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IMPACT OF RYTHU BANDHU ON BENEFICIARIES IN TELANGANA: A STUDY FROM DISTRICT-LEVEL DATA

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Abstract:

This study examines the perceived impact of the Rythu Bandhu investment-support scheme among 130 beneficiaries surveyed in Warangal, Siddipet, and Nalgonda districts of Telangana. The analysis is based on the primary survey material supplied for the study and focuses on farming activity, landholding, implementation challenges, household-income perceptions, financial self-reliance, and perceived contributions to rural development and farmer well-being.

Descriptive analysis shows that crop farming is the dominant activity (60 of 130 respondents; 46.2%), while horticulture, livestock and mixed farming account for the remaining respondents. Landholdings are concentrated in the 1–5 acre range. The most frequently reported challenge is insufficiency of the financial support relative to farming needs (51 respondents; 39.2%), followed by delays in disbursement (34; 26.2%). At the same time, 74 respondents (56.9%) report significant improvement in household income and 38 (29.2%) report moderate improvement. A total of 77 respondents (59.2%) state that they are less dependent on external loans or credit, while another 42 (32.3%) report partial self-reliance. Most respondents also perceive a significant positive contribution to rural development and farmer well-being.

The findings therefore indicate a broadly positive perceived role for direct farm investment support, but also show that the scheme alone cannot overcome rising input costs, climate risks, market uncertainty, irrigation constraints, and administrative problems.

Keywords: Rythu Bandhu; Telangana; Agricultural investment support; Input-support, Farm Inputs, farmer's income; self-reliance; rural development; direct benefit transfer.

Introduction:

Agriculture remains central to Telangana's rural economy, and the availability of working capital at the beginning of a crop season is important for purchasing seed, fertilizer, pesticides, labour and other farm inputs. The Government of Telangana introduced Rythu Bandhu as an Agriculture Investment Support Scheme in 2018–19 to provide direct investment support to cultivators and to reduce the financial pressure associated with seasonal agricultural investment. Government documentation describes the scheme as a mechanism intended to address initial investment requirements and the cycle of rural indebtedness.

The policy logic of direct farm investment support is straightforward: when liquidity constraints prevent farmers from purchasing inputs at the appropriate time, a predictable cash transfer may improve the timeliness of input purchase, reduce dependence on costly informal credit, and protect household liquidity. Evidence from Telangana has also associated Rythu Bandhu with improvements in purchasing power, continuity in farming, debt coping and farm-income-related outcomes (Amitha et al., 2021). Other studies have reported high awareness and utilization of the scheme among surveyed farmers and have emphasized its role in meeting initial farm investment requirements (Manguth & Krishna Reddy, 2019; Muravath & Lal, 2024).

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The present study contributes a beneficiary-level descriptive assessment using 130 observations distributed across three districts. It pays particular attention to whether the support is perceived as sufficient, whether payments are received without difficulty, whether household income has improved, and whether dependence on loans has fallen. These dimensions are important because financial assistance can provide immediate liquidity without necessarily removing structural constraints such as market-price volatility, irrigation shortages, rising input costs and production risks.

The Government of Telangana now presents Rythu Bharosa as the state's agricultural investment-support programme and describes it as replacing the former Rythu Bandhu programme. The present paper nevertheless retains the term Rythu Bandhu because the underlying primary survey and its findings refer specifically to Rythu Bandhu beneficiaries. This distinction is important for historical and policy comparison.

Review of Literature:

The literature on Rythu Bandhu broadly falls into three themes: (a) the scheme's role as an investment and liquidity support, (b) effects on farm-level economic outcomes and indebtedness, and (c) implementation and beneficiary perceptions.
Government policy documents present Rythu Bandhu as an investment-support mechanism designed to make funds available for seasonal farm operations. The Telangana Socio-Economic Outlook argues that cash transfers can relax liquidity constraints and may generate effects beyond the transfer itself when farmers use the funds for productive inputs (Government of Telangana, 2021b). This provides the policy rationale for examining input purchasing, income and credit dependence rather than treating the transfer merely as household consumption support.

Amitha et al. (2021), studying 60 beneficiaries in Warangal district, compared selected outcomes before and after implementation and reported statistically significant differences in input purchasing power, continuity in farming, rural indebtedness, productivity and farm income. Their results are particularly relevant to the present study because Warangal is one of the three districts in the supplied survey. However, the present survey uses beneficiary perceptions and descriptive frequencies rather than a before–after statistical test.

