

# Farmers' Satisfaction with Paddy Procurement in Telangana: An Empirical Analysis

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## 1.Introduction

The paddy procurement process in India—primarily carried out through the Minimum Support Price (MSP) mechanism by the Food Corporation of India and state agencies—faces several structural, administrative, logistical, and financial challenges. These problems vary across states depending on infrastructure, governance capacity, procurement models, and agricultural patterns. These include - Regional Imbalance in Procurement with heavy concentration in few states such as Punjab, Haryana, Telangana, Andhra Pradesh, and parts of Madhya Pradesh. Farmers in eastern and northeastern states often receive limited MSP benefits due to weak procurement infrastructure and fewer procurement centres. Many states face delays in opening procurement centres and processing farmer payments. Farmers often need immediate cash after harvest and are forced to sell to middlemen below MSP. The storage infrastructure is inadequate resulting in post harvest losses. Fair Average Quality (FAQ) standards followed by procurement agencies in various states are not consistently applied putting farmer to loss. Despite direct procurement efforts, commission agents (*arthiyas*) and traders remain dominant in several states, especially in northern India. There is a financial burden on states under Decentralised Procurement (DCP) and more over there is excessive procurement and surplus stocks in major paddy producing states. Assured procurement of rice encourages farmers to continue cultivating water-intensive crop like rice even in ecologically unsuitable regions like Punjab and Haryana. Transport bottlenecks frequently slow movement from procurement centres to mills and warehouses. In recent times several states reported fake farmer registrations, procurement through middlemen, inter-state smuggling of paddy and duplicate procurement records. Despite, many states introducing the online registration and aadhar-linked procurement systems, marginal and tenant farmers often struggle to access procurement systems. Tenant farmers and sharecroppers frequently lack formal land ownership records required for procurement registration. States like Andhra Pradesh, Tamil Nadu,

Odisha, and Telangana frequently face weather-related procurement disruptions. These issues make paddy procurement not just an agricultural challenge, but also a fiscal, environmental, logistical, and governance issue in India's food security system. The state of Telangana is no exception to many of these issues.

Agriculture plays a key role in the Telangana state economy. The economic contribution of the Agriculture and allied sectors to Gross State Value-Added (GSVA) rose to Rs. 2,13,799 crores in 2025-26 (PAE) and around 50 percent of people eke out their livelihoods from the farm sector (Socio-Economic Outlook, 2026). Telangana is the leading producer of paddy with an area of 26.72 lakh hectares in 2025 kharif season (Table 1). Paddy is the main crop and rice is the staple food of the state. The state recorded a paddy production of about 148.03 lakh tonnes in the 2025 Kharif season — reportedly the highest by any Indian state in a single season.

**Table 1 : Paddy Acreage in Telangana state(in million hectares)**

| Year    | Kharif             |               | Rabi               |               |
|---------|--------------------|---------------|--------------------|---------------|
|         | Total cropped Area | Area in Paddy | Total cropped Area | Area in Paddy |
| 2020-21 | 5.48               | 2.15          | 2.75               | 2.13          |
| 2021-22 | 5.24               | 2.5           | 2.2                | 1.45          |
| 2022-23 | 5.5                | 2.61          | 2.93               | 2.28          |
| 2023-24 | 5.1                | 2.63          | 2.74               | 2.10          |
| 2024-25 | 5.25               | 2.65          | 3.23               | 2.42          |
| 2025-26 | 5.32               | 2.67          | 3.56               | 2.56          |

**Source:** Directorate of Economics and Statistics (DES), Government of Telangana – Season and Crop Reports (2020–21 to 2025–26).

Telangana emerged as one of the largest states in terms of area under paddy cultivation and is ranked the second largest state in terms of rice production (Table 2). It is the fourth largest state in terms of rice yield, after Punjab, Andhra Pradesh and Tamil Nadu. Telangana is the leading paddy procurement centre in South India.

