



An investigation on the effects of the Rythu Bandhu Scheme on the farmers of the tribal communities located in the Eturnagaram Agency area.

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ABSTRACT

The Telangana State government launched the "Agriculture Investment Support Scheme" (Rythu Bandhu), the first cash transfer program for farmers, in 2018–19. The crisis in agriculture and allied sectors in India has received a lot of policy attention in recent decades. There is a wide acknowledgment of the view that stepping up public expenditure can revive the growth of this sector and make farming a viable occupation, especially for small and marginal farmers. At the time of launching this scheme, the state of agriculture in the country was dismal, farmers across the country were protesting, prices of agricultural produce were falling and the costs of cultivation were rising, reports of farmer suicides were increasing day by day. In the Telangana State, too farmers' incomes have been under stress in view of the ever-growing input costs, unpredictable processes, and rising family expenses, especially on health and education. In order to ensure that the farmers do not fall again into the debt trap, the Telangana State government launched a new scheme called the "Agriculture Investment Support Scheme" (Rythu Bandhu), the first-ever cash transfer program for farmers. In light of the findings of a few studies and analyses by eminent scholars on the first-ever investment support scheme and its impact on the farming sector, the responses of the beneficiaries, tenant farmers who are actual cultivators but kept out of the ambit of the benefits of the scheme, it is intended to study the impact of Rythu Bandhu Scheme on tribal farmers in the tribal agency area of Eturnagaram in the Mulugu District with objectives of ascertaining benefits derived by the respondents, examining the usage of the cash transferred, to find out the sufficiency of the cash and timely transfer of the cash under the RBS. The study found that the scheme is very beneficial. It is also found that an overall percentage of farmers are using this direct benefit for other than the intended purpose. There are two reasons for this as per the opinions of the respondents, one is the cash transferred is relatively inadequate, i.e. they need to depend on other sources for investment, and the other is the availability of inputs- seed, fertilizers, pesticides, etc. on a credit basis. This is why the farmers in the study are using cash for whatever is urgent

at the time of cash transfer. It does not mean that the cash transferred under RBS is misappropriated but adjusted for time being among various needs. This did not have any adverse impact on the cultivation activities of the respondents. It is concluded that the investment support should also be extended to land cultivated by the farmers on a case basis and cultivated without title and institutional credit should be extended as per the needs of cultivation costs.

Key Words: Investigation, Rythu Bandhu, farmers of the tribal communities, Eturnagram Agency area, and Telangana.

Introduction

The Telangana State government launched the "Agriculture Investment Support Scheme" (Rythu Bandhu), the first cash transfer program for farmers, in 2018–19. Rythu Bandhu is an acronym for "Friend of the Farmer." The main aim of the scheme is to prevent farmers from falling into a debt trap by extending investment support to farmers by way of cash transfer at the rate of rupees 10000/- acre per annum (5000/-acre each crop season) to landowners. This cash transfer increases the liquidity of farmers during the sowing season and reduces their dependence on credit, especially private credit, thereby protecting farmers from the debt trap. The scheme offers financial help of ₹10,000 per year to each farmer (two crops). (The financial support was Rs. 8000/-Per annum when this was launched, increased from the year 2019-20) There is no cap on the number of acres, and most of the farmers are small and marginal. Tenant farmers were excluded from the scheme to prevent legal disputes arising out of tenancy (Hyderabad Tenancy and Agricultural Lands Act, 1950). This cash transfer to farmers is intended to be used to purchase inputs such as seeds, fertilizer, insecticides, labor, and other investments.

This scheme was announced by the Chief Minister of Telangana, K. Chandrashekhara Rao at Farmers Coordination Committee (Rythu Samanvaya Samithi) conference at Jayashankar Agriculture University on 25 February 2018 and was launched on 10 May 2018 at Dharmarajpalli village in Karimnagar.

State of agriculture and farmers and Need of support.

