

International Journal of Agriculture Extension and Social Development

Volume 8; Issue 12; December 2025; Page No. 600-604

Received: 14-10-2025
Accepted: 17-11-2025

Indexed Journal
Peer Reviewed Journal

Farmers' perceptions, constraints, and suggestions on the Rythu Bandhu Scheme in Telangana: Evidence from a field study

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DOI: <https://www.doi.org/10.33545/26180723.2025.v8.i12h.2815>

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Abstract

The Rythu Bandhu Scheme (RBS), launched by the Government of Telangana, aims to support farmers by providing direct investment support of ₹5,000 per acre per season. This financial assistance is intended to reduce the dependence of farmers on credit and promote the timely use of inputs. The present study was conducted to assess farmers' perceptions, constraints, and suggestions regarding the scheme. A multistage sampling approach was used to select 360 RBS beneficiaries from nine districts, categorized by paddy productivity and the number of beneficiaries under the scheme in each district. Data were analyzed using the Garrett Ranking Technique and descriptive statistics. Findings revealed that the majority of farmers perceived the scheme as beneficial, particularly for facilitating timely input purchases and reducing dependence on private borrowing. Timely procurement of inputs ranked highest among perceived benefits, followed by reduced informal credit usage and moderate improvements in income and production. However, major constraints included the inadequacy of the assistance amount, delays in phased disbursement, which particularly affected large farmers, and the exclusion of tenant farmers and actual cultivators. Minor issues such as discrepancies in land records and procedural delays were also reported. Farmers suggested increasing the scheme amount, revising eligibility through landholding caps, including tenant farmers, and ensuring earlier disbursement before the sowing season. They also recommended merging support with input subsidies, MSP, and other support schemes. These findings provide actionable insights to inform more inclusive and effective implementation of agricultural DBT schemes.

Keywords: Rythu Bandhu scheme, farmer perceptions, Garrett ranking, constraints, Telangana, agricultural support

Introduction

Agriculture is a primary source of livelihood in India, particularly in states like Telangana, where a large proportion of the population depends on farming. However, rising input costs, low and fluctuating market prices, irregular monsoons, debt and limited institutional support have made agriculture increasingly unviable. These factors contribute to increased financial stress, especially among small and marginal farmers (Dev, 2019) ^[1]. To address these concerns, the Government of Telangana launched the Rythu Bandhu Scheme (RBS) in 2018, the first Direct Benefit Transfer (DBT) scheme of its kind in India aimed at providing unconditional income support to farmers. Under RBS, every landholding farmer receives ₹5,000 per acre per season as investment support. The aim is to encourage timely procurement of inputs, reduce reliance on informal credit, and enhance farm productivity (Srvanthi *et al.*, 2020) ^[11]. The rationale for RBS stems from the broader policy discourse advocating investment-oriented income support, as opposed to price-based or loan-waiver-based interventions (Sivaprasad, 2022) ^[13]. By ensuring advanced cash flow before the sowing season, RBS is expected to enhance productivity, stabilise incomes, and promote

sustainable farming practices (Sreenivasulu Y, 2024) ^[12]. Moreover, this approach aligns with the emerging consensus that liquidity support enables small and marginal farmers to make timely production decisions, thereby improving farm outcomes (Dev, 2018; Muravath *et al.*, 2024) ^[1, 6]. While the scheme has been widely implemented, questions remain regarding its sufficiency, equity, and practical implementation; however, the implementation of RBS has not been without criticism. Ground-level challenges such as delayed disbursement, exclusion errors, and benefits accruing to non-cultivators have been reported anecdotally but have not been adequately documented in empirical studies. Studies have shown that the scheme may disproportionately benefit large farmers, exclude tenant cultivators, and sometimes experience delays in disbursement.

Additionally, issues such as discrepancies in land records and procedural bottlenecks have constrained the full realization of the scheme's objectives (Thomas *et al.*, 2020) ^[14]. Given these observations, this study was undertaken to understand farmers' perceptions, identify constraints associated with the Rythu Bandhu Scheme, and document their suggestions for improvement, using both quantitative

(Garrett Ranking Technique) and qualitative methods. This method provides a nuanced understanding of beneficiaries' priority concerns and perceived benefits, enabling evidence-based policy recommendations.