Manguth and Krishna Reddy (2019), using primary data from 193 respondents, examined the socio-economic development effects of Rythu Bandhu and emphasized its role in providing resources for agricultural inputs and easing the debt burden. Muravath and Lal (2024) similarly report high awareness, receipt and satisfaction among their respondents and identify investment in seeds, fertilizers, pesticides and labour as important uses of the support. These findings are consistent with the present survey's conclusion that direct support is perceived as financially useful, while also highlighting the continuing need to examine adequacy and implementation.

Padmavathi (2024) discusses Rythu Bandhu as an agricultural investment intervention intended to break the cycle of rural debt and strengthen farmers' investment capacity. More recent district-level evidence also reports improvements in purchasing power, employment opportunities, per-capita income and farmer credibility after implementation, although the magnitude of effects differs across dimensions (Priyanka et al., 2025). Together, the literature suggests that cash support can strengthen short-term financial resilience but does not automatically resolve production and market risks.

The gap addressed by the present paper is therefore not simply whether beneficiaries value Rythu Bandhu, but how the perceived benefits coexist with practical constraints. The supplied survey provides a useful three-district comparison of adequacy, payment delays, access problems, income perceptions and self-reliance. At the same time, its descriptive design limits the extent to which observed changes can be attributed exclusively to the scheme.

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Table 1. Selected literature on Rythu Bandhu

Study	Area/sample	Main focus	Relevance to present study
Manguth & Krishna Reddy (2019)	Telangana; n=193	Socio-economic impact and scheme effectiveness	Supports examination of income, inputs and debt-related outcomes.
Amitha et al. (2021)	Warangal; n=60	Before and after changes in inputs, debt, productivity and farm income	Provides district-specific evidence comparable with Warangal respondents.
Muravath & Lal (2024)	Telangana; primary survey	Economic development, awareness, satisfaction and use of support	Supports analysis of investment use and financial resilience.
Padmavathi (2024)	Telangana; review/analysis	Policy rationale, investment support and debt-cycle reduction	Provides policy context for direct investment support.
Priyanka et al. (2025)	Mahabubnagar; n=120	Farm and family impact before and after implementation	Highlights effects on purchasing power, employment and income.

Objectives of the Study:

1) To examine beneficiaries' perceptions of the scheme's effect on household income.
2) To assess whether beneficiaries perceive reduced dependence on loans and greater self-reliance in farming.
3) To examine beneficiaries' perceptions of the contribution of Rythu Bandhu to rural development and farmer well-being.
4) To suggest measures for improving the adequacy, timeliness, accessibility and developmental effectiveness of agricultural investment support.

Methodology

The study uses a descriptive primary-survey design. The unit of analysis is the Rythu Bandhu beneficiary. This study is designed with Survey of 130 respondents drawn from Warangal (45), Siddipet (42) and Nalgonda (43) during 2024-25. The analysis uses frequencies and percentages to summarize categorical responses. Primary information was collected through a structured questionnaire.

This study surveys occupation, non-farm family income, years of receiving benefits, perceived income change, household income before and after support, perceived contribution of the financial support to income, plans to expand farming, self-reliance, and open-ended comments. The paper also contains district-wise tables on farming activity, land possession, challenges, income impact, self-reliance and rural development. The study calculates frequencies and percentages from the reported district-wise counts. For the overall sample, percentages are calculated using 130 as the denominator. The analysis is descriptive and comparative across the three districts.

Results and Discussion:

Crop farming is the largest activity among the 130 respondents: 60 beneficiaries (46.2%) report crop farming. Mixed farming accounts for 27 respondents (20.8%), horticulture for 25 (19.2%), and livestock for 18 (13.8%). Nalgonda has the highest share of crop farmers in its district sample (22 of 43; 51.2%), while Siddipet records the largest number engaged in horticulture (10 of 42; 23.8%). The pattern indicates that the scheme reaches beneficiaries with different livelihood combinations, although crop cultivation remains the dominant activity.