The agricultural sector in India comprises 80 percent of small and marginal farmers possessing land holdings only in the size of 1 to 2 hectares. The main problem these categories of farmers face is the lack of institutional credit sources that force them to depend on private credit sources. Private money lenders, landlords, and commission agents are the main source of credit which is not only expensive but also exploitative that sometimes led to the suicides of many small and marginal farmers due to debt trap all over the country and more in the southern states. Apart from this, decreasing public investment, increasing cost of cultivation, non-remunerative prices, insufficient institutional credit sources etc. also enveloped Indian farming sector. This crisis in agriculture and allied sectors in India has received a lot of policy attention in the recent decades. There is a wide acknowledgement of the view that stepping up public expenditure can revive the growth of this sector and make farming a viable occupation, especially for small and marginal farmers.

At the time of launching this scheme, the state of agriculture in the country was dismal, farmers across the country were protesting, prices of agricultural produce were falling and the costs of cultivation were rising, reports of farmer suicides were increasing day by day and the growth rate in terms of GVA (Gross Value Added) in the crop sector was declining, situation worsened due to the sudden shocks of demonetization and the hasty implementation of GST,

which affected the rural economy adversely, crises may have worsened due to the sharp fall in agricultural crop prices. (Himanshu, 2019)

In Telangana State, too, farmers' incomes have been under stress due to the ever-growing input costs, unpredictable processes, and rising family expenses, especially on health and education. Therefore the daunting task before the Government of Telangana is to provide a sense of income security to the farmers which ultimately led to the launch of this scheme. In order to ensure that the farmers do not fall again into the debt trap, The Telangana State government launched a new scheme called the "Agriculture Investment Support Scheme" (Rythu Bandhu), the first-ever cash transfer program for farmers.

Implementation and coverage of the Scheme

Around 78% of landowner farmers received the full cash transfer for both seasons, according to a report by the Tata Institute of Social Sciences based on a beneficiary survey in 2019. The remaining 22% either did not get the financial transfer at all or only partially in one or both seasons. Small-scale food producers made up most of these farms. The farmers' lack of the new Pattadar Passbook (the new Property Title documentation) for all or some of their land was the primary cause of not receiving the cash transfer in most of the cases. Even in the COVID-19 period when farmers were in actual need of cash in hand, the Rythu Bandhu scheme continued uninterruptedly with cash transfers to farmers.

Review of earlier studies

Padmini Ramesh of Centre for Development Studies School of Development Studies Tata Institute of Social Sciences, Mumbai in the study conducted in 2020, found that Scheduled Tribe owned land above 5.85 acres i.e. all the ST farmers were either small/ marginal/ semi-medium or did not possess any land at all. This throws light on the dismal condition of Scheduled Tribes in terms of land-holding sizes. The reach of the cash transfer Across Castes showed exclusionary tendencies for farmers from lower castes- 35% of Scheduled Tribes. the Study found that the reasons for not getting the cash transfer was that farmers did not have the new Patta Passbook, or they got it late or got it for a lesser survey extent. The study also found that the Rythu Bandhu Scheme-RBS has not stopped absentee landlordism which the scheme intended to discourage. The study further found that overall, up to 78% of all farmers who received Rythu Bandhu during the Rabi season, did not spend it to undertake agriculture activities pertaining to Rabi Season cultivation, more proportion of farmers with smaller land-holdings spend the cash transfer on "other use" during Rabi Season. Regarding the sufficiency of the cash transferred under the scheme, the study found that in the Kharif season it is very small 5 %, on average, of the total cost of cultivation for large farmers, for others, it is around 20%.

Susan Thomas Diya Uday Bhargavi Zaveri in their study "Linking welfare distribution to land records: a case study of the Rythu Bandhu Scheme (RBS) in Telangana" found that the bulk of the agricultural land holdings in Telangana is in the marginal to the small category, that is, they measure anywhere between 0.1 to 2 hectares. The study also found that the RBS cash transfer covers about 10% of the average annual expenditure of small and marginal farmers and about 6% of the average annual expenditure of medium to large farmers. The study also found that in Shapally (the village from the Tribal area of Mulugu district is one of the two sample villages of their study) there

is 16% over-inclusion error, in terms of the number of beneficiaries and there is a discrepancy in the area recorded former than 50% of the beneficiaries in Marriguda village and about 40% of the beneficiaries in Shapally village. Regarding awareness about the scheme, sufficiency of the cash given and farmer's satisfaction, farmer suicides, dependence on borrowings, and mortgages of lands, the study found that beneficiaries are well aware of the scheme, the amount of cash is insufficient to meet investment expenses, there is the reduction of farmers suicides and mortgages of lands. All farmers who had received cash amounts under the RBS said that they had utilized the amount for the purpose of agriculture.

