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Beyond the Fields: An evolutionary economic study of small farmers and tenant cultivators and access to NABARD supported government agricultural schemes in Vidarbha, Maharashtra

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Abstract

This paper investigates the economic vulnerability, tenancy and delivery challenges for small farmers accessing agricultural support in Vidarbha, Maharashtra. It explores the links between farm income, input costs, debt, formal credit, crop insurance and subsidies with a focus on cultivators who do not own the land they work. These cultivators may bear production costs and crop loss risk but can be difficult to identify in land-based administrative records. This paper adopts a descriptive economic approach and presents ten illustrative household cases (supplied) for Yavatmal, Wardha and Amravati. These cases point to potential issues with credit access, documentation, timely assistance, supplier practices and crop loss assessment. However, the cases are not considered as a representative or independently verified survey, as supporting field records were not provided. The paper distinguishes the broader role of NABARD in rural credit and development from the decisions of banks, insurers and government departments in individual schemes. It suggests an economic evaluation framework based on access, timeliness, adequacy, transaction costs and distributional fairness. Recommendations include a recognized evidence of tenancy, accessible credit and digital assistance, transparent subsidy procurement, clear insurance appeals and a stronger grievance system. Ultimately, the paper argues that the success of schemes should be evaluated based on the economic effectiveness of the support received by eligible cultivators, and whether this helps reduce their financial vulnerability, rather than simply on the amount spent or enrolled.

Keywords: Economic study; Vidarbha; NABARD; government schemes; small farmers; tenant cultivators; agricultural credit; crop insurance; rural livelihoods

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1. Introduction

Agriculture is not only an economic activity but also a source of livelihood for millions of rural households. For small and marginal farmers, the financial cycle can be challenging. They have to incur costs for seed, fertilizer, labour, pesticides and transport before earning income from the harvest. If rainfall is poor, crop prices drop or pests damage the crop, the household may experience a shortfall, but their expenses remain. Limited savings can mean that a bad season becomes a borrowing issue affecting cultivation and household consumption in the next year.

Vidarbha, in eastern Maharashtra, is an important region for cotton and soybean cultivation and has been the subject of discussion on agrarian distress. The economic situation of a farm household is not only about the quantity of the harvest. It also depends on input costs, access to irrigation, the price at which the crop is sold, interest payments, storage options and the timing of public support. Smallholders with limited land may have fewer opportunities to spread risk or delay sales compared to larger producers.Various government programmes and rural development institutions aim to address different aspects of this challenge. For example, institutional agricultural credit can help with seasonal inputs, crop insurance can compensate for specified losses, income support programmes can add to household resources, and subsidies for irrigation or farm ponds can help mitigate production risk over time. While NABARD supports rural credit institutions, refinancing and development initiatives, the existence of a scheme does not necessarily indicate that the benefit reaches the intended cultivator and improves their economic situation.

The challenge is particularly relevant for tenant cultivators. They may pay rent, incur input costs and face the risk of crop failure. However, the land owner may be different according to the official land records. If eligibility or loan assessment is heavily dependent on ownership documentation, then the actual cultivator may struggle to demonstrate their involvement. This barrier can impact access to formal credit, insurance or assistance, leading to increased dependence on informal borrowing.

Thus, this paper approaches agricultural support from an economic perspective. Who can access support? What is the cost of obtaining it? How quickly is it delivered? Does it help reduce vulnerability? The focus is on small farmers and tenant cultivators in Vidarbha, with a distinction between NABARD, lending institutions, insurers and government departments.

2. Objectives and Research Questions

This paper aims to study the relationship between the economic situation of farmers and their access to agricultural support in Vidarbha. The objectives are to: (1) understand the financial pressures 3 experienced by small and marginal cultivators; (2) explore how tenancy and land documentation can affect access to credit and benefits from schemes; (3) identify potential administrative and delivery challenges in the provided cases; (4) distinguish the institutional role of NABARD from agencies implementing individual schemes; and (5) propose indicators to evaluate the economic effectiveness of support.

