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Impact of Government Support Schemes on Farmers in Karnataka After 2020

Dr. Manjunatha M.K.
Associate Professor Of Economics
Government First Grade College
Hirisave-573124
Channarayapattana Taluk,
Hassan District.

Abstract

The COVID-19 pandemic significantly disrupted agricultural activities in India, exposing farmers to income instability, labour shortages, and market uncertainties. In Karnataka, where agriculture supports a large rural population and is predominantly dependent on small and marginal farmers, government support schemes became a crucial mechanism for crisis mitigation and recovery. This study examines the impact of government support schemes on farmers in Karnataka after 2020, focusing on income security, production continuity, adoption of sustainable practices, and resilience building. Using secondary data from government publications, policy reports, and peer-reviewed studies, the paper analyses major schemes implemented during and after the pandemic period. The findings indicate that direct income support, input subsidies, credit facilitation, crop insurance, and irrigation development significantly contributed to stabilising farm livelihoods. However, implementation challenges such as awareness gaps, regional disparities, and exclusion of vulnerable farmer groups continue to limit the overall effectiveness of these interventions. The study highlights the need for inclusive, well-targeted, and digitally accessible policy frameworks to strengthen farmer welfare in the post-pandemic era.

Keywords

Government Support Schemes; Farmers' Welfare; Karnataka; Post-2020 Agriculture; COVID-19 Impact; Income Support; Agricultural Subsidies; Crop Insurance; Institutional Interventions; Rural Livelihoods

1. Introduction

Agriculture plays a pivotal role in Karnataka's economy, providing livelihoods to a significant share of the rural population and contributing to food security and socio-economic stability. The state's agricultural sector is characterised by agro-climatic diversity, varying rainfall patterns, and a predominance of small and marginal landholdings. Prior to 2020, farmers in Karnataka faced persistent challenges such as climate variability, water scarcity, rising input costs, market price volatility, and increasing indebtedness.

The onset of the COVID-19 pandemic in 2020 exacerbated these challenges. Lockdown measures disrupted the supply of agricultural inputs, restricted labour mobility, and limited access to markets, particularly affecting farmers producing perishable commodities. Uncertainty regarding income and production decisions heightened farmers' vulnerability, especially among resource-poor households.

Recognising the critical importance of agriculture for food security and rural livelihoods, the government introduced and expanded several support schemes during and after the pandemic. These interventions aimed to ensure income stability, reduce production risks, and maintain agricultural activity despite economic disruptions. Karnataka implemented state-specific initiatives alongside centrally sponsored schemes, reflecting a multi-level policy response.

This paper analyses the impact of government support schemes on farmers in Karnataka after 2020. It evaluates how these schemes influenced income security, production decisions, and resilience while identifying challenges and areas for policy improvement.

2. Review of Literature

a) Government Intervention and Agricultural Development

Literature on agricultural economics consistently emphasises the role of government intervention in stabilising farm incomes and reducing production risks. Input subsidies, income transfers, and price support mechanisms are viewed as essential tools for protecting farmers against market and climatic uncertainties.

b) Impact of COVID-19 on Indian Agriculture

Several studies analysing the COVID-19 impact on Indian agriculture report disruptions in labour availability, transportation, and market access. However, compared to other sectors, agriculture demonstrated relative resilience due to continued policy support and essential-sector classification. Researchers highlight that government schemes played a key role in preventing large-scale agrarian distress.

c) Farmer Welfare Schemes in Karnataka

State-specific studies on Karnataka underline the importance of irrigation development, mechanisation, and extension services in improving productivity and resilience. However, literature also notes regional disparities in scheme coverage, with rain-fed and drought-prone areas facing greater vulnerability.

d) Research Gap

While individual schemes have been evaluated separately, limited research examines the collective impact of post-2020 government support schemes on farmers' resilience in Karnataka. This study attempts to fill this gap by providing a comprehensive assessment.

3. Government Support Schemes Implemented After 2020

a) Income Support and Direct Benefit Transfers

Income support schemes provided direct cash transfers to farmers, offering immediate financial relief during periods of uncertainty. These transfers enhanced liquidity, supported household consumption, and reduced dependence on informal credit sources, particularly during the pandemic recovery phase.

b) Input Subsidies and Credit Support

Subsidised distribution of seeds, fertilisers, and farm machinery reduced production costs and encouraged timely agricultural operations. Credit support through institutional channels, along with interest subvention schemes, enabled farmers to invest in cultivation despite income disruptions.

c) Crop Insurance and Risk Mitigation

Crop insurance schemes gained importance after 2020 as climate variability and economic uncertainty increased. These schemes helped mitigate income losses due to crop failure and enhanced farmers' confidence to continue cultivation.

d) Irrigation and Infrastructure Development

Post-pandemic policy emphasis on micro-irrigation, watershed development, and rural infrastructure aimed to address long-term structural issues such as water scarcity and low productivity. These initiatives contributed to sustainable resource management and resilience building.