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**Table 2: State wise Rice Production share during 25-26**

| S.No | State          | Share (in %) |
|------|----------------|--------------|
| 1    | Uttar Pradesh  | 13.65        |
| 2    | Telangana      | 13.05        |
| 3    | Punjab         | 9.09         |
| 4    | West Bengal    | 8.49         |
| 5    | Madhya Pradesh | 7.10         |
| 6    | Andhra Pradesh | 6.78         |
| 7    | Odisha         | 6.37         |
| 8    | Chattisgarh    | 6.16         |
| 9    | Bihar          | 6.07         |
| 10   | Tamilnadu      | 4.77         |

**Source:** Department of Agriculture and Farmer Welfare (DAAFW), 2026

Paddy procurement at the Minimum Support Price (MSP) is an important Telangana state government policy designed to protect farmers from price fluctuations in the open market and to ensure they receive a fair and stable income for their produce. It acts as a safety mechanism so that farmers are not forced to sell at lower prices during market distress. The procurement is carried out through designated Paddy Procurement Centres (PPCs), where farmers bring their produce for sale. The entire process is managed through the Online Procurement Management System (OPMS), which helps improve transparency and reduces manual intervention. Through this system, payments are directly transferred into farmers' bank accounts, ensuring quicker and more reliable transactions. Overall, the system aims to make procurement more efficient, transparent, and farmer-friendly while safeguarding farmers' income security.

During Yasangi 2023-24(Rabi) in Telangana, paddy crop has been sown in 20.57 lakh hectares (50.84 lakh acres) as on 06th Mar 2024 which is lower than 23.10 lakh hectares (57.09 lakh acres) covered during corresponding period of previous year. The rabi production of paddy is 114.41 lakh tonnes. Together for both kharif and rabi seasons during the year 2023-24, paddy production was 260.88 lakh tonnes in Telangana state. Major paddy growing districts in Telangana are Nalgonda 1.70 lakh ha (4.20 lakh acres), Nizamabad 1.67 lakh ha (4.12 lakh acres), Suryapet 1.54 ha (3.82 lakh acres) and Siddipet 1.35 lakh ha (3.33 lakh acres).

The Telangana Civil Supplies Corporation Limited has purchased huge quantities of paddy in the last couple of years ensuring the Minimum Support Price, benefitting lakhs of farmers. During vanakalam season of 2025-26 the state procured 71.86 lakh metric tonnes (LMTs) of paddy at the Minimum Support Price(MSP), valued at Rs17,160 crore from 14.35 lakh farmers through 8448 paddy procurement centres(SEO, 2026). During the 2025-26 rabi, the procurment target is 90LMTs. During 2025-26, Telangana is the third highest paddy procuring state in India followed next only to Punjab and Chattisgarh([www.fci.gov.in](http://www.fci.gov.in)). Similarly, Government of Telangana has completed procurement of 48 lakh metric tonnes of paddy during 2023-24

rabi season, which comprised even the stocks that were damaged in rains. The government had set up paddy procurement centers (PPCs) two weeks in advance in March itself and started the procurement. PPCs are managed and operated by Indira Kranthi Patham (IKP) centres managed by Self Help Group women, Primary Agricultural Credit Societies(PACs), Girijan Cooperative Societies (GCCs) in Tribal areas, District Cooperative Marketing Society(DCMS) and Agricultural Market Committees (AMCs). As many as 7,178 procurement centres were opened as compared to 6889 during the previous year. *The government of the day, directed the Department of Civil Supplies to accelerate payments to farmers. Upon assuming office, the new administration sought to assess field-level implementation and evaluate the extent to which these objectives had been fulfilled.* It is against this back drop, a study was conducted by Centre for Economic and Social Studies(CESS) in Telangana state during July 2024 with an objective of assessing the farmers satisfaction with paddy procurement in rabi 2023-24. The study has also tried to assess the awareness of farmers on the procurement process and the conditions of procurement.

## 2. Methodology and sample

Out of a total universe of more than 8.5 lakh paddy farmers spread over Telangana state, a sample of 0.5% covering 5000 farmers were surveyed using simple random method in 32 districts using a customized Aap using CATI (Computer Aided Telephonic Interview). A total of 10 farmers were selected randomly in each village using class interval method irrespective of the total number of paddy farmers from whom paddy was procured.