The research questions are: How do production costs, farm income and debt impact the financial resilience of a small farmer? What challenges may tenants face when accessing credit or benefits? What delivery challenges are raised by the provided household accounts? How can government departments, banks, insurers and rural development institutions improve access and accountability? This paper is exploratory. The case material points to potential issues for investigation, but it is not possible to determine how common these are in the region.

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3. Methodology and Limitations

This paper adopts a descriptive economic approach. It presents ten illustrative household cases (supplied) for Yavatmal, Wardha and Amravati. A provided matrix outlines the landholding or tenancy status, scheme sought, expected amount, reported amount received and the stated reason for the difference. Examples include crop insurance, Kisan Credit Card lending, irrigation and farm pond assistance, income support, warehouse subsidy and agricultural inputs.

The cases are analyzed based on five themes: household cash flow pressure, access to institutional credit, recognition of tenant cultivation, administrative transaction costs and transparency of insurance or subsidy delivery. These themes are used to develop an economic framework, rather than estimate the prevalence of issues in Vidarbha.

The provided material does not include information on survey dates, sampling procedures, questionnaires, interview transcripts, consent records or supporting bank/scheme documents. Thus, the ten cases are treated as reported illustrations, rather than independently verified findings or a statistically representative sample. Allegations of bribery, coercion or misuse should be investigated fairly and supported by documentary evidence. A full empirical study would involve informed consent, confidentiality, dates and methods, and a comparison between household accounts and application receipts, sanction letters, payments and official scheme rules.

4. Economic Situation of Small and Marginal Farmers

The economic situation of a small farm depends on both costs and returns. Costs are often incurred in advance. Returns occur after the harvest, which can be affected by weather, yield and market price. A household may seem to have farm income at the end of the season, their disposable cash can be limited after repaying loans, paying rent and meeting family expenses. Thus, income, cash flow and debt should be considered together, rather than just production as a measure of well-being.Access to credit can help farmers obtain inputs at the right time. However, the economic value of credit depends on interest rates, repayment terms and the certainty of income. Some farmers may turn to traders, moneylenders or informal networks if formal loans are not available or sufficient.

While borrowing in this way may be quickly accessible, it can be expensive. If the harvest is poor, then repayment may consume funds that are needed for the next crop. This can lead to a cycle of debt and reduced investment.The economic situation of the farm is also affected by market conditions. For individual smallholders, storage options and bargaining power may be limited. They may need to sell when many other farmers are also selling.Charges for transport, quality deductions and price fluctuations can affect the amount that the household retains. While farmer producer organizations, cooperatives, storage facilities and reliable market information can improve options for farmers, the outcomes depend on local management and access to capital.

The timing of public support is an economic factor in its own right. If a subsidy is received after the sowing window, then it may not benefit the current crop. If there is a delay in insurance claims, then the household may need to borrow for consumption or to repay existing lenders. Thus, an evaluation should consider not just the amount sanctioned, but also the delay, application costs, travel costs, documentation burden and whether the benefit arrives in time to prevent further financial stress.

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5. **Tenant Cultivators and the Economics of Exclusion**

Tenant cultivators can be involved in written leases, informal agreements, crop sharing arrangements or verbal understandings. In these cases, the cultivator of the land may not be the recorded owner. The tenant may incur costs for seed, fertilizer and labour. If the crop fails, then they may lose these investments. However, if a scheme or lender relies on ownership records, then it can be difficult to verify the tenant's connection to the crop.This can result in an economic disadvantage, beyond the immediate rejection of an application.

If affordable institutional credit is not available, then the tenant may have to borrow at a higher rate. If there is no clear access to crop insurance or assistance for losses, then the tenant may have limited options after a shock. Thus, a lack of recognized documentation can affect the cost of borrowing, the ability to invest and the household's ability to recover from crop damage. The supplied Wardha case F-04 describes a cultivator working on one hectare with a verbal rental agreement. They reportedly did not receive a loan waiver benefit as formal ownership documents were not available. This account highlights the potential difference between the recorded owner and the cultivator bearing the costs of cultivation. It does not mean that all tenant farmers are ineligible for all programmes. The eligibility conditions may vary. This specific account has not been independently verified.