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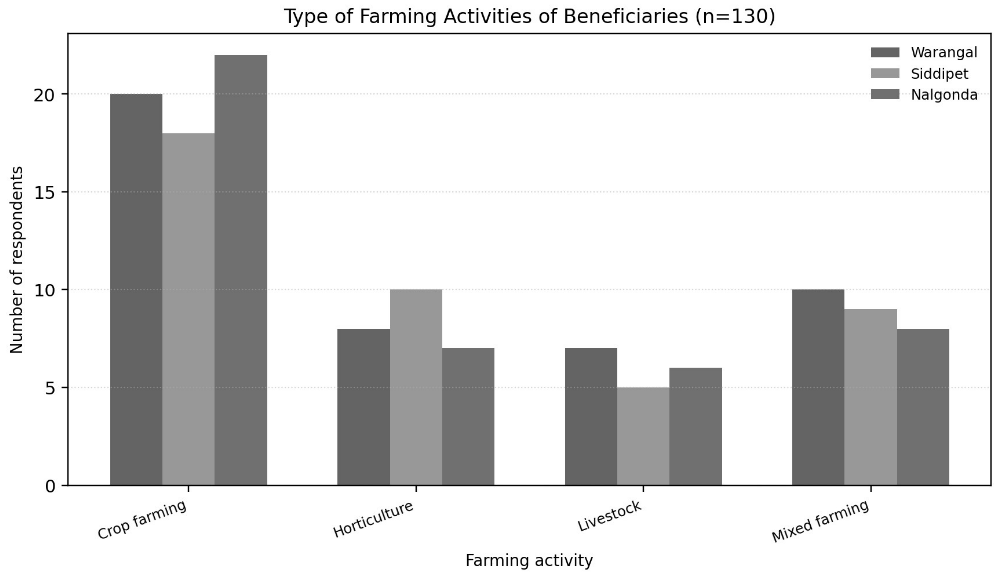

Figure 1. Type of farming activities of beneficiaries

Landholding pattern

The landholding distribution is concentrated in small and medium categories. Forty respondents (30.8%) possess 2-5 acres and 39 (30.0%) possess 1-2 acres. Thirty respondents (23.1%) have less than one acre, while 21 (16.2%) have more than five acres. Thus, 69.2% of the respondents possess between 1 and 5 acres. This concentration is important for interpreting adequacy: a uniform per-acre transfer may provide useful liquidity but may still be insufficient when input costs, irrigation expenditure and labour requirements rise.

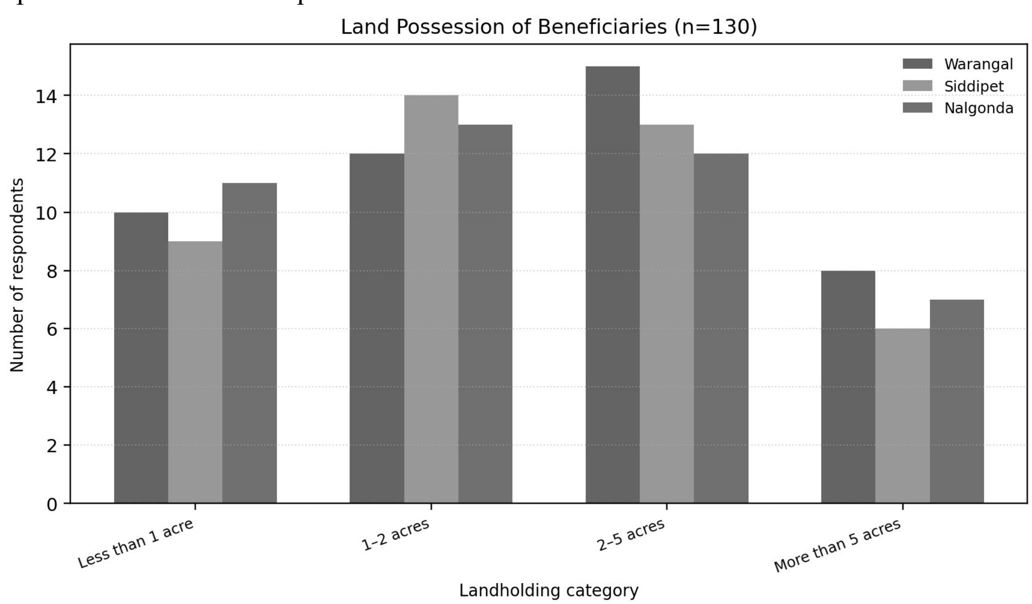

Figure 2. Land possession of beneficiaries

Challenges in Receiving and Using Support

The most frequently reported problem is an insufficient amount for farming needs: 51 of the 130 respondents (39.2%) reported this issue. Delay in disbursement is the second-largest challenge, reported by 34 respondents (26.2%). Difficulty

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accessing funds was reported by 17 (13.1%), while 22 (16.9%) reported no challenges and 6 (4.6%) reported other problems. The study identifies land-record mismatches and eligibility disputes among the 'other' issues. These findings indicate that effectiveness depends not only on the nominal amount of assistance but also on timely delivery and administrative accessibility.