## 3. Major Findings of the Study

### 3.1 Awareness about MSP and Common Paddy Variety.

Minimum Support Price (MSP) is viewed as a safety net to ensure price security for a long-term investment decision to farmers. Farmer must be aware of the MSP for the crops grown by him so that he can refuse to sell his produce at a price below MSP. Minimum Support Price is an integral component of Agriculture Price Policy of India. It targets to ensure support price to farmers and affordable price to consumers through public distribution system (Parikh & Singh 2007).MSP also aims at procuring food grains from food surplus states for distribution through Public Distribution System(PDS) and maintaining buffer stock and thus bridge the demand supply gap (Jha & Srinivasan 2006; Chand 2008).

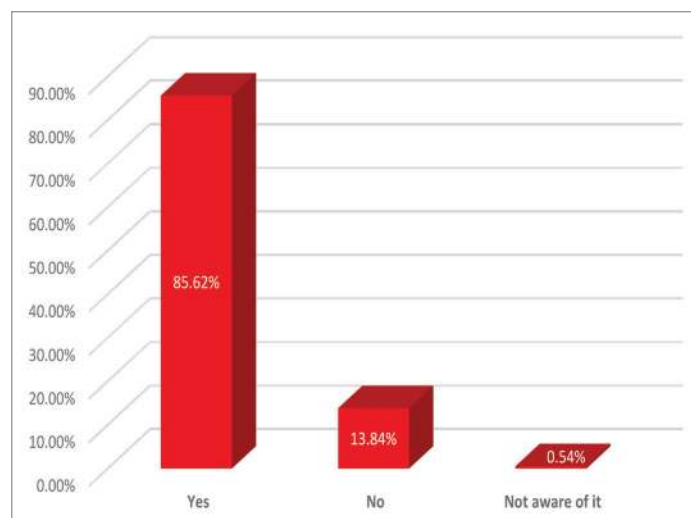
The present study found that for the majority of farmers (57.4 percent) awareness was created by the extension staff of the agriculture department. MSP needs to be backed up by effective procurement coupled with awareness creation by extension system to enable more number of farmers to take benefit of this safety net (Aditya et al., 2017). The role of Panchayat secretary was negligible (0.96 percent) in creating awareness about the MSP.

The study also found out whether awareness is being created among farmers with respect to Fair Average Quality (FAQ) of paddy. Fair Average Quality represents the standard specifications set by the government for purchasing paddy at the Minimum Support Price (MSP). It ensures that the paddy is clean, dry, wholesome, and free from excessive impurities (moisture, foreign matter, damaged grains) to meet food safety standards. It was mainly extension staff of agriculture department (57.84percent) creating awareness programmes. Substantial number of farmers(41.72 percent) reported that awareness was conducted to them with regards to Fair Average Quality of paddy.

### 3.2 Opening of Paddy Procurement Centres

Civil Supplies department, government of Telangana has ensured that the opening of paddy procurement centres in Yasangi 2023-24 by the time crop was grown by farmers is ready for harvest. The present study looked into the timely opening of PPCs at the village level in the state. The empirical data indicates that 85.62 percent farmers reported that the PPCs were opened by the time they harvested their paddy and 13.84 percent informed that they did not open by the time they harvested their paddy (Figure 1). Only 0.54 percent were not aware of whether they were opened on time or not as they harvested their paddy a bit late and hence did not bother about it.

