

EFFECTIVE UTILISATION PATTERN OF AMOUNT DISBURSED UNDER RYTHU BANDHU SCHEME BY BENEFICIARIES

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ABSTRACT

The agriculture sector is the backbone of the rural economy in Telangana. Access to agricultural credit is also linked to the holding of land titles. In order to help the farming community during the start of crop operations, the Telangana government marched ahead of providing investment support to every farmer to take up agricultural operations on time and they called it as “Rythu Bandhu Scheme” in the year 2018 (Anon., 2022). Rythu Bandhu Scheme was primarily meant to help farmers to purchase farm inputs such as fertilizer, seeds etc. A sizeable part of the RBS amount was spent mostly on other purposes such as consumption needs, children’s education, etc. An ex post facto research design was adopted for the study since the variables chosen for the study have already occurred. The objective of the study was utilisation of amount disbursed under the Rythu Bandhu Scheme by beneficiaries in the kharif and rabi seasons. The data was analyzed using frequency and percentage. It can be inferred from the study that a high majority (94.16 %) of beneficiaries used the amount to purchase seeds in kharif. While in rabi season, 74.16 per cent of the beneficiaries used to purchase plant protection chemicals.

Keywords: agriculture credit, beneficiaries, kharif, rabi, Rythu Bandhu Scheme

INTRODUCTION

Agriculture plays an important role in the growth of a developing nations and it is well known that the economies of developing countries are based on agriculture sector. Most of the people in developing countries are dependent on agriculture and allied activities for employment generation and livelihood. The share of population depending on agriculture for its livelihood consists of landowners, tenant farmers who cultivate a piece of land, and agricultural labours who are employed on these farms. However, it contributes only to 18.50 per cent of the GDP (Anon., 2022). India’s production of food grains has been increasing every year and India is among the top producers of several crops such as wheat, rice, pulses, sugarcane and cotton. Over time, India’s agricultural area has been fragmented into smaller pieces of land. This fragmented and small landholding makes farming a risky economic proposition even under the best of conditions. As a result, small and marginal farmers, who account for more than half of the total land holdings and the majority of which do not hold formal land titles, are unable to access institutional credit, which they may require for short term uses such as purchasing inputs, weeding, harvesting, sorting and transporting, or long term uses such as investing in

agricultural machinery and equipment or irrigation. However, most of the farmers must take expensive loans, primarily from private lenders due to which the farmers are caught in debt traps and are subsequently subjected to distress in many states of India including Telangana. The agriculture sector is the backbone of the rural economy in Telangana. Since state formation, the contribution of the ‘Agriculture and Allied Sectors’ to Telangana’s Gross State Value Added at current prices has consistently improved from 16.30 per cent in 2014-15 to 18.60 per cent in 2021-22. There was a 155.70 increase in the Gross Value added by the sector between 2014-15 and 2021-22. In Telangana, marginal farmers (24.80 acres). It is widely recognized that there is a positive relationship between agricultural credit and agricultural growth. For a farmer, access to easy credit becomes crucial to start and sustain a good crop cycle based on quality inputs such as seeds, fertilizers, machinery and equipment. In order to help farming community during the start of crop operations, every year Indian government as well as all the state governments are facilitating them by providing subsidy and farmers are availing it. Further, Telangana government marched ahead of providing investment support to every farmer to take up agricultural operations on time and they called it as “Rythu

Bandhu Scheme” in the year 2018 (Anon., 2022). Rythu Bandhu scheme also Farmers’ Investment Support Scheme (FISS) is a welfare programme to support farmers’ investment for two seasons a year by the Government of Telangana. The scheme provides financial support of Rs. 5000/- per acre per season to landowning farmers. Rythu Bandhu Scheme was primarily meant to help farmers to purchase farm inputs such as fertilizer, seeds etc. Further sizeable part of RBS amount was spent mostly on other purposes such as consumption needs, children education etc. This paper is mainly intended to know the benefits of RBS as perceived by the respondents. The findings of the study would also be helpful in understanding the problems faced by the stakeholders in utilization of RBS amount issued by Telangana government.

OBJECTIVE

To study Utilization pattern of amount disbursed under Rythu Bandhu Scheme by beneficiaries in agriculture

METHODOLOGY

The study was conducted in Mahaboobnagar district of Telangana State during the kharif and rabi seasons of 2022-23, since RBS is a state government programme and exclusively implemented in Telangana. It is bounded on the north by Ranga Reddy district, on the east by Nagarkurnool district, on the south by Wanaparthy and Jogulamba Gadwal districts of Telangana and on the west by Raichur and Kalaburagi districts of Karnataka State. Mahaboobnagar district was purposively selected with the criteria of high

level of crop diversification from past ten years Kamraju et al. (2017). The investigator is familiar with the local language, which would help to build quick rapport and enables in-depth study combined with personal observation. It is one of the largest districts in Telangana State in terms of area (5,285.1 sq. km) covered. The climate is warm and dry throughout the year and rainfall is scarce. Out of a total geographical area of 04.56 million acres, about 02.30 million acres constitute the net area sown. The major crops grown were castor, paddy, pulses, groundnut and vegetables. It stands first among the Telangana districts in respect of the acreage under groundnut, which is more than a lakh acre (Anon., 2017). Out of 15 mandals, four mandals namely Jadcherla, Koilkonda, Devarakadra and Nawabpet were selected for the study, keeping in view of the highest number of beneficiaries. Among all the villages listed out, three villages from each mandal and 10 RBS beneficiaries from each village were selected by following the simple random sampling technique, that constituted 120 respondents for the study. Ex-post facto research design was adopted in the present study, since the variables chosen for the study have already occurred. A detailed pre-tested schedule was prepared to know the extent of utilisation, utilisation pattern of amount provided by Rythu Bandhu Scheme. The appropriate responses were collected from the respondents through personal interview. The respondents were interviewed personally by a well-structured and pre-tested interview schedule. The data collected were coded, tabulated and analyzed using suitable statistical tools and the results were described in this paper.

