fall into dept trap
3. Empowerment of farmers
4. End of farmers land disputes
5. To encourage the cropping rotation

### REVIEW OF LITERATURE:

**Theodore W.Schultz 1953** had expressed his views recording the need for income payments to farmers. When there is a failure on part of fiscal and monetary policy to keep the agriculture sector stable, then it is necessary to emphasis on income payments to farmers directly. This direct support to the farmers keep up with the aggregate income of the agriculture and thus the falling demand of this sector can be curtailed. This method in addition can also increase the demand for agricultural inputs which are used by the farmers which would open channels for trade.

**Swurling 1959** is of the view that direct investment in agriculture through cash would not be a permanently supported but rather is a temporary act. The benefits would not be attached to the farm land but it would be attached to the person and therefore it would not be transferable. The befits enjoyed out of it can comply with the non farm income as well. He advocates the idea that the main purpose of an income support scheme or an approach is to protect commercial farmers against unstable incomes and to raise farm income levels according to justifiable standard. A special merit of this approach is that it encourages a more careful differentiation of particular farm problems.

**Bhaumik (2008)** highlights the direct support scheme or an investment scheme is an alternative to MSP (Minimum Support Price). The scheme involves direct transaction of money through which the farmers will be compensated for the income that had been lost to them due to price or yield collapse at the pre-decided price or market price during that year. For him, the implementation of the scheme is quite complex in the Indian context as this scheme is largely prevalent in the European Union.

**Soni and Malhotra (2015)** mentions in their book that it is better to have income transfers to the farmers that are direct rather than indirectly through market price measures. The compensation to the farmers in this way can be based on the prices or the incomes. This will help in allocation of resources and thus income will be generated to all the factors of the production.

**Ashok Gulati (2018)** is an agricultural economist who holds the view that loan waivers are nothing but the “Poll Bait”. The need of an hour is to have a stable income support scheme. Towards this direction Rythu Bandhu Scheme is an alternative to the loan waivers to the farm sector. The beneficiaries of the scheme are farmers having small land holdings. The scheme by Telangana strikes the right balance between the consumers and the farmers. The above mentioned studies have supported the idea of direct income scheme or in other words the agricultural investment scheme to farmers. These studies highlights on the situation of farmers when such a scheme or a program is being initiated by the government. But there exist certain gaps which are needed to be filled through the study of the paper. The paper is different from the researchers done above as this paper brings out the “reasons” that led to the implementation of an agricultural investment scheme apart from analyzing it. This paper is in the reference to the “Rythu Bandhu Scheme” launched by the state government of Telangana of India.

## **RESEARCH METHODOLOGY & DATA INTERPRETATION:**

The data was be collected through close end questionnaire method from various villages in Mahabubnagar district. I personally collected this data ten villages like Divitipally, Edira, Appannapally, Darmapoor, Bokkalonipally, Chinnadarpally, Amisthapoor Tankara, Hanwada, Boyapally etc.

For data analysis percentage method applied.

## **HYPOTHESIS:**

The reason behind the launch of agricultural input investment scheme like Rythubandhu scheme is because of the misery of the farmers in Telangana state with special reference to Mahabubnagar.

## **FINDINGS:**

1. Giving the input investment to all the farmers
2. To avoid non institutional debts
3. To provide the loans are basis on non refundable
4. Tenants are not given financial assistance through this scheme
5. Irrespective of size of the land holdings, all farmers are applied this scheme
6. To applied for all crops like food & commercial crops
7. To improve the self respect of the farmers
8. No need of paying the interest
9. Economical inequalities are arisen by applying this scheme to all the farmers irrespective of the size of the land holdings
10. Barren lands, hilly areas and uncultivated land etc. are brought under this scheme
11. Political leaders, and bureaucrats are also brought under this scheme

## **SUGGESTIONS:**

1. Better to apply this scheme only for marginal and small farmers
2. Land lards are to be exempted from this scheme
3. Don't apply for the Govt officials
4. Political leaders, and bureaucrats are exempted from this scheme
5. Barren lands, hilly areas uncultivated land etc, are to be exempted
6. Govt employ above poverty people are to be exempted

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**CONCLUSION:**

Rythubandhu scheme is also called agricultural investment scheme is boon to Mahabubnagar district which is previously called Palamuru, which means that plenty availability of dairy and allied sectors. Before launching this scheme there was lot of migration from this district to the all snooks and corner of this country. Agricultural was not economized due to various reasons like lack of finance, irrigation, lack of inputs etc and also more than 86 percentage of the farmers are marginal and small were depended on non financial institutions and they were charged high rate of intensest and farmers were thrown into debt vicious circle.

After launching this programme all farmers are being financially assisted by the state government and farmers are quite pleasure and they have come out from debt vicious circle. As well as irrigation facilities also increased in Mahabubnagar that leads to cause for stopping the migration and rural people are engaged in agriculture and allied activities.