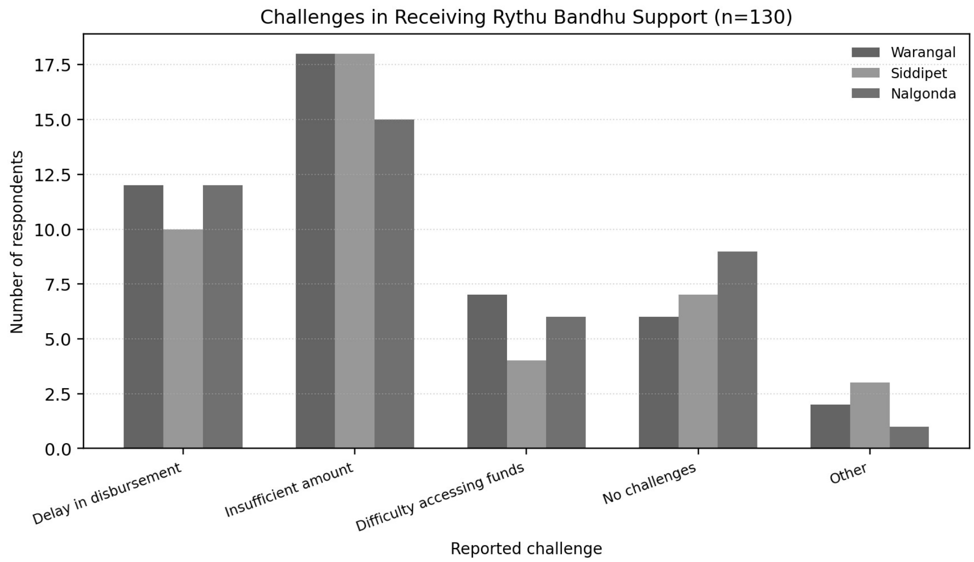

Figure 3. Challenges in receipt of Rythu Bandhu support

Perceived impact on household income

A majority of the sample reports a positive change in household income: 74 respondents (56.9%) report significant improvement and 38 (29.2%) report moderate improvement. Together, 112 respondents (86.2%) report either significant or moderate improvement. Sixteen respondents (12.3%) report no improvement and two (1.5%) report decreased income.

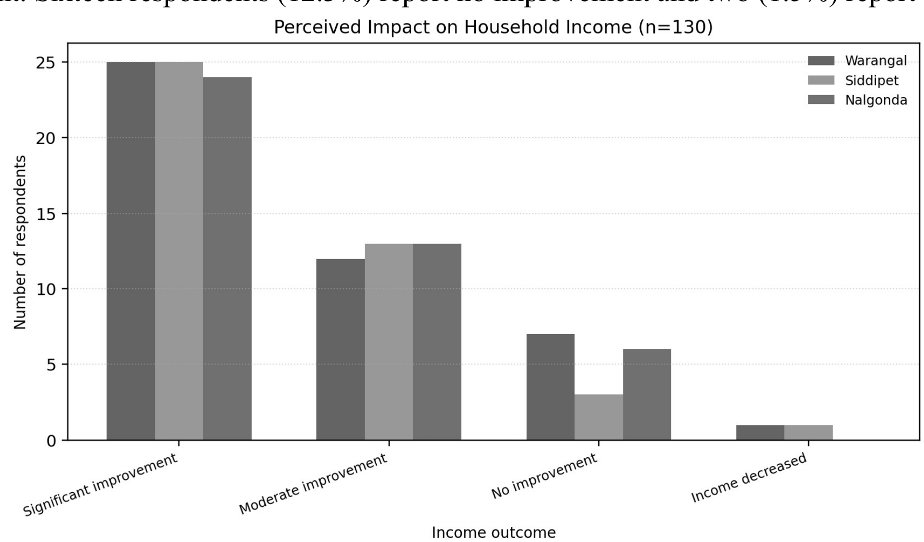

Figure 4. Perceived impact on household income

Self-reliance and dependence on external credit

Seventy-seven respondents (59.2%) state that they now depend less on external loans or credit. A further 42 (32.3%) say they are somewhat self-reliant but still depend on loans for some activities, while 11 (8.5%) remain dependent on external support. The findings suggest that the transfer may strengthen short-term liquidity and reduce reliance on high-cost

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borrowing for routine inputs. Nevertheless, the sizeable 'somewhat dependent' group indicates that investment support alone does not cover all farming expenditure, particularly when irrigation, machinery, crop failure or other unexpected costs arise.