RESULTS AND DISCUSSION

Table 1 : Distribution of RBS beneficiaries according to RBS amount utilization pattern for agriculture purposes

(n=120)

Sr. No	Expenses covered	Responses			
		Kharif		Rabi	
		F	%	F	%
1	Purchase of inputs				
2	Seeds	113	94.16	83	69.16
3	Feed and fodder	32	26.66	27	22.50
4	Fertilizer	84	70.00	77	64.16
5	Manure	73	60.83	66	55.00
6	Plant Protection Chemicals	94	78.33	89	74.16
7	Agricultural tools and equipments	74	61.66	51	42.50

Sr. No	Expenses covered	Responses			
		Kharif		Rabi	
		F	%	F	%
8	Operational charges				
9	Land preparations	106	88.33	97	80.83
10	Repairs				
11	a. Implements and equipment	59	49.16	46	38.33
12	b. Borewell	76	63.33	81	67.50
13	Payment charges				
14	Wages	101	84.16	94	78.33
15	Hiring of machines	107	89.16	99	82.50
16	Diesel	88	73.33	73	60.83
17	Maintainance of farm machineries	56	46.66	49	40.83

F = Frequency % = Per cent

The data in Table 1 indicated, under the purchase of inputs, a high majority (94.16 %) of beneficiaries used to purchase seeds, followed by plant protection chemicals (78.33 %), fertilizers (70.00 %), agricultural tools and equipment (61.66 %) manure (60.83 %) and 26.66 per cent of beneficiaries used to purchase feed and fodder in kharif season. While in rabi season, 74.16 per cent of the beneficiaries used to purchase plant protection chemicals, followed by seeds (69.16 %), fertilizers (64.16 %), manure (55.00 %), agricultural tools and equipment (42.50 %) and feed and fodder (22.50 %).

Under operational charges, majority (88.33 %) of the beneficiaries were used for land preparations, followed by bore well repairs (63.33 %) and implement and equipment repairs in kharif season. Whereas in rabi, majority (80.83 %) of beneficiaries used for land preparations, followed by bore well repairs (67.50 %) and implement and equipment repairs (38.33 %).

Finally, in the case of payment charges, majority (89.16 %) of beneficiaries used RBS amount for the hiring of machines, followed by wages (84.16 %), diesel payments (73.33 %) and maintainance of farm machineries (46.66 %) in kharif. Further in rabi, 82.50 per cent of beneficiaries used for hiring of machines, followed by wages (78.33 %), diesel payments (60.83 %) and maintainance of farm machineries (40.83 %). The probable reasons for above results might be due to fact that farming can be a capital-intensive activity and many farmers might face financial constraints during

the sowing season. By providing direct financial assistance for seed purchase, land preparation, other inputs and repairs of different equipment and implements used in fields, the government helps to alleviate the financial burden on farmers and enables them to invest in the primary requirements for starting their agricultural activities.

Table 2 : Relationship between independent variables with the utilisation pattern of amount disbursed under Rythu Bandhu Scheme by beneficiaries

(n=120)

Sr. No.	Independent variables	Correlation (r)
X ₁	Age	-0.011 ^{NS}
X ₂	Gender	0.012 ^{NS}
X ₃	Level of education	-0.034 ^{NS}
X ₄	Family composition	0.0206 ^{NS}
X ₅	Land holding	0.021 ^{**}
X ₆	Farming experience	0.396 ^{**}
X ₇	Information seeking behaviour	0.651 ^{**}
X ₈	Social participation	-0.068 ^{NS}
X ₉	Extension contact	0.374 ^{**}
X ₁₀	Awareness on government schemes	0.009 ^{NS}
X ₁₁	Economic motivation	0.171 ^{**}
X ₁₂	Management orientation	0.591 ^{**}

**Significant at 0.01 level *Significant at 0.05 level
NS = non-significant

From the below Table 2 we can conclude that there is significant correlation between land holding, farming

experience, information seeking behaviour, extension contact economic motivation, management orientation and utilisation pattern of amount disbursed under Rythu Bandhu Scheme by beneficiaries. The reason might be that respondents had a good contact with extension functionaries and getting information related to agriculture which helps them to get profitable income and efficient use of amount disbursed from the respective Rythu Bandhu Scheme. The results are in line with the findings of Mohanty *et al.* (2022) and Akbari *et al.* (2023).

CONCLUSION

In conclusion, over-indebtedness is emerging as major problem across farm families of the developing economies. Proactive policies like Farm investment support schemes are becoming popular across developing economies to address this issue. This study was conducted to study the utilisation pattern of RBS amount for agriculture purposes by beneficiaries. Results of study indicate that, majority of beneficiaries used the amount to purchase seeds, followed by plant protection chemicals, fertilizers, agricultural tools and equipments, manure and feed and fodder.

RECOMMENDATION/ POLICY IMPLICATION

Fund Diversion and its use in unproductive or non-agricultural purposes leads to failure of designated aim of the scheme. Provide various inputs could be made available in kind (through vouchers or stamps) under this scheme instead of cash transfer.

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CONFLICT OF INTEREST

The authors declare no conflict of interest.

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