Kolla Sravanti and Pakanti Raghurami Reddy of Prof Jayashankar Telangana State Agriculture University found that farm investment support may not necessarily reduce the multiple and informal borrowing of a farm household but providing irrigation has significant effect on reducing over indebtedness.

In the light of the findings of the studies and analyses by eminent scholars on the first ever investment support scheme and its impact on the farming sector, responses of the beneficiaries, tenant farmers who are actual cultivators but kept out of the ambit of the benefits of the scheme, it is intended to study the impact of Rythu Bandu Scheme on tribal farmers in the tribal agency area of Eturnagaram in the Mulugu District.

Methodology

Study area

For the present study two villages Ekkela and Venkatapur from Eturnagaram ITDA area were selected in Mulugu District. Mulugu district is newly carved out of erstwhile Warangal Rural district. This area has a significant concentration of scheduled areas with population belonging to the scheduled tribes. Out of the 452 revenue villages in Mulugu, 235 have been notified as scheduled areas and 70% of the area is covered in forests. The number of beneficiaries in the Mulugu district under RBS is 63,146, as per official reports of the Government of Telangana for the year 2019-20. As this study is intended to find out the impact of the scheme on tribal farmers it is confined only to the tribal farmers while collecting data.

Objectives of the study

This study is taken up with the following objectives.

1. To understand the economic status of the respondents
2. To ascertain benefits derived by the respondents under the RBS.
3. To examine the usage of the cash transferred under the scheme.
4. To find out the sufficiency of the cash and timely transfer of the cash.
5. To find out whether the respondents are cultivating the land on their own.
6. To find out whether the respondents cultivate any land on leasing.
7. To estimate the debt burden of the respondents.
8. To make suggestions based on the findings.

Data collection and sample size

The study is based primary and secondary data. Primary data were collected exclusively from randomly selected 30 tribal farmers who are getting cash transfers under RBS from two villages- 15 farmers from Ekkela village and 15 farmers from Venkatapur village, by using a structured schedule. Observation, oral discussions are also formed part of the data collection. The secondary data were also collected from official websites, published reports, journals etc. for the present study.

Analysis of the data

Table -1 shows the age and gender composition of the sample respondents. Most respondents 80 percent are in the age group of 30 -50 years. This indicates cultivation is not attractive to the youth of this area.

Table -2 gives the size of the land holdings of the sample respondents. It shows all the respondents fall in the category of small and marginal farmers based on the land they possess on official records.

Table -3 depicts the usage pattern of the cash transferred under the RBS. This shows majority of farmers in the Venkatapur village are using it for cultivation purposes, the purchase of inputs. In the Ekkela Village 66.6 percent of farmers are using the cash transferred for other purposes than it was intended. But the overall percentage of farmers are using this direct benefit transferred for other than the intended purpose. There are two reasons for this as per the opinions of the respondents, one is the cash transferred is relatively inadequate, ie they need to depend on other sources for investment, and the other is the availability of inputs-seed, fertilizers, pesticides, etc. on a credit basis. This is why the farmers in the study are using cash for whatever is urgent at the time of cash transfer. It does not mean that the cash transferred under RBS is misappropriated but adjusted for time being among various needs. This did not have any adverse impact on the cultivation activities of the respondents.

Table-4 indicates the percentage of the cash transferred under RBS in the total investment requirement of for the different crops grown in the study area. The investment support extended under RBS is not even one-third of the total investment needed, it is nearly one-third and one-fourth for cotton, and chilly & rice respectively. It appears that the RBS is inadequate and not preventing farmers from relying on other credit sources. Table -5 explains the opinions of the respondents on various aspects of the scheme. All the respondents opined that the scheme should be continued with increased amount, 90 percent felt that benefit should be extended to tenants and large farmers should be excluded. Table-6 gives details of the main crops grown by Sample respondents. Majority respondents are growing two types of crops, rice & cotton and Cotton & chilly.