Methodology

The study was conducted in the state of Telangana as the scheme is confined to the state, where paddy is a dominant crop and a large share of farmers are beneficiaries of the Rythu Bandhu Scheme (RBS). This study is based on primary data collected through structured questionnaires. A multi-stage sampling technique was adopted. Of the 33 districts, nine were purposively selected based on paddy-yield classification (high, medium, low) and on districts with more than 1 lakh RBS beneficiaries to ensure adequate scheme coverage. From each district, one mandal and two villages were selected based on the highest area under paddy cultivation. From each village, 20 RBS beneficiaries were chosen randomly. This comprises a total of 360 beneficiaries in the study (20 × 2 villages × 9 districts). This sampling ensured a balanced representation of farmers across different agro-economic conditions.

Analytical tools used

To analyse perceptions and constraints, the Garrett ranking technique was employed. This method converts respondents' ordinal rankings into numerical scores to identify the most critical factors.

Garrett Ranking for Perceptions

For perception-related statements, all respondents ranked the options, with no missing values. The rank assigned by each respondent was converted into a Garrett score using the following steps:
The percent position for each rank was calculated using the

formula:

Percent Position=
$$\frac{100 \times (R_{ij} - 0.5)}{N}$$

Where:

R_{ij} is the Rank given by the ith respondent for the jth item
N = Total number of items ranked

These positions were converted into scores using the Garrett table, and average scores were used to rank perceptions.

Garrett Ranking for Constraints (with Missing Ranks)

In the case of constraints, not all farmers ranked all five constraints. Therefore, Garrett's ranking was modified to account for missing responses using the approach mentioned by Muthukumaran & Rajkumar (2024) [5]

Percent Position=
$$\frac{100 \times (R_{ij} - 0.5)}{N_j}$$

Where

N_j = Number of constraints ranked by respondent j
Only ranked items were included in averaging. Blank or unranked constraints were excluded from the scoring and averaging process. Garrett scores were then assigned based on per cent positions and averaged across responses to derive the final rank.

Results and Discussion

Constraints perceived by beneficiaries

The study identified both major and minor constraints faced by the beneficiaries of the Rythu Bandhu Scheme using a combination of Garrett Ranking and qualitative responses. The results are summarized below.

Table 1: Major constraints as perceived by beneficiaries of the RBS scheme (n=360)

S. No.	Constraint	Average Garrett Score	Rank
1	Insufficient Amount	63.69	I
2	Not received at the right time	55.64	III
3	Marginal and small farmers are receiving fewer benefits compared to large farmers.	60.53	II
4	There is no limit on the number of acres of land	54.74	IV
5	Support also provided to uncultivated land/non-tillers	53.11	V

Note: Constraints are ranked based on average Garrett scores.

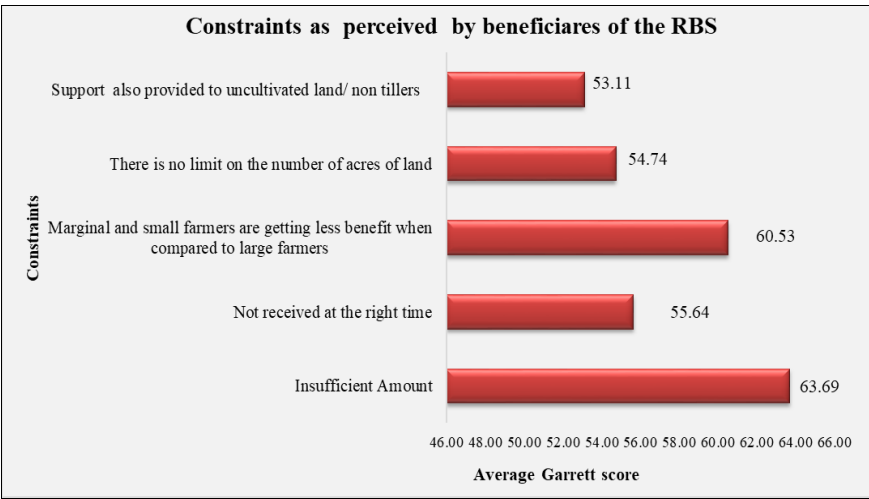


Fig 1: Major constraints as perceived by beneficiaries of the RBS Scheme

The constraints perceived by beneficiaries of the Rythu Bandhu Scheme were analysed using the Garrett ranking method and presented in Table 1 and visually in Fig. 1. Based on Garrett's mean scores, the key constraint perceived was an insufficient amount, with a mean score of 63.69. Farmers expressed that ₹5,000 per acre per season was not adequate to meet the rising costs of cultivation. This result is consistent with the findings of Dev (2018) ^[1] and Gulati *et al.* (2018) ^[2]. Marginal and small farmers receive fewer benefits than large farmers, which is the second primary

concern, followed by the issue of not receiving benefits at the right time, thereby forcing dependence on informal credit. These results were similar to those reported by Uzma (2025) ^[15]. Other constraints that followed included no limit on the number of acres of land and support provided to uncultivated land/non-tillers, diluting the scheme's impact. These results are similar to those of Ramesh (2020) ^[9]. Addressing these constraints through targeted reforms is essential for enhancing the scheme's equity and effectiveness.