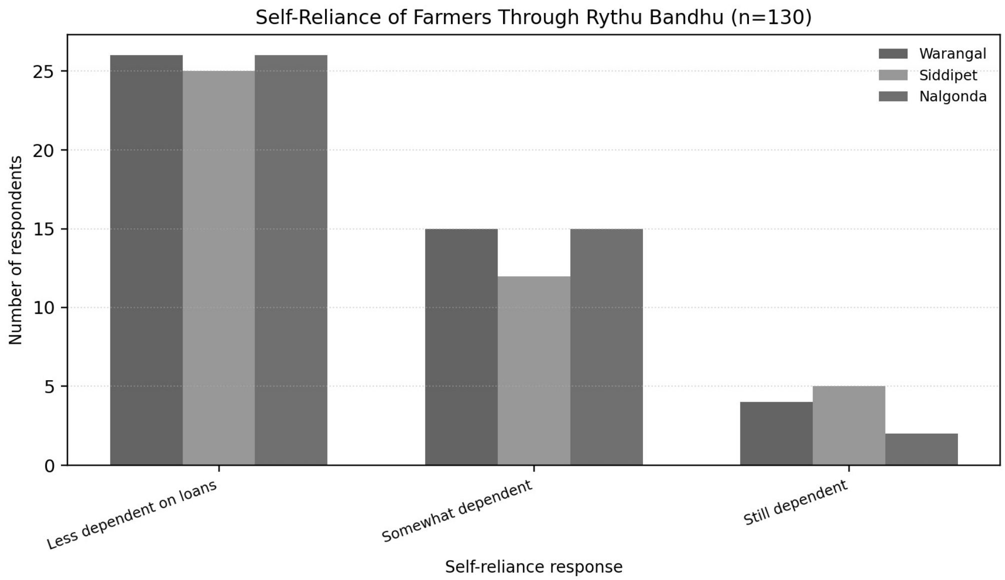

Figure 5. Self-reliance of beneficiaries

Rural development and farmer well-being

Eighty-one respondents (62.3%) perceive a significant positive change in rural development and farmer well-being. Thirty-seven (28.5%) believe there is room for improvement, 10 (7.7%) perceive no significant difference and 2 (1.5%) are unsure. The pattern suggests that beneficiaries associate direct support with improved purchasing power and household welfare, but they also recognize wider constraints. In particular, the supplied manuscript points to irrigation limitations, market-price fluctuations and rising input costs as factors that can limit the broader developmental effect of the scheme.

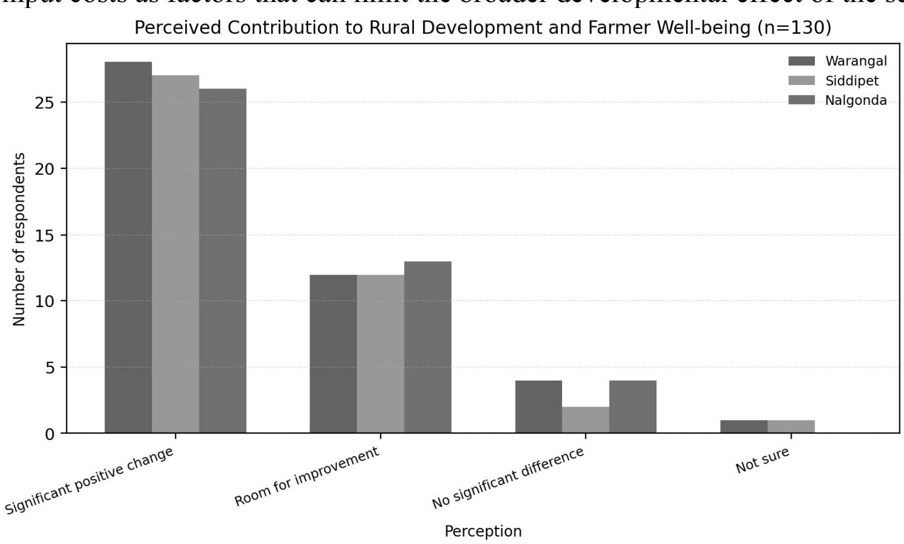

Figure 6. Contribution to rural development and farmer well-being

Challenges in Implementation of the Rythubandhu Scheme:

1) **Adequacy of Financial Assistance:** The most common concern is that the support does not fully match actual farming expenditure. Input prices, labour costs and other seasonal expenses can exceed the transfer.