A mechanism for tenant recognition could accept clearly defined alternative evidence, such as a cultivation agreement, local body verification, crop sowing records or input receipts, if allowed by state rules. A tenant farmer card may only be useful if it is formally accepted by banks and programme administrators. There should be safeguards to protect land titles, prevent duplicate claims, allow for the review of disputes and mitigate the risk of arbitrary local decisions. It should also take into account women who cultivate land but are not named in formal records.

6. **Government Schemes and NABARD: Roles and Delivery**

The Kisan Credit Card system aims to support eligible agricultural borrowers through participating lenders, subject to relevant rules and appraisal. PM-KISAN is a separate income support programme with its own eligibility and verification requirements. Pradhan Mantri Fasal Bima Yojana provides crop insurance based on notified crops, areas and conditions for claims. Different types of crop loss may involve different assessment procedures. It would be incorrect to assume that every claim is assessed based only on a village average. State programmes may provide support for micro-irrigation, farm ponds, storage or agricultural inputs, subject to programme-specific rules.

It is important to clearly describe the role of NABARD. It supports rural credit institutions, refinancing, institutional capacity and rural development initiatives. The decisions on a farmer's loan may be made by a bank or cooperative. Insurance decisions may involve an insurer and relevant government authorities. Subsidy approvals may be handled by a state department or local implementing agency. These are related, but not interchangeable functions. It is important for farmers to know which body makes each decision and where they can file an appeal.

There can be a delivery gap at different stages, such as awareness, application, verification, sanction, payment or grievance redress. While digital systems may help reduce some processing costs, errors in

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names, identity details or bank records can still cause delays in receiving benefits. Farmers may also incur costs for travel to offices, repeated document submissions and lost workdays. These costs are often not visible in the headline expenditure for schemes, but they can affect the real value of the support received. Thus, an economic assessment should consider the difference between the expected amount for the household, the amount they were legally eligible to receive, the amount sanctioned and the amount actually credited.There can be differences due to eligibility rules, partial approval, deductions, processing errors or delays. It is important to have transparent, written decisions and accessible appeals to determine if the gap is legitimate or a result of an administrative failure.

7. **Household Cases: Economic Issues Raised**

The provided ten-case matrix raises several issues for further investigation. In Yavatmal, F-01 reportedly had a data mismatch for crop insurance. F-02 reported receiving a lower amount for KCC than expected, alleging a bribe and deductions for old debt. F-03 reported a delay in irrigation assistance and concerns about supplier pricing. F-10 reported an incomplete farm pond. In Wardha, F-04 was a tenant cultivator. F-05 reported a payment issue related to a spelling mismatch. F-06 reported a low insurance payment after localized hail damage. In Amravati, F-07 reported pressure to accept an insurance product. F-08 raised concerns about a warehouse subsidy, with alleged misuse. F-09 reported bundled input sales.

From an economic perspective, these accounts raise four questions. Did the household receive the amount specified by the scheme rules? How much time and money did the farmer spend on the application or correcting records? Did the delay cause the household to borrow or delay cultivation? Was there a clear process for challenging the decision? These questions would help determine if there was a delivery problem that caused measurable financial harm.

The accounts should be verified before using them as findings. Relevant evidence would include the application number, date, eligibility, sanction letters, bank statements, invoices, inspection records and written reasons for rejection. It is important to include interviews with farmers who received benefits, as well as those who were rejected or did not apply. This would avoid a focus on reported failures.

8. **Economic Framework for Evaluating Support**

For a useful economic study, it is important to measure more than the number of beneficiaries. Five dimensions are particularly relevant. Access refers to the proportion of eligible cultivators who apply and receive assistance, including tenants. Timeliness refers to the time between application, approval and payment. Adequacy refers to the amount received, compared to the applicable entitlement and the purpose of the programme. Transaction costs refer to travel, documentation, application expenses and time away from farm work. Distributional fairness refers to whether there is any difference in access based on land size, tenancy status, gender or district. 7 The economic framework can also consider whether the assistance affects household outcomes. Relevant indicators could include dependence on informal credit, interest paid, input purchases, delayed sowing, sale of assets, consumption shortfalls and the ability to invest in the next season. For a larger study, it is important to have a clear sampling strategy, baseline information and comparisons between households or over time. This would help identify effects, rather than just associations. Without such evidence, claims about a scheme causing an improvement or failure should be made with caution.