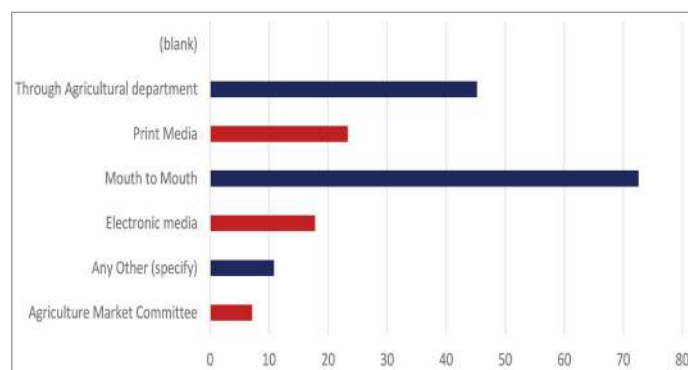
**Fig 1.Distribution of sample farmers with regards to their response about the opening of PPCs in Yasangi by the time of paddy harvest.**



Source: Telephonic Survey, 2024

The study further assessed how the news of opening of Paddy procurement centers reached them. There were multiple responses to this question as they some times get the information from different sources simultaneously. Figure 2 indicates that the majority (72.58 percent) of paddy farmers were getting information about the opening of PPCs through a spread of word from mouth to mouth followed by agriculture department(45.2percent) and print media (23.32 percent).

**Fig2.Distribution of sample farmers with respect to their response regarding the source of news of the opening of PPCs**

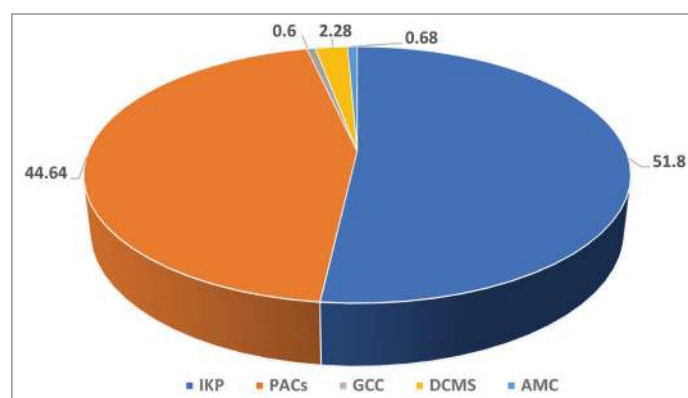


Source: Telephonic Survey, 2024

### 3.3 Type of Procurement Centres

Department of Civil Supplies opens Paddy Procurement Centres at village level. As seen in Figure.3 these are managed and operated by Indira Kranthi Patham (IKP) centres managed by Self Help Group(SHG) women, Primary Agricultural Credit Societies(PACs), Girijan Cooperative Societies (GCCs) in Tribal areas, District Cooperative Marketing Society(DCMS) and Agricultural Market Committees (AMCs). Depending on the distance of PPC and convenience, farmers prefer different kinds of PPCs to sell their produce.

**Fig 3.Distribution of sample farmers with respect to their place of selling the paddy**



Source: Telephonic Survey, 2024

The study found that the majority (51.8 percent) of paddy growing farmers in the Telangana state were selling their produce at the IKP centres managed by the women Self Help Groups followed by Primary Agricultural Credit Society(PACs). A small number of 2.28 percent farmers are also selling their produce at the PPCs operated by DCMS. Very negligible number of farmers are selling at the PPCs run by AMCs (0.68 percent) and GCCs (0.6 percent).

It could be seen from data that the majority (42.88 percent) of farmers were selling at a distance ranging between 2-3 kms from their field/village. Similarly 41.48 percent of paddy farmers were

selling their produce within a kilometer range. A small number of 6.52 percent farmers were travelling more than 6 kms to sell their paddy produce. There are some logistic glitches when farmers are selling their produce at the cluster level (Revathi and Dayakar, 2020)