Table 2: Other constraints as perceived by the beneficiaries of the RBS Scheme

S. No.	Constraints	Frequency
1	Discrepancies in area, i.e., the entire land was not recorded in the title deed or surplus area was recorded.	5
2	Diversion of investment support to the crop loan account by the bankers in the form of interest payments	22
3	Not received benefits due to a document problem.	8

Table 2 presents the additional constraints, as highlighted by a few beneficiaries in their qualitative responses. It is evident from the table that the minor constraints perceived are discrepancies in land titles (5 respondents), diversion of investment support to the crop loan account by bankers in the form of interest payments (22 respondents), and challenges due to incomplete documentation (8 respondents). These findings indicate procedural and implementation gaps. These findings are consistent with those of Padmaja *et al.* (2024) ^[8], who reported an inadequacy of funds and delays in fund disbursement as significant challenges faced by farmers under direct benefit schemes.

Perceptions of Beneficiaries towards the Scheme

Beneficiaries' perceptions were assessed to understand how the Rythu Bandhu Scheme (RBS) is viewed in terms of its effectiveness and utility. Both direct feedback and ranked preferences were collected through a structured questionnaire. The responses were analysed using a simple frequency distribution and the Garrett Ranking method to capture both the overall sentiment and the prioritisation of perceived benefits.

Table 3: Views of Beneficiaries on the Rythu Bandhu Scheme

Responded as providing the support itself is beneficial	Frequency	Percentage
Yes	293	81.39
No	33	9.17
No response	34	9.44
Total	360	100.00

It is observed from Table 3 that the majority of the beneficiaries (81.39%) reported that the financial support itself was beneficial, regardless of the amount. This aligns with Gosh *et al.*, who found that unconditional cash transfers were positively perceived in agricultural schemes like PM-KISAN. Only 9.17% of respondents considered the scheme not beneficial, primarily due to insufficient amounts or the belief that an increase in the Minimum Support Price (MSP) would be more effective. Additionally, 9.44% did not respond. These findings highlight a generally positive perception of RBS among farmers, consistent with Dev (2018) ^[1], who noted that direct income support schemes provide crucial liquidity to farmers for timely input use. However, as Gulati *et al.* (2019) ^[3] pointed out, the adequacy of such schemes depends on periodic revisions to keep pace with rising input costs and evolving farmer needs.

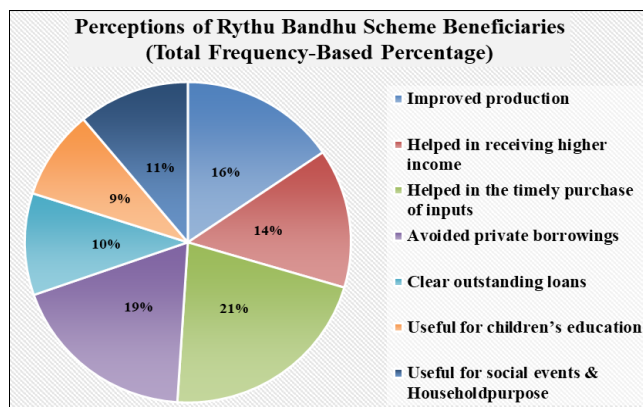
Table 4: Perceptions of Rythu Bandhu Scheme Beneficiaries based on Garrett Ranking

S. No.	Perceptions	Total Garrett Score	Average Garrett score	Rank
1	Helped in the timely purchase of inputs	27053	75.15	I
2	Helped farmers reduce/avoid private borrowings	23488	65.24	II
3	Improved production	19545	54.29	III
4	Helped in receiving a higher income	17709	49.19	IV
5	Useful for social events & household purposes	13930	38.69	V
6	Clear outstanding loans	12951	35.98	VI
7	Useful for children's education	11324	31.46	VII