2) **Timeliness of Disbursement:** Delayed payments can reduce the usefulness of investment support because agricultural inputs are time-sensitive and must often be purchased before sowing or at specific stages of cultivation.
3) **Administrative and Banking access:** Some respondents report difficulty accessing funds, while the source manuscript also notes land-record mismatches and eligibility disputes.
4) **Climate and Production risk:** Income gains remain vulnerable to droughts, floods, irregular rainfall and other production shocks. Direct cash support does not by itself insure the crop or stabilize output.
5) **Market-price Uncertainty:** Even when production and liquidity improve, volatile farm-gate prices can constrain realized farm income.
6) **Limited Diversification of Livelihood and Crops:** The dominance of crop farming and the continued dependence of some beneficiaries on external credit indicate that broader livelihood and crop diversification may be needed.

Suggestions and Policy Recommendations

1. **Improve Timeliness:** Disburse investment support sufficiently before the relevant sowing/production window and publish predictable payment calendars.
2. **Review Adequacy Periodically:** Periodically assess the real cost of cultivation by crop, farm size and agro-climatic zone and use the evidence to review the adequacy of support.
3. **Strengthen Grievance Redressal:** Establish simple district- and mandal-level mechanisms for land-record mismatches, eligibility disputes, bank-account problems and payment failures.
4. **Integrate Investment Support with Crop Insurance:** Link or coordinate cash support with effective crop-risk protection so that one production shock does not erase the financial benefit.
5. **Expand Irrigation and Water Management:** Improve irrigation reliability, water conservation and drought-resilience measures, especially for beneficiaries who remain dependent on credit.
6. **Strengthen Institutional Credit**: Facilitate affordable institutional credit so that beneficiaries can meet machinery, irrigation and emergency expenditure without returning to high-cost informal borrowing.
7. **Promote Crop and Livelihood Diversification**: Encourage horticulture, livestock, allied activities and climate-resilient crops where agro-ecologically appropriate.
8. **Improve Market Access:** Strengthen storage, aggregation, market information, producer organizations and price-risk management so that increased production translates into higher realized income.
9. **Use Beneficiary Feedback for Programme Design**: Institutionalize periodic beneficiary surveys and social audits to identify district-specific problems.
10. **Improve Evaluation Quality:** Future studies should collect panel data, include eligible non-beneficiaries where feasible, verify farm-income and productivity measures, and apply appropriate causal or quasi-experimental methods.

Conclusion:

The primary survey of 130 beneficiaries in Warangal, Siddipet and Nalgonda presents a positive picture of Rythu Bandhu as a source of seasonal agricultural financial support. Crop farming is the dominant activity, and most beneficiaries are concentrated in the 1–5 acre landholding range. The strongest reported benefit is perceived improvement in household income: 86.2% report either significant or moderate improvement. Similarly, 59.2% report lower dependence on external loans, while another 32.3% report partial self-reliance. A majority also perceive a significant positive contribution to rural development and farmer well-being.

At the same time, the study demonstrates that financial transfers have limits. The most common problem is the insufficiency of the support relative to farming needs, followed by delays in disbursement. Administrative access, climate risk, irrigation constraints, market uncertainty and rising input costs can weaken the benefits. Consequently, the most appropriate policy interpretation is not that direct investment support alone guarantees sustained income growth, but that it

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can serve as an important liquidity and resilience instrument when combined with insurance, irrigation, institutional credit, market support and diversification.

The study provides valuable beneficiary perceptions across three districts, but it does not establish a causal effect because sampling procedures, fieldwork dates and a comparison group are not documented. Future research should therefore move from descriptive beneficiary assessment toward rigorous longitudinal and quasi-experimental evaluation. Such evidence would help determine which farmers benefit most, how long the effects persist, and how agricultural investment support can best contribute to sustainable rural livelihoods.

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