4. Impact of Government Support Schemes on Farmers

a) **Income Stability and Livelihood Security**
Government support schemes significantly contributed to stabilising farm incomes during and after the pandemic. Direct transfers and subsidies reduced immediate financial stress and improved household food and nutritional security.

b) **Continuity of Agricultural Production**
By reducing input costs and improving access to credit, government schemes encouraged farmers to continue cultivation despite uncertainties. This ensured continuity of agricultural production and prevented large-scale withdrawal from farming.

c) **Adoption of Sustainable and Climate-Resilient Practices**
Support for irrigation, mechanisation, and extension services promoted the adoption of climate-smart agricultural practices. These measures enhanced water use efficiency and reduced vulnerability to climatic shocks.

d) **Differential Impact Across Farmer Categories**
Large and irrigated farmers benefitted more consistently from government schemes, while small and marginal farmers faced challenges related to awareness, digital access, and procedural complexity. Tenant farmers and sharecroppers were often excluded due to land ownership requirements.

5. Challenges in Implementation

Despite the positive outcomes achieved through government support schemes after 2020, several structural and operational challenges continue to limit their overall effectiveness in Karnataka. One of the primary constraints is **limited awareness and inadequate dissemination of information** among farmers, particularly small and marginal cultivators. Many farmers remain unaware of scheme eligibility criteria, application procedures, and benefits due to weak extension outreach and communication gaps, especially in remote and rain-fed regions.

Another significant challenge is the **delay in benefit disbursement**, which undermines the purpose of timely support. Delays in direct benefit transfers, subsidy reimbursements, and insurance claim settlements often force farmers to rely on informal credit sources at high interest rates, thereby increasing indebtedness and financial stress. Procedural complexity and bureaucratic inefficiencies further exacerbate these delays.

Regional disparities in access and coverage also affect scheme outcomes. Farmers in irrigated and economically developed districts tend to benefit more due to better institutional access, infrastructure, and digital connectivity, while those in drought-prone and backward regions face persistent exclusion. Such uneven distribution of benefits reinforces existing inequalities within the agricultural sector.

Additionally, the **exclusion of tenant farmers, sharecroppers, and informal cultivators** remains a critical concern. Many schemes are linked to land ownership records, leaving out a significant segment of actual cultivators who lack formal land titles. This exclusion weakens the inclusiveness of policy interventions and limits their impact on the most vulnerable farming households.

Addressing these challenges is essential to ensure equitable policy outcomes and to enhance the credibility and effectiveness of government support schemes in the post-pandemic context.

6. Policy Implications and Future Directions

To strengthen the long-term impact of government support schemes, future policy efforts must adopt a more inclusive, efficient, and adaptive approach. **Simplifying administrative procedures** is crucial to reducing transaction costs and improving accessibility for farmers. Streamlining application processes, reducing documentation requirements, and improving coordination between departments can significantly enhance scheme uptake.

Enhancing digital and financial inclusion should be a key policy priority. While digital platforms have improved transparency and efficiency, digital literacy and infrastructure gaps continue to exclude many smallholders. Investments in rural connectivity, farmer training, and digital support centres can bridge this divide and ensure equitable access to benefits.

Strengthening **last-mile delivery mechanisms** through extension services, Farmer Producer Organisations (FPOs), and local institutions is essential for improving outreach and implementation effectiveness. These institutions can play a vital role in awareness creation, beneficiary identification, and grievance redressal, particularly in underserved regions.

Finally, future support schemes should aim at **integrating income support with sustainability and climate resilience goals**. Linking financial assistance with the adoption of climate-smart practices, efficient water management, and soil conservation can ensure that short-term relief contributes to long-term agricultural sustainability.

Such a comprehensive and forward-looking policy framework can significantly enhance the effectiveness of farmer support schemes, promote inclusive growth, and ensure sustainable agricultural development in Karnataka's post-pandemic era.

Conclusion

Government support schemes implemented after 2020 played a decisive role in cushioning farmers in Karnataka from the severe economic and operational disruptions caused by the COVID-19 pandemic. Through direct income support, input subsidies, credit facilitation, crop insurance, and investments in irrigation and infrastructure, these interventions helped stabilise farm incomes, ensured continuity of agricultural production, and prevented large-scale agrarian distress during a period of unprecedented uncertainty. The timely classification of agriculture as an essential sector and the strengthening of welfare mechanisms further reinforced the sector's capacity to absorb shocks.

Beyond short-term relief, these schemes contributed to building longer-term resilience by encouraging sustained cultivation, adoption of climate-resilient practices, and improved resource use efficiency. However, the benefits of government support were not uniformly distributed. Persistent challenges such as limited awareness, procedural complexities, delayed disbursement, digital exclusion, and the marginalisation of tenant and smallholder farmers constrained the overall effectiveness of these programmes. Regional disparities, particularly between irrigated and rain-fed areas, also continue to shape uneven outcomes.

To fully realise the potential of government support schemes in the post-pandemic era, policy efforts must move towards a more inclusive, efficient, and farmer-centric approach. Simplifying administrative processes, expanding coverage to vulnerable farmer groups, strengthening last-mile delivery systems, and integrating income support with long-term sustainability and climate adaptation strategies are essential. Such a holistic policy framework will not only enhance agricultural resilience but also ensure sustainable development and livelihood security for farmers in Karnataka in the face of future economic and environmental challenges.

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