As shown in Table 4, the beneficiaries perceived the scheme as beneficial in different ways. Using Garrett ranking analysis, perceptions were prioritised based on the average Garrett scores derived from beneficiaries' rank preferences. The scheme was highly effective in enabling timely input purchases, with the highest average Garrett score of 75.15, underscoring its critical role in supporting input preparedness during sowing periods. This aligns with Dev, who emphasized that direct income transfers provide essential liquidity for input procurement, particularly among

small and marginal farmers. The second-highest perception, with a score of 65.24, was its role in reducing private borrowing, reflecting its contribution to reducing dependence on informal credit markets, a concern highlighted by Sravanthi *et al.* (2020) ^[11]. While the scheme moderately improves agricultural production (average score 54.29) and supports higher incomes (average score 49.19), these benefits are perceived to a lesser extent, indicating that although the scheme contributes to farm outcomes, its impact is less direct in these areas. Relatively lower scores

were observed for the scheme's impact on clearing outstanding loans (average score 35.98), supporting children's education (average score 31.46), and being useful for social events and household purposes (average score 38.69). Overall, the Rythu Bandhu Scheme is viewed positively, particularly with respect to agricultural input management and financial independence from private borrowing.



Note: Pie chart showing the distribution of perceptions of Rythu Bandhu scheme beneficiaries based on the total frequency of responses across all rank levels.

Fig 3: Perceptions of Rythu Bandhu Scheme Beneficiaries

Fig. 3 presents the percentage distribution of perceptions expressed by beneficiaries of the Rythu Bandhu Scheme, based on the total number of mentions across all ranking levels, irrespective of order. A significant share (21%) reported that the assistance helped in the timely purchase of inputs, ensuring readiness for cultivation. The findings support those of Dev (2018) ^[1], who emphasised that upfront investment support enables farmers to make timely production decisions, thereby improving productivity. Beneficiaries of 19% reported that the scheme helped them avoid private borrowing. The frequency-based analysis reinforces the Garrett Ranking findings: timely input purchases and reduced credit dependency are the key perceived benefits. Additionally, 10% of the funds were used to clear outstanding loans, 9% for children's education, and 11% for social events and household needs. These non-farm uses underline the scheme's broader social utility, consistent with observations by Sneha *et al.* (2022) ^[10] that unconditional income support often extends beyond farming purposes in rural households, influencing social, educational, and household spheres of farm life.

Suggestions Provided by Beneficiaries under the Rythu Bandhu Scheme

To complement the constraint and perception analyses, an opinion survey was conducted among beneficiaries of the Rythu Bandhu Scheme to elicit qualitative feedback. The suggestions offered reflect practical insights from the grassroots level and are categorized into two groups: scheme-specific and general recommendations for agricultural support.

Scheme Related Suggestions

- 1. Enhancement of Financial Support:** Many farmers recommended increasing the Rythu Bandhu assistance

amount to reflect the rising cost of agricultural inputs.

- 2. Landholding Ceiling:** Several respondents advocated establishing a landholding ceiling (ranging from 5 to 15 acres) to ensure that small and marginal farmers receive a more equitable share of the benefits.
- 3. Inclusion of Tenant Farmers:** A recurring suggestion was to extend the benefits of RBS to tenant farmers and actual cultivators, who are currently excluded under the existing ownership-based disbursement system.
- 4. Timely Disbursement:** Large landholders expressed concern about the phased release of funds under the Rythu Bandhu Scheme, in which amounts are disbursed in stages based on landholding size, starting with farmers holding less than 5 acres, then 5-10 acres, and finally larger holdings. As a result, those with larger landholdings often receive funds later in the season, reducing their utility for timely input procurement. Beneficiaries suggested releasing the full amount for all categories before the sowing season to enhance its effectiveness.
- 5. Linkage with MSP and Input Subsidies:** Some farmers have proposed integrating the scheme with Minimum Support Price (MSP) assurances and input subsidies to ensure both income stability and the affordability of cultivation.
- 6. Convergence with Other Schemes:** Suggestions included merging or aligning RBS with other schemes, such as MGNREGA or micro-irrigation programs, to reduce both cultivation and labour costs.

General Suggestions

- 1. Machinery Access:** Farmers requested that the government establish village-level custom-hiring centres to reduce dependence on private equipment and enhance mechanisation among smallholders.
- 2. Micro-Irrigation and Loan Waivers:** Beneficiaries also emphasized the need for expanded access to micro-irrigation facilities and periodic loan waivers to manage risk and sustain agricultural livelihoods.

These grassroots-level suggestions provide actionable insights for policymakers.

Conclusion

The Rythu Bandhu Scheme has mainly been successful in providing timely financial support to farmers, enabling them to purchase inputs and reduce their reliance on private credit. However, key challenges remain, including inadequate financial assistance, exclusion of tenant farmers, and delays in disbursement. Farmers have suggested increasing the support amount, linking the scheme with MSP, and improving inclusivity. Overall, while the scheme has had a positive impact, its long-term success depends on better targeting, more exhaustive coverage, and integration with other agricultural support programs.

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