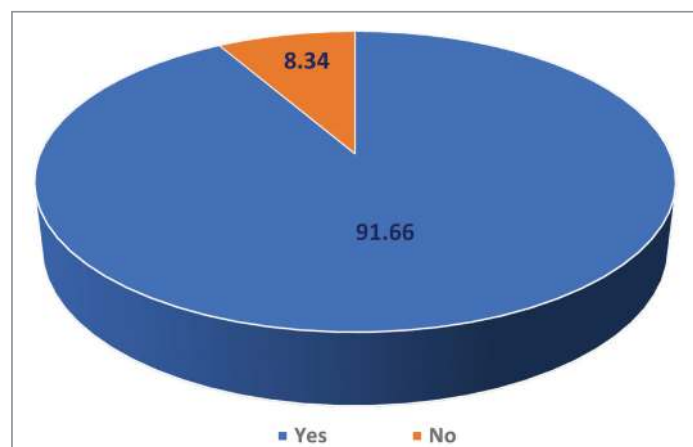
Assured MSP at the PPCs is the major reason cited by the majority number of farmers (89.1 percent), responding to a question on why they prefer to sell at the PPCs followed by quick and timely payment (51.0 percent) and nearness to village (42.46 percent). Substantial number of farmers (27.9 percent) reported that they do not want to sell in open market so as to avoid exploitation of millers.

Nearly one fourth (22.3 percent) of the farmers are not drying the paddy before transporting it the PPCs for selling. As a result, they face problems while selling their paddy including the increased deductions due to moisture. Hence, more awareness has to be created among farming communities in this regard.

### 3.4 Payment Duration-Farmers' Satisfaction

For farmers, the timely receipt of money from paddy sales is their foremost concern. The government of the day has taken special care through the civil supplies department to ensure the timely and quick crediting of amount into farmers' bank account after selling the produce at PPC. The study enquired about the satisfaction of farmers about the payment duration in YASANGI 2023-24 compared to the previous year. The empirical data revealed that 91.66 percent were satisfied with the payment duration in Yasangi 2023-24 and only 8.34 percent were not satisfied with the payment duration (Figure.4). *"Gatha rendu samvathsaralatho polisthe, ee yasangiki dabbulu thondaraga vacchaayi"*, said, a farmer during the telephonic survey.

**Fig. 4. Distribution of sample farmers with respect to their response regarding the satisfaction about the payment duration in YASANGI 2023-24 compared to the previous year**



Source: Telephonic Survey, 2024

It was found that 73.66 percent farmers received the money after more than 7 days of selling at PPC. However, majority farmers were happy as it was much quicker than the previous year which went upto to even 30-45days after selling their paddy at PPCs. Substantial number of farmers (22.66 percent) received the money within 4-6 days duration and 3.68 percent farmers received within three days of selling their paddy at the PPC. Due to lesser number of transporting vehicles after weighing, it is taking atleast 3 days to load the bags. Due to scarcity of transporting vehicles, paddy is reaching mills late and hence the delay in release of Truck sheets and eventual delay in the payments to farmers. In many cases, paddy bags belonging to 2-3 farmers are loaded in the same vehicles. In such cases if any one of the farmer is not providing Aadhar card or Bank Account number, there will be delay of 10-20 days in crediting of money into the accounts of farmers affecting all the other farmers whose produce formed part of that same lorry consignment.

### 3.5 Deductions at PPCs/Mills

Generally, some of the farmers bring the paddy produce without drying and cleaning. Their produce contains chaffy grains and dust. Hence, the staff at the procurement centres some times in some of the PPCs deduct a couple of Kgs so that it is compensated. It can be seen from table 3 that the majority farmers(57.3 percent) reported the deductions in their net weighted produce. This was one of the major complaints given by the farmers as the deduction is being done at PPC level and also at the mill level. In general it was told during the telephonic survey that at the PPC level they are deducting on an average 2-4kgs/bag and at the mill level 5-8kgs per quintal. Forty three percent did not report any deductions at the time of weighing.

**Table 3: Distribution of sample farmers with respect to their response regarding the cuttings in the paddy by the PPC staff at the time of weighing (Percent).**

| Yes            | No             | Total           |
|----------------|----------------|-----------------|
| 57.3<br>(2865) | 42.7<br>(2135) | 100.0<br>(5000) |

Source: Telephonic Survey

The department of civil supplies has established a toll free number for any grievances they face while selling the produce at the PPCs. However more than three fourths of the sample farmers (77.18 percent) were not aware of the tollfree number. In many villages farmers have reported that at the PPCs 2-3 kgs deduction is being done. *"Ila cutting chestunnarani, toll free number ki, government officer ki chepina, evvaru response ivvatledhu"*, said, a farmer (when we call toll free number about this high cutting and even government officers when informed are not responding). Most of the farmers feel, that deduction is being done more at the mill level. *"Reyinbavallu kashtapadi pandinchina pantanu millu varu"*