Table -7 describes main source livelihood of the sample respondents. It is clear from the table that for 100 percent respondents the main source of livelihood is agriculture labour and MGNREGS along with cultivation and all are BPL households.

Table-8 shows the details of the respondents cultivating lands on lease basis. It can be understood that 80 percent respondents in the Ekkela village and 100 percent in Venkatapur village are tenant farmers who do not receive any cash for the land they are cultivating on the basis of the tenancy.

Findings

1. Ninety percent respondents have debt burden.
2. All respondents taken loans from private sources, hence waiver of agriculture loans is Not in any way beneficial to the farmers of this area.
3. All the respondents are depending on private credit sources for investment needs.
4. All farmers are cultivating extra land (not leased) than that they possess for which they are not getting investment support under RBS on account of lack of title over the land.
5. Not getting benefits for PODU cultivation.
6. 90 percent of respondents are using cash for other than cultivation purposes.
7. There is a slight decrease in the tenancy amount.
8. All respondents opined that the RBS is very beneficial and the amount should be enhanced.
9. Ninety percent of respondents demanded stable and assured remunerative prices for Agriculture produces.
10. There is the problem of inheritance in the case of three respondents of land on the death of the title holder.

Conclusion

Based on the findings of the study it is concluded that tenant farmers are especially facing the brunt of the agrarian distress in Telangana, in the study area to cultivation on a tenancy basis is proved burdensome as respondents are not getting benefits for the land cultivating on a lease basis. The study also shows that the farmers are heavily dependent on private loans at high-interest rates, which is about to push them into a debt trap. Therefore, measures such as the massive loan waiver by the Telangana government should reach the most distressed sections including tenant farmers and marginal farmers who mostly depend on private credit sources. There is problem of inheritance in case three respondents of land on the death of the title holder this should be addressed. Simply cash transfers may not help farmers. Investments in improving agriculture infrastructure, extension programs, easy and assured supply of inputs, remunerative prices, etc. are also very much needed.

Table-1 Age & gender composition of respondent

Sl.No	Village	Age year						Total	
		<30		30-50		>50			
		M	F	M	F	M	F	M	F
1	Ekkela	-	-	12			03	12	03
2	Venkatapur	-	-	12	0	01	02	13	02
Total		-	-	24	0	01	05	25	05

Table-2 Size of the land holdings of sample respondents

Size of the	Number of	Total land	Total land
	respondents	(Hectares)	(Hectares)
0-1 hectares	18	15.84	0.88
1-2 hectares	12	23.00	1.29
total	30	38.84	1.29

Table-3 Usage of the cash transferred under the scheme by sample respondents

Sl.No	Village	Debt repayment	Purchase of inputs	Family needs
1	Ekkela	06	05	04
2	Venkatapur	04	09	02
Total		10	14	06

Table-4 Adequacy of the investment support

crop	Aggregate cost of cultivation per acre (Rupees)	Investment support received (Rupees) per acre per crop	% of investment support in Total cost
Cotton	28000	10	35.7
Rice	18000	05	27.7
Chilly	38000	10	26.3

Table -5 Opinion of the respondents on the scheme

Opinion	Response	
	Yes	No
Adequacy of the Investment support	02	28
Applicable to tenant farmers	28	02
Ceiling on the befit	28	02
Availability of institutional credit /crop loan	06	24

Loan waiver	02	28
Continuation of the scheme	30	00
Decrease in Tenancy amount	12	18
Possessing title deed-Pattadar Pass Book-PPB for all cultivating land	04	26
Getting assistance under PM kisan yojana	28	02

Table-6 Main crops grown by Sample respondents

Crop	Number of respondents	
	Ekkela	Venkatapur
Only Cotton	04	06
Only rice	02	03
Only chilly	06	09
Rice & Cotton	12	13
Cotton & chilly	10	12

Table -7 Main source livelihood

Source	Number of respondent	
	Ekkela	Venkatapur
Agriculture	15	15
Agriculture labour	15	15
MGNREGS	15	15
Other labour	02	00

Table-8 Respondent cultivating on lease lands

Size of leasing land	Number of respondents	
	Ekkela	Venkatapur
<2 Acres	10	06
2-4 Acres	02	09
total	12	15

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