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This economic framework links the performance of institutions with the economics of farmers. A scheme may successfully disburse funds, but leave out cultivators who cannot prove tenancy. Alternatively, a delayed payment may eventually reach a beneficiary, but result in borrowing costs that reduce the value of the benefit. Measuring these outcomes can help policy makers identify areas for reform to achieve the greatest practical benefit.

9. Recommendations

Firstly, establish a recognized route for verifying tenant cultivation. State departments, local bodies and lending institutions should specify the acceptable evidence and ensure clear communication of the same rules to applicants. Any tenant farmer card should be affordable, protected against misuse and accepted by the relevant programmes. It should not affect ownership rights.

Secondly, improve access to formal credit. This can involve clear checklists for documentation, written reasons for rejection and a process to correct errors. Banks and cooperatives should explain the interest, repayment terms and any insurance conditions in a language the borrower understands.Any complaints about unofficial charges or coercive product sales should be documented and independently investigated.

Thirdly, provide assisted digital services at the village or block level. Farmers should be able to check application status, correct identity or bank account mismatches, and receive an acknowledgement and clear reason for rejection. It is important to provide assistance in Marathi and in-person support for those with limited connectivity or digital literacy.

Fourthly, simplify crop insurance procedures. Farmers should be informed about the relevant category for claims, evidence required, assessment method and appeal process. While satellite imagery, weather data and field reports can complement each other, remote estimates should be validated. There should be a mechanism to review disputed decisions.

Fifthly, improve the transparency of subsidies. Departments should publish technical specifications, reference prices, approved suppliers (where relevant) and the required contribution from the beneficiary. It is important to have itemized invoices, competitive procurement, inspections and social audits to identify inflated prices or incomplete work. If there is a voucher or open market purchase model, then it should still have quality controls and a traceable record of public spending.

Sixthly, provide an accessible grievance system. This can involve complaint numbers, response deadlines and escalation to an independent officer. Social audits can compare approvals with actual transfers and completed assets. There should be a fair investigation of allegations and sanctions based on documented findings and due process.

Finally, evaluate schemes based on economic outcomes, as well as administrative outputs.

Useful indicators could include benefit receipt among eligible cultivators, payment delays, application costs, complaint resolution, access to formal credit and household dependence on high-cost borrowing. Results should be reported by district, landholding size and tenancy status, where it is lawful and safe to collect data.

10. Conclusion

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The economic situation of small farmers in Vidarbha is affected by the interaction between production costs, uncertain income, debt and access to public support. Tenant cultivators may face an additional barrier if the person bearing the risk of cultivation is not recognized in land-based records. The provided household cases raise concerns about credit, digital errors, subsidy delivery and insurance communication. However, it is not possible to determine the extent of these issues in the region. Thus, the cases require verification before being considered as empirical findings.

While NABARD, banks, insurers and government departments have different roles, effective reform requires clarity on these roles. A fairer system would recognize genuine cultivation, reduce avoidable application costs, provide timely decisions and allow farmers to challenge errors. Ultimately, the economic success of a scheme should be judged based on whether it reaches eligible cultivators and helps reduce their financial vulnerability, rather than simply on the announced or spent amount.

11. Future Scope of Research

For a larger study, it would be important to have a transparent sampling design across Vidarbha. This should include landowners, tenant cultivators, women farmers, beneficiaries, rejected applicants and households that have never applied. It is important to document consent, survey dates, questionnaires and verification procedures. If permission is available, then there should be a comparison between household reports and bank/scheme records. 9 Future research could estimate differences in loan approval, insurance access and payment delays by tenancy status, taking into account land size, crop, irrigation, income and district. A longitudinal study could track borrowing costs, household expenditure and farm investment over seasons. For farmer producer organizations, research could consider whether collective purchasing, storage and marketing help improve farmers' net returns.

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