*dochukuntunnaru*” said, a farmer from Raikode village, Narva mandal of Narayanpet district. As the vehicles carrying paddy are waiting in queue, the miller says, that, the weight has reduced due to high temperatures and hence for 40 Kg bag loaded at PPC, miller is paying for only 36 Kgs in some cases. When any farmer questions it, they are asking the farmers to take back their produce. As farmer would not be having money at that point of time, he is helpless and agreeing to deductions enforced by the staff of mills. “*Pandinchina panta cuttings ke pothundhi*”, says, farmer of Maheshwaram village, Narsampet Mandal of Warangal district. The exploitation of farmers was more prominent in the tribal belts taking advantage of the innocence of the tribal community (see box 1).

### Box 1: Exploitation of Tribals by Middle men

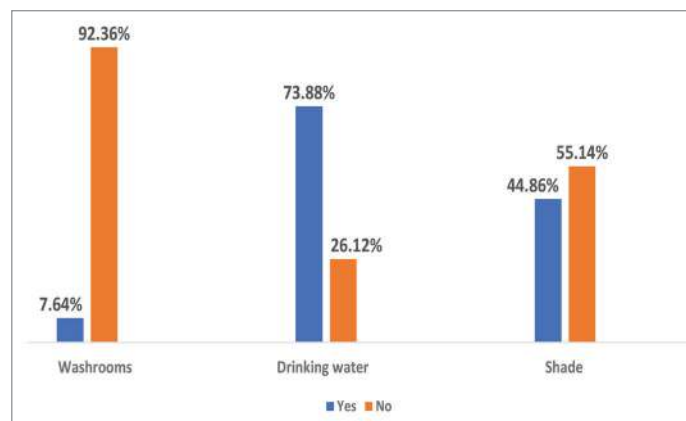
*In Parigaon Village of Sirpur T Mandal of Komuram Bhim Asifabad district the paddy is procured through PACs but directly from farmers’ field itself. There is no centralized place for procuring paddy in this village. The prevalence of middle men is high in this village. The brokers enter into agreement with farmers and pay some advance. The middle men take care of weighing and transportation of paddy to the mill in the name of same farmer. When the money is credited into the account of farmer, he has to give commission to the middle men. In case, if any farmer wants to sell directly to the PACs, they are not given gunny bags on time, weighing is delayed and weighing machine has to be procured by the farmer himself. They load the produce of such farmers late and as per the convenience of PACs. More over the deduction is done 3kgs/bag but for those farmers who sell their produce through brokers only 2kgs is deducted. There are no paddy cleaners and even tarpaulins are not provided. However, in this village, farmers are happy that in the Yasangi 23-24 procurement was fast and money was credited soon. But eradication of middlemen in the procurement and provision of proper place for the procurement in the village would address the major problems of farmers in this village.*

Source: Telephonic Survey

### 3.6 Facilities at PPCs:

As per the norms, basic facilities are to be provided to the farmers visiting/selling the produce at the paddy procurement centres. The present study tried to understand the scenario with respect to these facilities in various PPCs in the state. As seen from Figure 5, 92.36 percent of the PPCs do not have washrooms. There are many women farmers selling their produce at PPCs and they should be provided washrooms. Drinking water is being provided to farmers in the 73.88 percent of the PPCs and shade is being provided/available in the 55.14 percent of the PPCs. During the telephonic survey some of the farmers reported that drinking water is being provided to only PPC staff and *Hamilis*. Farmers have to get their drinking water from home. In certain cases, the drinking water is provided to *Hamilis* by farmers when their produce is being weighed. The data clearly indicates that there is vast scope for improvement of facilities at some of these PPCs.

Fig 5. Distribution of sample farmers with respect to their response regarding the facilities provided at PPCs

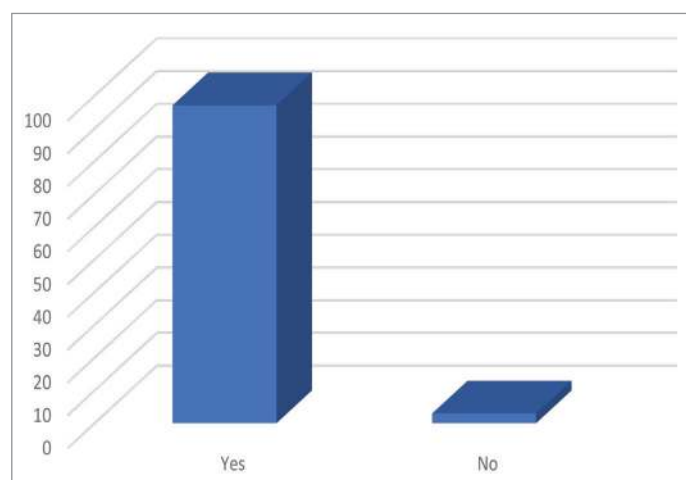


Source: Telephonic Survey, 2024

In addition to basic facilities farmers need to have access to proper infrastructure at the PPCs such as paddy cleaners, moisture meters, gunny bags, paddy crusher, tarpaulins etc. The present study tried to assess the availability of these facilities at various PPCs in the state. The study found that majority (98.74 percent) of the PPCs had moisture meters followed by gunny bags (83.96 percent), paddy cleaners/winnowing fans (72.18 percent). Majority of the farmers reported the non-availability of Calipers (96.38 percent), paddy crushers (84.04 percent) and Tarpaulins (83.84 percent). Paddy cleaners/winnowing machine is an important item that must be available to the farmers at the procurement centre. Unfortunately, substantial number of farmers (27.82 percent) reported the non-availability of the paddy cleaners at their PPCs.

Availability of proper and authentic weighing machine is important from the farmers point of view. Accuracy in weighing reduces his losses. The details of availability of electronic weighing machine is given in the Figure.6 and it could be seen that 97 percent of the PPCs are having electronic weighing machine.

Fig 6. Distribution of sample farmers with respect to their response regarding the access to provided electronic weighing scale at PPCs



Source: Telephonic Survey, 2024

Overall, despite certain shortcomings in individual facilities or infrastructure, farmers were asked how satisfied they were with the facilities at the Paddy Procurement Centres. It was found that the majority (79.02 percent) were happy with facilities at the procurement centres and one fifth of them (20.98 percent) were not satisfied.

#### 4. Conclusion

Government of Telangana through its Department of Civil Supplies is ensuring the effective procurement of paddy through various kinds of paddy procurement centres in the state. More than ninety percent of the farmers who sold their paddy in Yasangi season (rabi) 2023-24 at Paddy Procurement Centres are happy with the duration of payment of money they received as compared to previous season. Empirical evidence clearly indicates that one fourth of the sampled farmers received the money within six days of selling their paddy at PPCs. There is a vast scope for improvement of facilities at PPCs including the machinery. Major complaint reported by farmers include,

unregulated deductions in net weight at PPCs and Mill level, delay in weighing and transportation, higher hamali charges and in some places collusion of PPC staff with transport vehicle drivers and millers. The empirical evidence calls for the need to have more government control over mills so as to rescue the farmers from exploitation. Tribal areas in particular need strict vigilance as the discrepancies were high. Awareness about the tollfree number has to be increased and the complaints given by the farmers to this tollfree number should be kept confidential so as to avoid harassment in turn to the farmers who have raised the complaint. Agricultural policies should be based on realistic understanding of the ground realities of crop yield and extent, issues in procurement strategies, among other critical factors of the eco-system of rice cultivation (Motkuri, 2020). The governments' efforts for effective paddy procurement can further be strengthened by addressing some of the major constraints reported by the farmers and incorporating the suggestion given by the farmers into the paddy procurement policies of the Telangana state.

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